

B . P . M A R S H
& P A R T N E R S P L C



Interim Report

For the period ending 31 July 2021



“This is a good set of results for the Company, and the continuation of a long trend of strong portfolio growth.”

“Looking forward, we continue to seek investment opportunities into new businesses, to diversify our portfolio further, and increase investor returns.”

Brian Marsh OBE, Chairman

Contents

2	Group Profile
3	Group Valuations
4	Statement by the Chairman and Managing Director
6	Chief Investment Officer's Portfolio Update & Outlook
14	Group Finance Director Update
16	Portfolio Valuation
20	Consolidated Statement of Comprehensive Income
21	Consolidated Statement of Financial Position
22	Directors & Company Secretary

Group Profile

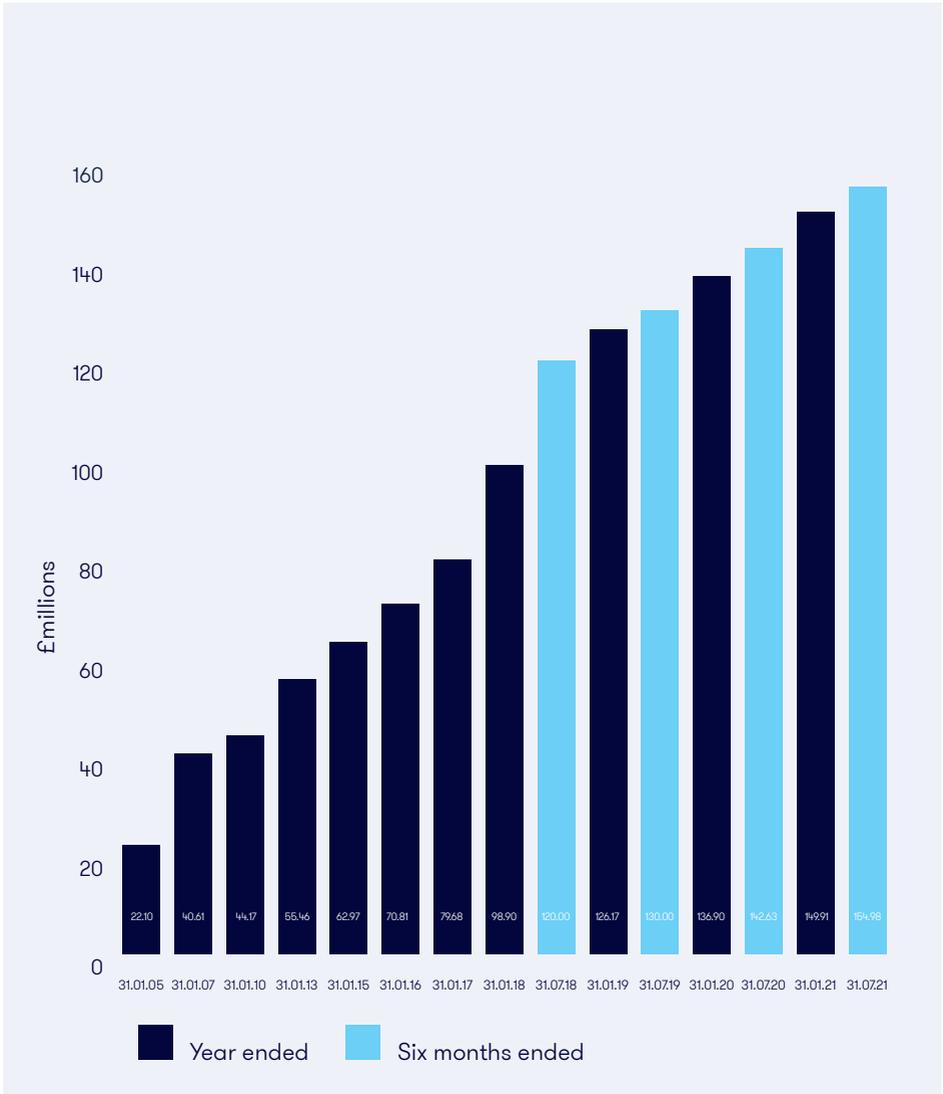
B.P. Marsh & Partners PLC is a specialist investor in early stage Financial Services intermediary businesses, including insurance intermediaries, financial advisors, wealth and fund managers and specialist advisory and consultancy firms. It considers investment opportunities based in various parts of the world.

The Group's aim is to be the capital provider of choice for the Financial Services intermediary sector and to deliver to its investors long-term capital growth alongside a sustainable distribution policy.

The Group invests amounts of up to £5m in the first round, and takes a flexible approach to investment structures, reviewing stages from start-up to more developed. The Group initially only takes minority equity positions and does not seek to impose exit pressures, preferring to be able to take a long-term view where required and work alongside management to a mutually beneficial exit route that maximises value.

B.P. Marsh has invested in over 50 businesses since it was founded in 1990 and its management team has a wealth of experience and a well-developed network within the Financial Services sector.

Group Valuations



NB: The valuation at 31 January 2007 includes £10.1m net proceeds raised on AIM. The valuations from and including 31 July 2018 include £16.6m net proceeds raised in the July 2018 Share Placing and Open Offer.

Statement by the Chairman and Managing Director

Interim Results

B.P. Marsh & Partners Plc (AIM: BPM), the specialist investor in early stage financial services businesses, announces its unaudited Group Interim Results for the six months to 31 July 2021 (the "Period").

The financial highlights for the Period are:

- Net Asset Value at 31 July 2021 £155.0m (31 July 2020: £142.6m; 31 January 2021: £149.9m)
- Net Asset Value per share 430.4p* (31 July 2020 396.2p; 31 January 2021: 416.4p)
- Consolidated profit before tax of £6.2m (31 July 2020: £6.5m; 31 January 2021: £13.7m)
- Total Shareholder return of 4.0% for the Period including the dividend paid in July 2021 (9.3% for the 12 months since 31 July 2020, inclusive of the July 2021 dividend paid)
- Group cash availability of £3.1m (including undrawn loan facility of £2.0m) as at 31 July 2021
- Current cash £3.5m (inc. £2.6m loan facility)
- Cash availability (including loan facility) will increase to £5.5m following a £2.0m loan repayment from an investee company

* The diluted Net Asset Value per share is 424.6p including shares held within an Employee Benefit Trust which met certain performance criteria during the Period.

Statement by the Chairman and Managing Director

Chairman's Statement

We are pleased to present the unaudited Consolidated Financial Statements of B.P. Marsh & Partners Plc for the six-month period to 31 July 2021 (the "Period").

Over the last eighteen months, the seventeen companies in which we participate have, in their various Countries, been forced to work on a daily basis through the problems thrown up by the Global Coronavirus Pandemic.

This they have done with a determination and commitment which we applaud and which we, in London, have endeavoured to do likewise.

As a result, during the six months period to 31 July 2021, as is set out more fully below, our Net Asset Value increased overall by 3.4%. In the previous year and within that same period, the six months to 31 July 2020, that increase was 4.2%.

The Group is reassured by the promising signs of economic recovery that the United Kingdom has shown since the start of the Covid-19 vaccine rollout, but is aware that the potential hardships are not over.

Throughout the past year and a half, as announced previously, our team have been in regular contact with our Portfolio of Investments to assist when possible and help them navigate the difficulties posed by the situation facing us all now.

As an organisation we have recently enjoyed the ability to begin meeting face to face again, both internally and with our Portfolio partners and external parties. As a 'people' business, this is a significant aspect of our modus operandi and whilst we have proved we can function well remotely, our experience tells us that transformative ideas and deals often originate from meeting others in person.

As at the end of the Period, the Company had available cash of £3.1m including the available Loan Facility. Currently the total available cash including the Loan Facility is £3.5m for new and follow-on investments.

In July 2021, the Company paid a dividend of 2.44p per share (prior year 2.22p per share) to all shareholders on the Register as at 25 June 2021. This constituted the total of our £0.88m trading profit for the year. The Board believes this distribution struck the right balance between rewarding its shareholders whilst also retaining capital within the business to continue portfolio growth. The Group has always aimed to make distributions upon cash realisations, so we were pleased to be able to pay the modest dividend during the year without one.

Brian Marsh OBE, Chairman
Alice Foulk, Managing Director

18 October 2021

Chief Investment Officer's Portfolio Update and Outlook

The Group's portfolio of investments has continued to show resilience during our interim period to 31 July 2021, notwithstanding the ongoing challenges posed by the Covid-19 Pandemic.

Over the six month period, the valuation of the Group's equity portfolio has increased by 4.1%, with NAV increasing by 3.4%.

This growth has emanated from c.70% of the Portfolio, notably from Nexus Underwriting Management Limited, XPT Group LLC, and Walsingham Motor Insurance Limited.

The previously announced acquisition of MB Prestige Holdings PTY Limited by ATC Insurance Solutions PTY Limited has also produced an uplift to NAV over the Period. This disposal once more demonstrates that our long term, minority investment approach produces unique opportunities.

As the world's economy recovers, the Group's underlying portfolio continues to see further opportunities for growth and greater emphasis is now being placed on assisting our investee companies in taking advantage of these new prospects.

The Group itself has a healthy pipeline of new business opportunities having received 31 in the Period (for the six months to 31 July 2020 the Group received 22 proposals). As we have stated previously, Covid-19 had somewhat curtailed our appetite for new investments, with our focus

being on protecting the current portfolio. However, as we now appear to be returning to more normal operations across the industry, the Group is in discussions with a number of interested parties regarding new investments.

Continued M&A activity at the larger end of the insurance market tends to lend itself to creation of opportunities at the smaller end of the market. These opportunities fit in the Company's investment model, and we therefore remain prepared to take advantage of this phase in the insurance cycle.

Turning to the insurance market itself, for insurers rate adequacy remains a key focus, with the underlying profitability of Lloyd's and Company markets being a central consideration. The Group's portfolio itself does not involve direct balance sheet exposure, with our Managing General Agency ("MGA") investments effectively borrowing capacity from insurers. Therefore, they are particularly mindful of the importance of writing business that is profitable for their insurance partners.

The Group's insurance intermediary investments continue to see rate increases across the sectors in which they operate. Whilst there are signs that rates in short tail lines of business are levelling out, rate increases continue to be strong where lines of business are exposed to long tail risk.

Chief Investment Officer's Portfolio Update and Outlook

Portfolio Update

Follow-on Investments and Funding

Investee Company Disposal - MB Prestige Holdings PTY Limited ("MB") - Post Period-end

As previously reported, ATC Insurance Solutions PTY Limited ("ATC") acquired 100% of MB for a consideration of AU\$170m (c.£9.0m) on 31 August 2021, with consideration being paid to all shareholders in a combination of cash or equity in ATC.

B.P. Marsh sold its 40% equity stake in MB for AU\$6.8m (c.£3.6m), for which the Group received newly issued shares in ATC.

The Group previously had a 20% shareholding in ATC, which increased to 25.5% following ATC's acquisition of MB.

This acquisition valued ATC at AU\$76.0m (c.£40.0m), resulting in a post transaction valuation for the combined business of AU\$93.0m (c.£49.0m). This has resulted in an AU\$5.8m (c.£3.0m) increase to the Group's aggregate valuation of ATC and MB, as at 31 July 2021.

The Group believes that this transaction demonstrates our unique flexible approach to investing and realising investments within the financial services sector, in terms of both size and structure.

Refinancing Exercise & Further Investment - Nexus Underwriting Management Limited ("Nexus") - Post Period-end

+ 8.5 pence NAV per share uplift in Period

On 8 October 2021, Nexus secured a new £70.0m banking facility from Barings LLC ("Barings").

This facility has been utilised in two ways, with £50.0m being used to refinance existing debt and meet upcoming deferred consideration payments, with the remainder being available for new acquisitions.

As part of securing this new facility with Barings, Nexus repaid in full the £40.0m loan facility with HPS Investment Partners LLC and also the £4.0m loan facility with the Group. The loan to the Group was repaid over 2 years earlier than originally expected.

Alongside the fundraise, B.P. Marsh acquired a further 100,000 shares in Nexus for £4m, from Ian Whistondale, a founding non-management shareholder. This was an opportunity to allow a founding shareholder to partially realise the value of their equity in Nexus, without the need to exit in full, whilst enabling B.P. Marsh to acquire a further 2.49% shareholding in Nexus.

The Group currently has a shareholding in Nexus of 19.18%.

Chief Investment Officer's Portfolio Update and Outlook

Since B.P. Marsh first invested in Nexus in August 2014, it has grown from a Gross Written Premium ("GWP") of £55.0m to a projected figure of over £400m in 2021. Over the same period, Nexus has grown its EBITDA by over 7x.

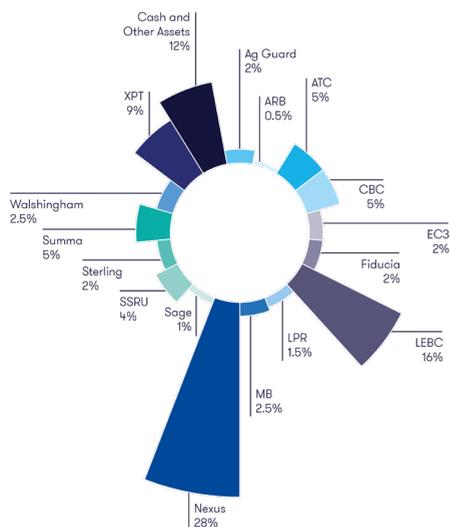
Date of initial investment: August 2014

31 July 2021 valuation: £43,981,000

Equity stake: 17.42% (subsequently 19.18% post Period-end)

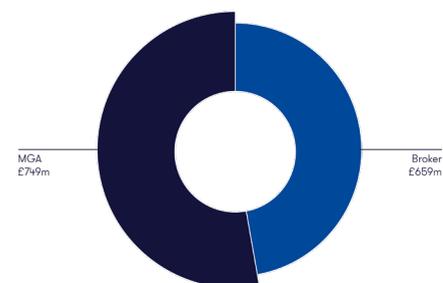
NAV breakdown by portfolio company

The composition of B.P. Marsh's underlying portfolio company exposure can be found here:



The Group's current investments are in the Insurance Intermediary sector, with the exception of the independent financial adviser LEBEC.

Our insurance investments are budgeting to produce in aggregate £1.4bn (c. US\$1.9bn) of insurance premium during 2021, and a breakdown between brokers and MGAs can be found here:



Chief Investment Officer's Portfolio Update and Outlook

Insurance Brokers

Investments:

Broking Investments	Date of Investment	Jurisdiction	Equity % 31 July 2021	Valuation 31 July 2021	Cost of Investment	% of NAV 31 July 2021
Summa Insurance Brokerage, S. L	Jan 2005	Spain	77.25%	£7,984,000	£6,096,143	5.2%
CBC UK Limited	Feb 2017	UK	47.06%	£7,747,000	£603,500	5.0%
EC3 Brokers Limited	Dec 2017	UK	35%	£3,072,000	£6,500,000	2.0%
Lilley Plummer Risks Limited	Oct 2019	UK	30%	£2,258,000	£1,008,242	1.5%
Asia Reinsurance Brokers Pte Limited	April 2016	Singapore	25%	£808,000	£1,551,084	0.5%
Mark Edward Partners LLC	Oct 2017	USA	30%	£0	£4,572,822	0.0%
Total	-	-	-	£21,869,000	£20,331,791	14.2%

The Group's Broking investments are budgeting to place over £659m of GWP, producing over £41m of commission income in 2021, accessing specialty markets around the world.

Underwriting Agencies / Managing General Agents ("MGAs")

Investments:

MGA Investments	Date of Investment	Jurisdiction	Equity % 31 July 2021	Valuation 31 July 2021	Cost of Investment	% of NAV 31 July 2021
Nexus Underwriting Management Limited	Aug 2014	UK	17.42%	£43,981,000	£11,126,554	28.4%
XPT Group LLC	Jun 2017	USA	29.80%	£13,841,000	£7,330,052	8.9%
ATC Insurance Solutions PTY Limited	Jul 2018	Australia	20.00%	£8,036,000	£2,865,523	5.2%
Stewart Specialty Risk Underwriting Limited	Jan 2017	Canada	30.00%	£5,671,000	£19	3.7%
MB Prestige Holdings PTY Limited	Dec 2013	Australia	40.00%	£3,595,000	£479,707	2.3%
The Fiducia MGA Company Limited	Nov 2016	UK	35.18%	£3,406,000	£227,909	2.2%
Sterling Insurance PTY Limited	Jun 2013	Australia	19.70%	£2,675,000	£1,945,411	1.7%
Walsingham Motor Insurance Limited	Dec 2013	UK	40.50%	£3,745,000	£600,002	2.4%
Ag Guard PTY Limited	Jul 2019	Australia	41.00%	£3,196,000	£1,465,071	2.1%
Sage Program Underwriters, Inc	Jun 2020	USA	30.00%	£1,031,000	£202,758	0.7%
Total	-	-	-	£89,177,000	£26,243,006	57.6%

The Group's MGAs are budgeting to place over £749m of GWP, producing over £78.0m of commission income in 2021, across over 30 product areas, on behalf of more than 50 insurers.

Chief Investment Officer's Portfolio Update and Outlook

IFA Investment

Investments:

IFA Investment	Date of Investment	Jurisdiction	Equity % 31 July 2021	Valuation 31 July 2021	Cost of Investment	% of NAV 31 July 2021
LEBC Holdings Limited	April 2007	UK	59.34%	£25,000,000	£12,373,657	16.1%

LEBC Holdings Limited ("LEBC")

+ 0 pence NAV per share uplift in Period

B.P. Marsh has been invested in LEBC, the Independent Financial Advisory company providing expert financial advice to individuals, since April 2007. LEBC remains the Group's only non-insurance related investment.

Whilst LEBC has been through a period of change over the past 24 months, as has previously been announced to the market, underlying performance is on track to return to acceptable levels. LEBC have produced an adjusted EBITDA of £2.8m for the 11-month period to 31 August 2021.

LEBC continues to develop its platform for accelerated growth through a number of avenues, being the increased penetration of its existing client base, the development of technology and the recruitment of new advisers.

Date of initial investment: April 2007

31 July 2021 valuation: £25,000,000

Equity stake: 59.34%

Chief Investment Officer's Portfolio Update and Outlook

Portfolio Company Highlights

Ag Guard PTY Limited ("Ag Guard")

+ 4.7 pence NAV per share uplift in Period

Ag Guard recently entered into a new strategic partnership with Elders Insurance (Underwriting Agency) Pty Limited ("Elders Insurance"), which in turn is owned by QBE Insurance Group Limited ("QBE"), one of Australia's largest general insurers.

Elders Insurance is one of the largest providers of goods and services to the agricultural industry in Australia, ranging from wool, grain and livestock trading to financing, banking, real estate services, and insurance.

As part of this arrangement, Ag Guard provide a specialised crop underwriting system and claims management service to the Elders Insurance branch network across Australia with insurance capacity provided by QBE Insurance (Australia).

Broadacre is the first product on which Ag Guard and Elders Insurance have collaborated, which will be followed shortly by cotton. With seasonal conditions being optimal and commodity prices continuing to rally in Australia, Ag Guard is likely to outperform its ambitious targets for FY22. Ag Guard and Elders Insurance will continue to work together to develop this relationship, with there being significant opportunity to develop new innovative products together to assist rural producers across Australia.

This new partnership can be seen as transformational for Ag Guard, setting in motion the beginning of a successful relationship with a renowned carrier and a leading Australian agribusiness company.

Date of initial investment: July 2019

31 July 2021 valuation: £3,196,000

Equity stake: 41.00%

Walsingham Motor Insurance Limited ("Walsingham")

+ 4.1 pence NAV per share uplift in Period

Walsingham is a London-based MGA which specialises in UK Courier and Taxi fleet motor insurance. Since the Group's investment in Walsingham in 2015, the business has grown GWP from start-up to c.£26m. Walsingham have subsequently repaid £1.2m in loans provided by the Group as working capital to develop the business, and are on course to achieve EBITDA of c.£1.0m in their current financial year. The increase in the valuation of Walsingham at 31 July 2021 reflects the significant growth the business has achieved to date and the repayment of all loans.

Date of initial investment: December 2013

31 July 2021 valuation: £3,745,000

Equity stake: 40.5%

Chief Investment Officer's Portfolio Update and Outlook

XPT Group LLC ("XPT")

+ 2.8 pence NAV per share uplift in Period

In October 2021 XPT completed its ninth acquisition when it bought S&H Underwriters, Inc ("S&H"), an MGA and surplus lines broker based in Barre, Vermont.

S&H works with retail clients in Personal and Commercial Excess, Surplus and Specialty lines throughout New England and the Mid-Atlantic States. S&H are budgeting to place GWP approaching \$15.0m in 2021.

This acquisition provides XPT with several benefits. The acquisition has expanded XPT's geographic footprint to include New England. It has added expertise in product lines that intersect with XPT's current business and increased access to key markets, especially in the Lloyd's of London market.

With S&H having joined XPT, the business now has the opportunity to expand its product offerings to existing clients, including in Bars and Taverns and General Binding Authority business.

The acquisition is a continuation of XPT's strategy of acquiring specialist wholesale brokers that place hard to insure risks through wholesale distribution channels.

Following the acquisition of S&H, B.P. Marsh have a revised fully diluted shareholding (including warrants) of 28.6% in XPT.

Additionally, XPT has secured an additional \$30.25m in financing from Madison Capital Funding LLC ("Madison"), over and above XPT's existing banking facilities with Madison of \$39.795m.

XPT drew down \$15.25m from this facility upon completion, with the remaining available via a draw down facility. The initial drawdown was used to finance the acquisition of S&H, alongside the payment of previously agreed successful earn out arrangements from acquired businesses.

Date of initial investment: June 2017

31 July 2021 valuation: £13,841,000

Equity stake: 29.80% (subsequently 28.6% post Period-end)

Stewart Specialty Risk Underwriting Ltd ("SSRU")

+0 pence NAV per share uplift in Period

In July 2021, SSRU repaid in full the original loan facility provided by B.P. Marsh at investment, amounting to £0.3m (CA\$0.5m). The repayment of this loan comes 18 months earlier than originally envisaged.

SSRU remains on track to achieve its current year budget for GWP of £31.0m (CA\$55m) and EBITDA of £2.6m (CA\$4.6m).

Since investment SSRU has grown exponentially, and this is expected to continue into 2022.

Date of initial investment: January 2017

31 July 2021 valuation: £5,671,000

Equity stake: 30%

Chief Investment Officer's Portfolio Update and Outlook

Lilley Plummer Risks Limited **("Lilley Plummer")**

+0 pence NAV per share uplift in Period

During the Period, Lilley Plummer established a company in Cyprus named LPR Insurance Brokers Limited, which is an approved Lloyd's Broker. This entity has allowed Lilley Plummer to expand its presence in providing solutions to EU clients operating in the European shipping market.

Additionally, in August 2021, Lilley Plummer became FCA regulated, having previously traded as an Appointed Representative since formation.

Date of initial investment: October 2019

31 July 2021 valuation: £2,258,000

Equity stake: 30%

CBC UK Limited ("CBC")

-2.2 pence NAV per share decrease in Period

During the Period, CBC sold its Jersey Operation, CBC Insurance (Jersey) Limited ("CBCJ"), to PIB Group Limited. This sale of CBCJ has enabled CBC to focus on its specialty London Markets. It also provided liquidity to be able to buy back 1.7% of its shares from an existing shareholder as well as trigger a Call Option with the Group to buy back 0.3% at a fixed price of £0.3m.

Post Period-end, CBC secured £3.0m in new loan financing from Coutts & Co. Of this, £2.0m will be used to repay part of the £5.1m loan funding from the Group, with the remaining £1.0m being

used to fund further growth. In addition, CBC has agreed to acquire a new experienced financial lines team that are expected to add significant revenue and profit going forwards.

Date of initial investment: February 2017

31 July 2021 valuation: £7,747,000

Equity stake: 47.06%

Daniel Topping,
Chief Investment Officer
18 October 2021

Group Finance Director Update

The Group's equity investment portfolio has continued to increase in value, rising by 4.1% to £136.2m (31 Jan 2021: £131.0m). Overall, the Net Asset Value of the Group increased by £5.1m (3.4%) to £155.0m despite the ongoing disruption from the Covid-19 pandemic. Including the dividend paid in July 2021 of £0.9m, this represented an overall return of 4.0% for the Period.

Over the year to 31 July 2021 the Net Asset Value has increased by £12.3m or 8.7%. Including the £0.9m dividend paid in July 2021 this represents an overall return of 9.3%.

The Net Asset Value of £155.0m at 31 July 2021 represents a total increase in Net Asset Value of £125.8m since the Group was originally formed in 1990 having adjusted for the original capital investment of £2.5m, the £10.1m net proceeds raised on AIM in 2006 and the £16.6m net proceeds raised through the Share Placing and Open Offer in July 2018. The Directors note that the Group has delivered an annual compound growth rate of 8.1% in Group Net Asset Value after running costs, realisations, losses, distributions and corporation tax since flotation and 11.5% since 1990.

The Group's strategy is to cover expenses from the portfolio yield. On an underlying basis, excluding investment activity (unrealised gains on equity revaluation and provision against loans receivable from investee companies), this was achieved with a pre-tax profit of £0.9m for the Period (H1 2020: £0.6m). The c.50% increase in

underlying profit relates to the earlier receipt of dividend income from certain investee companies in H1 2021, whereas these dividends were received in H2 in 2020. Overall, on a like-for-like basis, the underlying profit for this Period was c.10% higher.

Liquidity

As at the Period-end, the Group had available cash of £3.1m comprised of a free cash balance of £1.1m together with access to a further £2.0m by way of a Loan Facility with Brian Marsh Enterprises Limited.

Since the Period-end, the Group repaid £0.6m of the Loan Facility drawn down, has lent £0.2m in loans to finance working capital for one of its investee companies and received £0.6m in net income. The current free cash balance is £0.9m, with an additional £2.6m of available Loan Facility, and therefore total liquidity available for new and follow-on investments is £3.5m. In addition, pursuant to the new fundraising at CBC, the Group is due to receive £2.0m in loan repayment which will increase total liquidity to £5.5m.

Group Finance Director Update

Diluted Net Asset Value per share

The Net Asset Value per share at 31 July 2021 is 430.4p (31 July 2020: 396.2p, 31 January 2021: 416.4p). As part of a long-term share incentive plan for certain directors and employees of the Group, in June 2018 1,461,302 shares were issued to an Employee Benefit Trust at 281 pence per share.

On 12 June 2021 (the “vesting date”) certain performance criteria were met for 1,206,888 of 1,461,302 shares held under joint share ownership arrangements within the Employee Benefit Trust, after which the members of the scheme became joint beneficial owners of the shares and therefore became entitled to any gain on sale of the shares in excess of 312.6 pence per share. There were 254,414 shares where the performance criteria were not met on the vesting date that remain unallocated within the Employee Benefit Trust. Whilst these shares remain within the Employee Benefit Trust, they do not have voting or dividend rights. However, if the shares are sold in the future in excess of 281 pence per share, the Group would be entitled to receive £4,106,259 and these shares would become entitled to voting and dividend rights and therefore would become dilutive. Overall this would therefore dilute the Net Asset Value per share as at 31 July 2021 to 424.6p.

Share Buy-Backs

As has been stated previously, the Group has an overarching strategy for undertaking select market buy-backs of its shares at times when the discount to Net Asset Value, based upon the most recently announced NAV, is greater than 15%.

Notwithstanding that the discount to NAV at which the Group’s shares are currently trading is greater than 15%, the Group remains restricted in its ability to buy back shares since, given that Brian Marsh, together with persons acting in concert with Brian Marsh for the purposes of the City Code on Takeovers and Mergers (the “City Code”), has an interest in approximately 41.85% of the Group’s voting rights, any such purchase of shares would result in an obligation for Brian Marsh to make a general offer for the Group in accordance with Rule 9 of the City Code.

Jonathan Newman,
Group Finance Director
18 October 2021

Portfolio Valuation

These investments have been valued in accordance with the accounting policies on Investments set out in note 1 of the Interim Consolidated Financial Statements.

Ag Guard PTY Limited

(www.agguard.com.au)

In July 2019 the Group invested in Agri Services Company PTY Limited, which in turn acquired 100% of the equity in Ag Guard PTY Limited ("Ag Guard"). Ag Guard is a Managing General Agency, which provides insurance to the Agricultural Sector, based in Sydney, Australia.

Date of investment: July 2019

Equity stake: 41%

31 July 2021 valuation: £3,196,000

Asia Reinsurance Brokers Pte Limited

(www.arbrokers.asia)

In April 2016 the Group invested in Asia Reinsurance Brokers Pte Limited ("ARB"), the Singapore headquartered independent specialist reinsurance and insurance risk solutions provider. ARB was established in 2008, following a management buy-out of the business from AJ Gallagher, led by the CEO, Richard Austen.

Date of investment: April 2016

Equity stake: 25%

31 July 2021 valuation: £808,000

ATC Insurance Solutions PTY Limited

(www.atcis.com.au)

In July 2018, the Group invested in ATC, an Australian-based MGA and Lloyd's Coverholder, specialising in Accident & Health, Construction & Engineering, Trade Pack and Sports insurance.

Date of investment: July 2018

Equity stake: 20%

31 July 2021 valuation: £8,036,000

CBC UK Limited

(www.cbcinsurance.co.uk)

Established in 1985, CBC is a Retail and Wholesale Lloyd's Insurance Broker, offering a wide range of services to commercial and personal clients as well as broking solutions to intermediaries. The Group assisted in an MBO of CBC allowing Management to buy out a major shareholder via parent company Paladin Holdings Limited.

Date of investment: February 2017

Equity stake: 47.1%

31 July 2021 valuation: £7,747,000

Criterion Underwriting Pte Limited

The Group helped establish Criterion alongside its Partners in Asiare Holdings Pte Limited and Asia Reinsurance Brokers Pte Limited in July 2018. Criterion is a start-up Singapore-based Managing General Agency providing specialist insurance products to a variety of clients in the Cyber, Financial Lines and Marine sectors in Far East Asia.

Date of investment: July 2018

Equity stake: 29.4%

31 July 2021 valuation: £0

Portfolio Valuation

EC3 Brokers Limited

(www.ec3brokers.com)

In December 2017, the Group invested in EC3 Brokers Limited, an independent specialist Lloyd's broker and reinsurance broker, via a newly established NewCo, EC3 Brokers Group Limited. Founded by its current Chief Executive Officer Danny Driscoll, who led a management buyout to acquire EC3's then book of business from AJ Gallagher in 2014, EC3 provides services to a wide array of clients across a number of sectors, including construction, casualty, entertainment and cyber & technology.

Date of investment: December 2017

Equity stake: 35%

31 July 2021 valuation: £3,072,000

The Fiducia MGA Company Limited

(www.fiduciamga.co.uk)

Fiducia, founded in November 2016, is a UK Marine Cargo Underwriting Agency, established by its CEO Gerry Sheehy. Fiducia is a Lloyd's Coverholder which specialises in the provision of insurance solutions across a number of Marine risks including, Cargo, Transit Liability, Engineering and Terrorism Insurance.

Date of investment: November 2016

Equity stake: 35.2%

31 July 2021 valuation: £3,406,000

LEBC Holdings Limited

(www.lebc-group.com)

In April 2007 the Group invested in LEBC, an Independent Financial Advisory company providing services to individuals, corporates and partnerships, principally in employee benefits, investment and life product areas.

Date of investment: April 2007

Equity stake: 59.3%

31 July 2021 valuation: £25,000,000

Lilley Plummer Risks Limited

In October 2019, the Group invested into the newly formed specialist marine Lloyd's broker, Lilley Plummer Risks Limited ("Lilley Plummer"). Established by Stuart Lilley and Dan Plummer in 2019, Lilley Plummer provides products across the marine Insurance market.

Date of investment: October 2019

Equity stake: 30%

31 July 2021 valuation: £2,258,000

Mark Edward Partners LLC

(www.markedwardpartners.com)

Founded in 2010 by Mark Freitas, its President & Chief Executive Officer, Mark Edward Partners LLC ("MEP") provides core insurance products in Financial & Liability, Property & Casualty, Personal Lines, Life Insurance, Cyber and Affinity Groups. MEP is a national U.S. firm with licenses to operate in all 50 states and has offices in New York, Palm Beach and Los Angeles.

Date of investment: October 2017

Equity stake: 30%

31 July 2021 valuation: £0

Portfolio Valuation

MB Prestige Holdings PTY Limited

(www.mbinsurance.com.au)

In December 2013 the Group invested in MB Prestige Holdings PTY Ltd (“MB Group”), the parent Company of MB Insurance Group PTY Ltd, a Managing General Agent, headquartered in Sydney, Australia. MB Group is recognised as a market leader in respect of prestige motor vehicle insurance in all mainland states of Australia.

Date of investment: December 2013

Equity stake: 40%

31 July 2021 valuation: £3,595,000

Nexus Underwriting Management Limited

(www.nexusunderwriting.com)

In 2014 the Group invested in Nexus Underwriting Management Limited (“Nexus”), an independent specialty Managing General Agency, founded in 2008. Through its operating subsidiaries Nexus specialises in the provision of Directors & Officers, Professional Indemnity, Financial Institutions, Accident & Health, Trade Credit, Political Risks Insurance, Surety, Bond and Latent Defect Insurance, both in the UK and globally.

Date of investment: August 2014

Equity stake: 17.4%

31 July 2021 valuation: £43,981,000

SAGE Program Underwriters, Inc

(www.sageuw.com)

Based in Bend, Oregon, Sage provides specialist insurance products to niche industries, initially in the inland delivery and field sport sectors, established in 2019 by CEO Chuck Holdren. Mr. Holdren has three decades of experience in the industry and has prior experience of establishing and managing two national underwriting agencies from start-up to successful trade sale.

Date of investment: June 2020

Equity stake: 30%

31 July 2021 Valuation: £1,031,000

Stewart Specialty Risk Underwriting Ltd

(www.ssru.ca)

A Canadian based Managing General Agent, providing insurance solutions to a wide array of clients in the Construction, Manufacturing, Onshore Energy, Public Entity and Transportation sectors. SSRU was established by its CEO Stephen Stewart, who has over 25 years’ experience in the insurance industry having had senior management roles at both Ironshore and Lombard in Canada.

Date of investment: January 2017

Equity stake: 30%

31 July 2021 valuation: £5,671,000

Portfolio Valuation

Sterling Insurance PTY Limited

(www.sterlinginsurance.com.au)

In June 2013, in a joint venture enterprise alongside Besso, (Neutral Bay Investments Limited) the Group invested in Sterling Insurance PTY Limited, an Australian specialist underwriting agency offering a range of insurance solutions within the Liability sector, specialising in niche markets including mining, construction and demolition.

Date of investment: June 2013

Equity stake: 19.7%

31 July 2021 valuation: £2,675,000

Summa Insurance Brokerage, S. L.

(www.grupo-summa.com)

In January 2005 the Group provided finance to a Madrid-based Spanish management team with the objective of acquiring and consolidating regional insurance brokers in Spain. Through acquisition Summa is able to achieve synergistic savings, economies of scale and greater collective bargaining thereby increasing overall value.

Date of investment: January 2005

Equity stake: 77.3%

31 July 2021 valuation: £7,984,000

Walsingham Motor Insurance Limited

(www.walsinghamunderwriting.com)

In December 2013 the Group invested in Walsingham Motor Insurance Limited, a niche UK fleet motor Managing General Agency, which commenced trading in July 2013. In 2015 the Group acquired a further 10.5% equity, taking the current shareholding to 40.5%.

Date of investment: December 2013

Equity stake: 40.5%

31 July 2021 valuation: £3,745,000

Walsingham Holdings Limited

(www.walsinghamunderwriting.com)

In May 2018, the Group acquired a 20% shareholding in Walsingham Holdings Limited, a previously dormant company, which in turn purchased an 11.7% equity holding in Walsingham Motor Insurance Limited from an exiting shareholder.

Date of investment: May 2018

Equity stake: 20%

31 July 2021 valuation: £159,000

XPT Group LLC

(www.xptspecialty.com)

In June 2017 the Group backed the ex-Swett & Crawford CEO Tom Ruggieri and a strong management team to develop a New York-based wholesale insurance broking and underwriting agency platform across the U.S. Specialty Insurance Sector.

Date of investment: June 2017

Equity stake: 29.8%

31 July 2021 valuation: £13,841,000

Consolidated Statement of Comprehensive Income

For the period ended 31 July 2021

	Unaudited 6 months to 31 July 2021		Unaudited 6 months to 31 July 2020		Audited Year to 31 January 2021	
	£'000	£'000	£'000	£'000	£'000	£'000
Gains on investment						
Realised gains on disposal of equity investments (net of costs)	1		-		-	
Release of provision made against equity investments and loans	-		-		37	
Unrealised gains on equity investment revaluation	5,314		5,922		12,877	
		5,315		5,922		12,914
Income						
Dividends	1,562		835		1,999	
Income from loans and receivables	575		657		1,271	
Fees receivable	521		642		1,234	
		2,658		2,134		4,504
Operating income		7,973		8,056		17,418
Operating expenses		(1,633)		(1,604)		(3,595)
Operating profit		6,340		6,452		13,823
Financial income	-		1		3	
Financial expenses	(40)		(36)		(67)	
Exchange movements	(64)		80		(24)	
		(104)		45		(88)
Profit on ordinary activities before taxation		6,236		6,497		13,735
Income taxes		(344)		-		(14)
Profit on ordinary activities after taxation attributable to equity holders		£5,892		£6,497		£13,721
Total comprehensive income for the period		£5,892		£6,497		£13,721
Earnings per share – basic (pence)		16.4p		18.1p		38.2p
Earnings per share – diluted (pence)		16.2p		18.1p		38.2p

The result for the period is wholly attributable to continuing activities.

Consolidated Statement of Financial Position

As at 31 July 2021

	Unaudited 31 July 2021		Unaudited 31 July 2020		Audited 31 January 2021	
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Non-current assets						
Property, plant and equipment	107		137		123	
Right-of-use asset	919		1,084		1,001	
Investments						
– equity portfolio	136,205		122,051		130,951	
Loans and receivables	15,584		16,483		15,833	
		152,815		139,755		147,908
Current assets						
Trade and other receivables	3,938		3,370		4,398	
Cash and cash equivalents	1,057		1,171		709	
		4,995		4,541		5,107
Liabilities						
Non-current liabilities						
Lease liabilities	(856)		(1,019)		(939)	
Deferred tax liabilities	(338)		-		-	
		(1,194)		(1,019)		(939)
Current liabilities						
Trade and other payables	(473)		(486)		(1,010)	
Lease liabilities	(163)		(157)		(159)	
Loans and other payables	(1,000)		-		(1,000)	
		(1,636)		(643)		(2,169)
Net assets		£154,980		£142,634		£149,907
Capital and reserves – equity						
Called up share capital		3,747		3,747		3,747
Share premium account		29,346		29,358		29,349
Fair value reserve		75,549		63,618		70,573
Reverse acquisition reserve		393		393		393
Capital redemption reserve		7		7		7
Capital contribution reserve		71		53		64
Retained earnings		45,867		45,458		45,774
Shareholders' funds						
– equity		£154,980		£142,634		£149,907
Net Asset Value per share						
– undiluted (pence)		430.4p		396.2p		416.4p
Net Asset Value per share						
– diluted (pence)		424.6p		396.2p		416.4p

The Interim Consolidated Financial Statements were approved by the Board of Directors and authorised for issue on 18th October 2021 and signed on its behalf by: **J.S. Newman & D.J. Topping**

Directors & Company Secretary

Brian Marsh OBE

[Executive Chairman, aged 80 \(I\) \(V\) \(N\)](#)

Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 55 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 30 years' experience in building, buying and selling financial services businesses particularly in the insurance sector. Brian's considerable experience being Chairman of numerous companies in Financial Services means he is well suited as the Executive Chairman of B.P. Marsh. Brian is a member of the Investment, Valuation, and Nomination Committees.

Alice Foulk BA (Hons)

[Managing Director, aged 34 \(R\) \(I\) \(V\) \(N\) \(D\)](#)

Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In February 2015 Alice was appointed as a director of B.P. Marsh and in January 2016 was appointed Managing Director where she is responsible for the overall performance of the Company and monitoring the Company's overall progress towards achieving its objectives and goals, as set by the Board. Alice is a member of the Remuneration, Investment, Valuation, Nominations and Disclosure Committees.

Daniel Topping MCSI, ACG

[Chief Investment Officer, aged 37 \(I\) \(V\) \(N\) \(D\)](#)

Daniel was appointed as a director of B.P. Marsh in March 2011 having joined the Group in February 2007, following two years at an independent London accountancy practice. Daniel graduated from the University of Durham in 2005 and is a member of the Securities and Investment Institute and the Chartered Governance Institute. In January 2016 Daniel was appointed as Chief Investment Officer of the Group and is a member of the Investment, Valuation and Nominations Committees. Daniel is the Senior Executive with overall responsibility for the portfolio and investment strategy for the Group, working alongside the Board and Investment Directors to find, structure, develop, support and monitor the portfolio. Daniel currently has multiple nominee appointments across the investment portfolio.

Jonathan Newman ACMA, CGMA, MCSI

[Group Finance Director, aged 46 \(I\) \(V\) \(D\)](#)

Jonathan is a Chartered Management Accountant with over 20 years' experience in the financial services industry. He joined the Group in November 1999, having started his career at Euler Trade Indemnity, and was appointed a director of B.P. Marsh in September 2001 and Group Finance Director in December 2003. Jonathan is responsible for the Group's finance function, provides strategic financial advice to all companies within the Group's portfolio, evaluates new investment opportunities and is a member of the Investment and Valuation Committees. Jonathan has nominee directorships in three investee companies.

Directors & Company Secretary

Pankaj Lakhani FCCA

Non-executive Director, aged 67 (R) (A) (V) (N)

Pankaj joined B.P. Marsh in May 2015 and has over 30 years' experience within the global insurance sector, having worked at Marsh McLennan Group, Nelson Hurst & Marsh Group, Admiral Underwriting and Victor O. Schinnerer. Pankaj is Chairman of both the Remuneration and Audit Committees and is also a member of the Valuation and Nominations Committees.

Nicholas Carter

Non-executive Director, aged 78 (R) (A)

Nicholas was appointed to the Board of B.P. Marsh on 1 May 2019 and has over 50 years' experience in the Lloyd's Insurance Market having held a variety of positions within Nelson Hurst & Marsh Limited, Citicorp Insurance Brokers Limited and Nelson Hurst Plc. Upon joining the Group Nicholas was appointed a member of the Remuneration Committee and Audit Committee.

Sinead O'Haire, LLB (Hons), FCG

Chief Legal Officer & Group Company Secretary (N) (D)

Sinead joined B.P. Marsh in 2009 and was appointed Group Company Secretary in June 2011. Sinead attends all Board and Committee meetings and works closely with the Chairman's Office and Board in all matters of governance and to oversee the effective functioning and leadership of the Company, as well as ensuring compliance with the stock market regulations. Sinead is also a member of the New Business Committee and is responsible for negotiating and finalising the legal aspects of new investments, any follow-on funding and eventually the exit process.

KEY

- (R) Member of the Remuneration Committee during the Period
- (A) Member of the Audit Committee during the Period
- (I) Member of the Investment Committee during the Period
- (V) Member of the Valuation Committee during the Period
- (N) Member of the Nominations Committee during the Period
- (D) Member of the Disclosure Committee during the Period

Notes

Company Information

Directors

Brian Marsh OBE *Chairman*

Alice Foulk *Managing Director*

Jonathan Newman *Group Director of Finance*

Daniel Topping *Chief Investment Officer*

Pankaj Lakhani *Non-executive*

Nicholas Carter *Non-executive*

Company Secretary

Sinead O'Haire

Company Number

05674962

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Broker and Nominated Adviser

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One New Change

London, EC4M 9AF

Registrar

Link Market Services

The Registry, 34 Beckenham Road

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