B. P. MARSH & PARTNERS PLC

2010 ANNUAL REPORT

COMPANY INFORMATION

Directors
Brian Marsh OBE *(Chairman)*
Jonathan Newman *(Group Director of Finance)*
Robert King *(Director)*
Natasha Dunbar *(Non-executive)*
Stephen Clarke *(Non-executive)*
Philip Mortlock *(Non-executive)*

Company Secretary
Robert King

Company Number
5674962

Registered Office
2nd Floor, 36 Broadway
London, SW1H 0BH

Auditors
Rawlinson & Hunter, 8th Floor
6 New Street Square, London, EC4A 3AQ

Broker And Nominated Adviser
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London, EC2Y 9AR

Registrar
Capita Registrars, Northern House
Woodsome Park, Fenay Bridge
Huddersfield, West Yorkshire, HD8 0LA

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GROUP PROFILE

The B. P. Marsh Group (the "Group") is a niche venture capital provider to early stage financial services businesses. It will consider investing in start-ups, management buy-outs, management buy-ins, hive-offs and similar opportunities. It is also able to provide follow-on funding for successful companies in its portfolio when required for further growth.

The Group typically invests up to £2.5 million in financial service investment opportunities based in the United Kingdom, but will also consider opportunities in Europe, North America and occasionally elsewhere. It likes to invest in people businesses with good management.

The Group does not seek to impose exit pressures on its investee companies, but prefers to work with management to develop a mutually acceptable exit route.

The Group has a considerable bank of experience in the financial services sector and seeks to use this experience to add value to its investments. It is also able to provide consultancy and administrative services to its portfolio of investments when required.

The Group's aim is to be the capital provider of choice to the financial services intermediary sector.

It is not the power of money that makes an investment a success; it is the power of the ideas behind it.

I am pleased to present the audited Consolidated Accounts of B. P. Marsh & Partners Plc ("the Group") for the year ended 31st January 2010.

Financial Performance

For the year ended 31st January 2010, the quoted share price of the Group increased by 61% (2009: 57.5p, 2010: 92.5p). At 31st January 2010, the net asset value of the Group was £44.2m (2009: £43.9m) after making allowance for deferred Corporation Tax, an increase of 0.7%. This equates to a net asset value of 151p per ordinary share as at 31st January 2010 (2009: 150p).

The Board have noted that the Group has therefore achieved an annual compound growth rate of 12.8% after running costs, realisations, losses and distributions and having made an appropriate allowance for deferred Corporation Tax since the Group's establishment in 1990.

Reflecting the unrealised increase on revaluation of the portfolio, the consolidated profit on ordinary activities after tax for the year was £0.3m (2009: loss of £1.7m). However, excluding portfolio movement the Group made a pre-exceptional items profit of £0.2m (2009: profit of £0.4m).

Summary of Developments in the Portfolio

During the financial year ended 31st January 2010 the Group made the following further investments in two of our existing companies:

Summa Insurance Brokerage S. L. ("Summa")

The Group has a 48% stake in Spanish insurance broker Summa, which was formed in 2005 and now has 16 branches across Spain. Despite the current downturn being suffered by businesses in Spain the Board remains enthusiastic and optimistic about the future of this business.

The Group completed its third capital increase (of €1.32m) as part of its investment commitment to Summa in November 2009. This brings the total amount invested to £5.1m.

Summa in turn used these funds in January 2010 to purchase the insurance broker Leon Maya Correduría de Seguros S. L. ("Maya"). This firm operates in the Castilla y León region of Spain and has a particular area of specialisation in agricultural insurance.

Hyperion Insurance Group ("Hyperion")

International insurance broker and underwriter Hyperion has performed well and is in robust form, with establishments in no less than 16 countries, and an annual compound growth rate of 24% on profit from ordinary activities before tax and exceptional items for the ten years ending 30th September 2009. Our 19.5% holding in Hyperion has significantly grown and now represents almost 60% of our overall Group Directors' Valuation. The Board remains confident about the future growth prospects of the Hyperion business.

As announced in June 2009, the Group lent Hyperion £2.46m for working capital purposes, to assist in supporting its international growth and expansion. The Group also agreed to subscribe €0.9m for Loan Notes in a subsidiary of Hyperion as part of a €4.5m Loan Note Issue, alongside other shareholders. This cash was used to fund the acquisition of Hendricks & Co. GmbH, the leading specialist Directors & Officers and Commercial Legal Expenses broker in Germany.

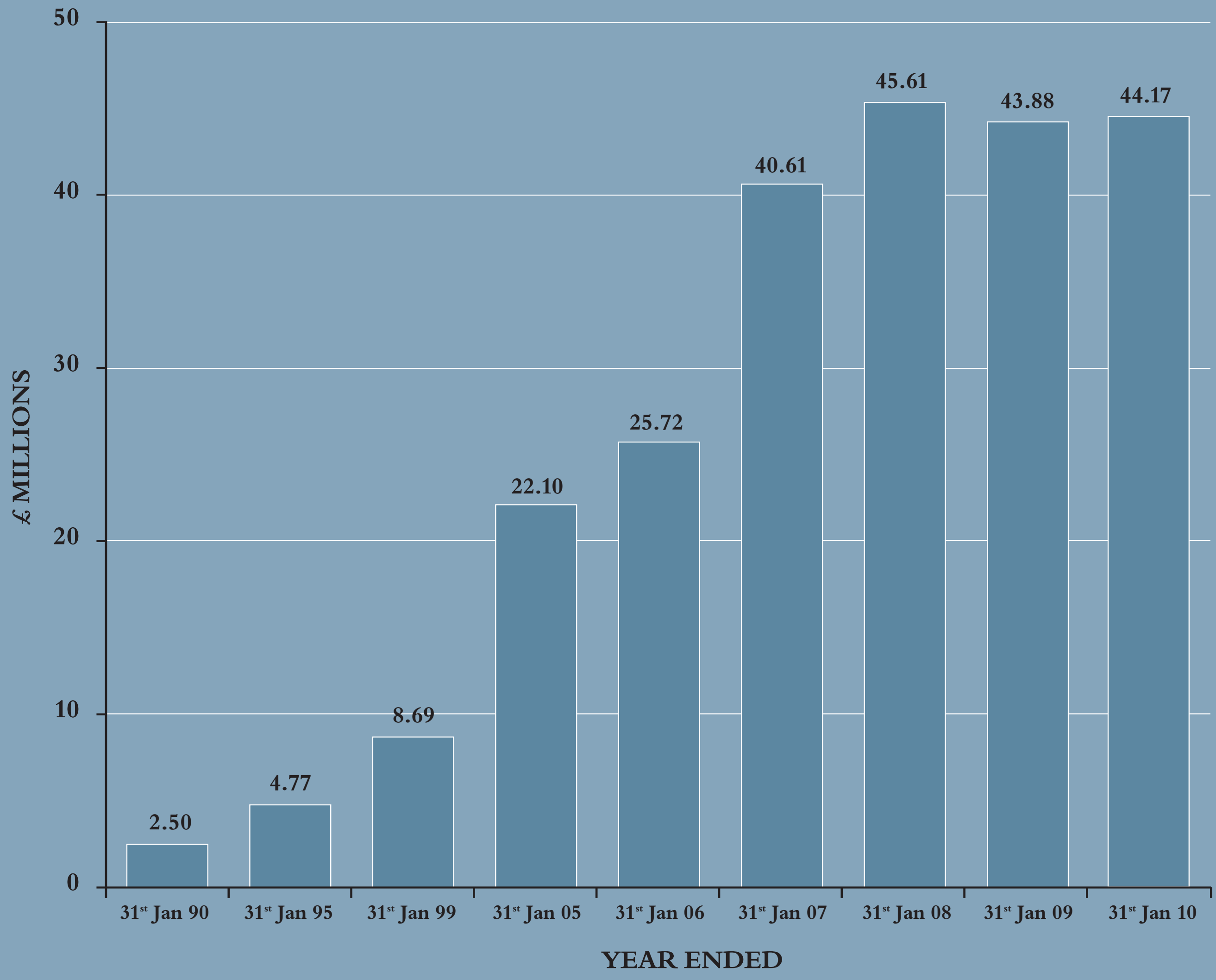
The Group also made the following two changes to its portfolio:

JMD sale/acquisition of shares in R&Q

In January 2010, the Group agreed to dispose of its entire stake in JMD Specialist Insurance Services Group Limited ("JMD") to Randall & Quilter Investment Holdings plc ("R&Q"), the AIM listed run-off management service provider and acquirer of solvent insurance companies in run-off. We made this disposal in exchange for a total consideration of 650,000 ordinary shares of 2p each in R&Q. As part of this transaction, B. P. Marsh's outstanding loan of £100,000 to JMD was repaid in full in cash on completion. The disposal of the Group's stake in JMD

GROUP VALUATIONS

The Group made total distributions of £4,432,000 between 2002 and 2006 and therefore the valuations below are net of these distributions. The valuation as at 31st January 2007 includes £10.1m net proceeds raised on AIM.



NB: The valuations to 31st January 2007 were originally prepared under UK GAAP and were reflective of the Net Asset position at the reporting period excluding any deferred tax provision. From 31st January 2008 the provision is now included within the Statement of Financial Position and therefore, for comparative purposes, all prior valuations are shown net of deferred tax.

demonstrates that we are able to exit investments after short periods whilst generating returns for our shareholders.

Our confidence in the prospects for R&Q was demonstrated by a further purchase of shares in the company in June 2010.

Trillium

As announced in the Interim Results Trillium was placed into administration on 3rd September 2009. Although clearly disappointed with the performance of this investment, the Board considered that it was in shareholders' best interests to protect the remaining £0.45m of loan funding rather than continue to support Trillium.

Business Strategy

The Group typically invests amounts of up to £2.5m and only takes minority equity positions, normally acquiring between 15% and 45% of an investee company's total equity. Based on our current portfolio, the average investment has been held for approximately six years. The Group requires its investee companies to adopt certain minority shareholder protections and appoints a director to the relevant board. The Group's successful track record is based upon a number of factors that include, amongst other things, a robust investment process, the management's considerable experience of the Financial Services sector, and a flexible approach towards exit-strategies.

At the year-end, the Group had £3.0m in cash, of which it had committed to provide a further £0.8m of loan funding for its existing investments.

After taking this into consideration, the Group currently has approximately £1.9m of cash available for further investments, excluding any realisations, and allowing for the dividend.

Dividend Recommendation

The Directors are very pleased that the Group has reached the stage in its development where they are able to recommend the payment of a dividend of 1 p per share (£0.3m). The intention of the dividend payment is to reward shareholders for supporting the Group and, whilst no assurances can be given, the Directors hope to be in a position to recommend further dividend payments in future years.

Investment Opportunities

Credible opportunities for the Group in the Financial Services sector remained strong during the year ended 31st January 2010 and we reviewed and considered 166 proposals. Since the year end there remains strong interest amongst both Insurance Brokers and Independent Financial Advisors in our style of investment and involvement. The Board will continue to pursue opportunities in the best interests of the Group's shareholders.

We are confident that the coming year will produce plenty of interesting opportunities for us to consider.

The Directors consider that the Group remains unique in its investment sector. We continue to see a large number of investment opportunities with good management and business plans that fit with our tried and tested business strategy.

Brian Marsh OBE
1st June 2010

We are in the business of planting things, not shooting at them – we are farmers not hunters.

As at 31st January 2010 the Group's equity interests were as follows:

Amberglobe Limited
(www.amberglobe.co.uk)

In March 2008 the Group assisted in establishing Amberglobe, a business sales platform that provides valuation and negotiation services for the sale of SME businesses in the sub £3m sector.

Date of investment: March 2008
Equity stake: 49.0%
31st January 2010 valuation: £98,000

Besso Holdings Limited
(www.besso.co.uk)

In February 1995 the Group assisted a specialist team departing from insurance broker Jardine Lloyd Thompson Group in establishing Besso Holdings. The company specialises in insurance broking for the North American wholesale market.

Date of investment: February 1995
Equity stake: 22.73%
31st January 2010 valuation: £5,942,000

HQB Partners Limited
(www.hqbpartners.com)

In January 2005 the Group made an investment in HQB Partners, a company which provides strategic transaction advice, proxy solicitation services, voting analysis and investor relations services.

Date of investment: January 2005
Equity stake: 27.72%
31st January 2010 valuation: £27,000

Hyperion Insurance Group Limited
(www.hyperiongrp.com)

The Group first invested in Hyperion Insurance Group in 1994. The Hyperion Insurance Group owns, amongst other things, an insurance broker specialising in directors' and officers' ("D&O") and professional indemnity ("PI") insurance. A subsidiary of Hyperion became a registered Lloyd's insurance broker. In 1998 Hyperion set up an insurance managing general agency specialising in developing D&O and PI business in Europe.

Date of investment: November 1994
Equity: 19.5%
31st January 2010 valuation: £25,276,000

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: 21.95%
31st January 2010 valuation: £2,559,000

Paterson Squared, LLC

(www.paterson2.com)

Paterson Squared was founded by a group of professionals from the actuarial, capital markets and reinsurance advisory sectors in conjunction with the Group. The company uses sophisticated modeling techniques to assess risk, with a view to providing counter-party risk transaction advice.

Date of investment: April 2004
Equity stake: 22.5%
31st January 2010 valuation: £122,000

Portfolio Design Group International Limited

(www.surrendalink.co.uk)

In March 1994 the Group invested in the Portfolio Design Group, a company which sells with-profits life endowment policies to large financial institutions. In 2002 the company diversified into investment management.

Date of investment: March 1994
Equity stake: 20.0%
31st January 2010 valuation: £1,883,000

Randall & Quilter Investment Holdings plc

(www.rqih.com)

Randall & Quilter is an AIM listed run-off management service provider and acquirer of solvent insurance companies in run-off. The Group invested in Randall & Quilter in January 2010, the result of a share exchange with the Group's shareholding in JMD Specialist Insurance Services Group Limited, which Randall & Quilter have now wholly acquired.

Date of investment: January 2010
Equity stake: 1.16%
31st January 2010 valuation: £698,750

Summa Insurance Brokerage, S. L.

(www.grupo-summa.com)

In January 2005 the Group provided finance to a Spanish management team with the objective of acquiring and consolidating regional insurance brokers in Spain.

Date of investment: January 2005
Equity stake: 48.63%
31st January 2010 valuation: £6,139,000

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

B. P. Marsh & Partners Plc Annual Report & Accounts

For The Year Ended 31st January 2010

DIRECTORS

References throughout the Reports and Consolidated Financial Statements to the "Company" or "B. P. Marsh" refers to B. P. Marsh & Partners Plc, and references to the "Group" refers to the consolidated group, being the Company and its subsidiary undertakings.

Brian Marsh OBE
(Chairman), aged 69 (R) (I) (V)
Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 40 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. He is the Group's nominee director on the boards of several investee companies and is also a majority shareholder in B. P. Marsh owning 59.1% of the Company.

Jonathan Newman ACMA, MSI
(Group Finance Director), aged 35 (I) (V)
Jonathan is a Chartered Management Accountant with over 13 years' experience in the financial services industry. He joined the Group in November 1999 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, evaluates new investment opportunities and is also the Group's nominee director on the boards of several investee companies.

Robert King LLB, ACIS
(Director and Group Company Secretary), aged 31 (I)
Robert is a Chartered Secretary and joined the Group in 2003 having started his career at PricewaterhouseCoopers. He was appointed a director of B. P. Marsh in November 2007 and continues to be responsible for the Group's legal, compliance and secretarial functions. He is also the Group's nominee director on the board of two of its investee companies.

Natasha Dunbar BBA
(Non-executive), aged 40 (R)
Natasha has over 15 years' experience in the financial services industry. Having joined the Company in 1994 she was made Managing Director in March 2002. In February 2008 Natasha stepped down as Managing Director and became a non-executive director on the board of B. P. Marsh. Natasha continues to act as the Group's nominee director on the boards of several investee companies. Trustees on behalf of Natasha own 4.9% of the Company.

Stephen Clarke FCA
(Non-executive), aged 72 (R) (A)
A Chartered Accountant, Stephen gained many years' experience with Charterhouse Development Capital in the structuring of venture capital projects in all fields including financial services, and in guiding and monitoring their progress. He joined the Group in 1993 and has over 25 years' experience of the financial services sector. Stephen continues to give specialist advice to B. P. Marsh on the structuring of entry and exit deals.

Philip Mortlock MA, FCA
(Non-executive), aged 72 (R) (A) (V)
A Chartered Accountant with over 25 years' insurance experience, Philip entered the Lloyd's insurance world in 1965 and, after some years with Fenchurch Group, joined Nelson Hurst & Marsh group as finance director and company secretary until 1990. He joined the Group in 1990 and has a great deal of experience of the special nature of broking and underwriting finances. Philip continues to give a broad range of advice to B. P. Marsh and is also the Group's nominee director on the board of one of its investee companies.

KEY
(R) Member of the Remuneration Committee during the year
(A) Member of the Audit Committee during the year
(I) Member of the Investment Committee during the year
(V) Member of the Valuation Committee during the year

The Board is responsible for the Group's corporate governance policy and recognises the importance of high standards of integrity, and consistently seeks to apply the principles set out in the Combined Code on Corporate Governance (the "Code") to the extent that they are appropriate for, and applicable to, a company of B. P. Marsh's size quoted on the Alternative Investment Market ("AIM").

Directors

Details of the appointment and resignation dates of directors are shown in the Group Report of the Directors. All directors are subject to re-election within a three-year period.

All the directors have access to the advice and services of the Company Secretary and may, in furtherance of their duties, take independent legal and financial advice at the Company's expense. They also have access to the minutes of the Board, in which any concerns expressed by them regarding matters pertaining to the Group are recorded.

Whilst there is no formal process, the performance and effectiveness of each director, including the non-executive directors, is assessed on an on-going basis by the other members of the Board and Committees of the Board.

The Group recognises that its non-executive directors are not "independent", as recommended by the Code, however it feels that, given the size and nature of the Group, the benefit derived from the collective relevant experience of its non-executive directors justifies their position on the Board.

Board Meetings

The Board meets at least quarterly and at such other times as required, and receives regular reports on a wide range of key issues including investment performance, investment opportunities, disposals and corporate strategy. All major decisions affecting the Group are taken at Board level and all the directors are free to bring any matter to the attention of the Board at any time.

Committees of the Board

The Board has established four standing committees, the Audit Committee, the Remuneration Committee, the Investment Committee and the Valuation Committee. As the Board deals with all matters relating to recruitment and appointment, the Board has decided not to establish a Nominations Committee at the present time.

Audit Committee

The Audit Committee is comprised of two of the non-executive directors of the Company and is chaired by Philip Mortlock. The external auditors, together with the Group Finance Director and other financial staff are invited to attend these meetings.

In accordance with its terms of reference, one of the principal functions of this committee is to determine the appropriateness of accounting policies to be used in the Group's annual financial statements. In addition the Committee is responsible for assessing the Group's audit arrangements and the Group's system of internal controls, and to review the half-yearly and annual results before publication.

Remuneration Committee

The Remuneration Committee is comprised of the three non-executive directors of the Company and Brian Marsh and is chaired by Philip Mortlock. In accordance with its terms of reference the Committee determines the level and make-up of remuneration (including bonuses and awards) of the executive directors and members of staff.

The Report of the Remuneration Committee to the shareholders on how directors are remunerated, together with details of individual directors' remuneration packages, is to be found on pages 13 to 14.

Investment Committee

The Investment Committee is comprised of all the executive directors of the Company and meets whenever significant investment matters arise which are not dealt with in the normal course of Board business.

Valuation Committee
The Valuation Committee is comprised of Philip Mortlock, Brian Marsh and Jonathan Newman and, in accordance with its terms of reference, is responsible for preparing investment valuations and reviewing the suitability of the Company's investee company valuation policy in conjunction with the Company's auditors.

Relations With Shareholders

The Board attaches great importance to maintaining good relationships with all of its shareholders. The executive directors meet with representatives of institutional investors and analysts to discuss their views and ensure that the corporate objectives and strategies of the Group are well understood. The Company reports formally to the shareholders twice a year, when its half-yearly and full-year results are announced, when reports are sent to shareholders and published on the Company's website (www.bpmarsh.co.uk).

The Company will advise shareholders attending the Annual General Meeting of the number of proxy votes lodged for and against each resolution. Members of the Board will be in attendance at the Annual General Meeting and will be available to meet shareholders informally after the meeting.

Internal Control

The Board is responsible for ensuring the Group has effective internal controls in place throughout the year, as well as procedures necessary for reviewing the Group's system of internal controls and assessing the nature and extent of the risks facing the Group.

The Board believes that the Annual Report and Accounts play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Chairman's Statement contains a detailed consideration of the Group's position and prospects.

A statement of the directors' responsibilities in respect of the financial statements is set out on page 15.

By order of the Board
R. G. King
Company Secretary
1st June 2010

The Remuneration Committee of the Board (the "Committee") is comprised of three non-executive directors of the Company, Philip Mortlock, Stephen Clarke and Natasha Dunbar as well as the chairman, Brian Marsh. The Committee is responsible for setting the remuneration of the executive directors and other members of staff.

Remuneration Policy

The Committee reviews remuneration levels annually and seeks to ensure that they are set at a level which is in line with comparable companies in the industry, are capable of attracting, retaining and motivating directors of appropriate calibre, are consistent with the performance of the Company and at the same time are aligned with the best interests of the shareholders.

The Committee receives advice from external remuneration advisers where appropriate.

Directors' Service Agreements

The executive directors entered into service agreements with the Company on the following dates:

DIRECTOR	DATE OF SERVICE AGREEMENT	TERM	NOTICE PERIOD
B. P. Marsh	30th January 2006	Continuous	6 months
J. S. Newman	30th January 2006	Continuous	6 months
R. G. King	27th November 2007	Continuous	6 months

The non-executive directors do not have service agreements, but their letters of appointment provide that their tenure of office is for an initial period of 12 months and shall continue until either terminated by the non-executive director or the Company on giving to the other 3 months prior written notice.

DIRECTOR	DATE OF OFFICE TENURE	INITIAL PERIOD	NOTICE PERIOD
P. J. Mortlock	30th January 2006	12 months	3 months
S. S. Clarke	30th January 2006	12 months	3 months
J. K. N. Dunbar	1st December 2009	12 months	3 months

Audited Information

Aggregate Directors' Remuneration

	2010 (£)	2009 (£)
Emoluments	574,037	865,066
Fees	19,655	28,528
Pension contributions	20,250	39,000

Aggregate Directors' Emoluments

	SALARIES AND FEES (£)	BENEFITS (£)	ANNUAL BONUSES (£)	2010 EMOLUMENTS EXCLUDING PENSION CONTRIBUTIONS (£)
B. P. Marsh	185,000	205	-	185,205
J. S. Newman	115,000	2,455	33,500	150,955
R. G. King	87,500	1,291	23,500	112,291
J. K. N. Dunbar	79,417	669	-	80,086
P. J. Mortlock	42,405	-	-	42,405
S. S. Clarke	22,750	-	-	22,750

In addition to the above, Mr S. S. Clarke has an entitlement to a gain based on a carried interest, as outlined in Note 15 on page 41 of these financial statements.

Furthermore, two of the executive directors participate in a long-term incentive arrangement, as outlined in Note 22 on page 43 of these financial statements.

Directors' Pensions

The executive directors received the following pension contributions during the year:

	2010 (£)
B. P. Marsh	-
J. S. Newman	11,500
R. G. King	8,750

This report has been approved by the Remuneration Committee and the Board as a whole and has been signed on behalf of the Chairman of the Remuneration Committee, Philip Mortlock on 1st June 2010.

By order of the Board
R. G. King
Company Secretary

Directors

B. P. Marsh OBE (Chairman)
J. S. Newman BA, ACMA, MSI
R. G. King LLB, ACIS
Ms. J. K. N. Dunbar BBA (non-executive)
S. S. Clarke FCA (non-executive)
P. J. Mortlock MA, FCA (non-executive)

The directors submit their report and the audited financial statements of the Company and the Group for the year ended 31st January 2010.

Statement Of Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law and have elected to prepare the Company financial statements on the same basis. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing each of the Group and Company financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure Of Information To The Auditors

Each of the persons who are directors at the time when the Group Report of the Directors is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the Company and Group's auditors in connection with preparing their report and to establish that the auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Principal Activity

The principal activity of the Group during the year was the provision of consultancy services to as well as making and trading investments in financial service businesses.

Country Of Incorporation And Registration

B. P. Marsh & Partners Plc was incorporated and is registered in England and Wales.

Business Review

During the year the major activities of the Group were as follows:

- The Group provided a £2.46m loan to Hyperion Insurance Group Limited ("Hyperion") as part of a total £3m shareholder loan facility, with the remaining £0.54m provided by another Hyperion shareholder. In addition, the Group entered into an agreement to subscribe for €0.9m in loan notes to fund an acquisition, being part of a €4.5m loan note issue alongside other shareholders. €0.6m (£0.54m) of this facility was drawn down in the year, with the remaining €0.3m (£0.27m) facility drawn down post year-end.
- The Group invested a further £1.20m (€1.32m) in Summa Insurance Brokerage S. L. ("Summa"), a Madrid based consolidator of regional brokerages in Spain. This was the final of three agreed tranches (the first and second tranches having been invested in the years to 31st January 2008 and 31st January 2009 respectively), being part of an agreed total investment of €4m alongside €4m from a well-respected private Spanish investor to facilitate the next stage of Summa's expansion through acquisition. Summa in turn used these funds in January 2010 to purchase the insurance broker Leon Maya Correduría de Seguros S. L. ("Maya"). This firm operates in the Castilla y León region of Spain and has a particular area of specialisation, namely agricultural insurance, especially cover for cattle and growing crops.
- The Group exited its 25% investment in JMD Specialist Insurance Services Group Limited ("JMD") following its acquisition by Randall & Quilter Investment Holdings plc ("R&Q"), the AIM listed run-off management service provider and acquirer of solvent insurance companies in run-off, in exchange for a total consideration of 650,000 ordinary shares of 2p each in R&Q. The effective consideration received for the Group's stake in JMD was determined by the market value of the R&Q shares on the date of completion, which was 107.5p per share. This yielded an overall profit of £0.1m over JMD's original investment cost. In addition, the Group's outstanding £0.1m loan was repaid in full in cash on completion.
- The Group invested a further £0.03m to acquire an additional 14% shareholding in Amberglobe Limited ("Amberglobe"). This takes the Group's total shareholding in Amberglobe from 35% to 49%. In addition, the Group provided a further £0.4m in loans (in addition to the £0.25m already provided) and, subject to performance, has also agreed to provide a further £0.03m in loans to further develop the business.
- The Group provided a £0.4m loan facility to LEBC Group Limited to fund further development of the business, although this has not been drawn down to date.
- The Group invested a further £0.08m in preference share capital in Besso Holdings Limited.
- The Group provided a further £0.1m (in addition to the £0.2m already provided) of an agreed £0.75m loan facility to Trillium Partners Limited ("Trillium") for general working capital requirements. As a result of difficult conditions in the media mergers and acquisitions market Trillium was placed into administration on 3rd September 2009, necessitating the directors to permanently write down the value of its total £0.8m investment at cost (£0.65m at fair value) to nil (refer to Notes 12 and 14 for further information).

Financial Performance

At 31st January 2010, the net asset value of the Group was £44.2m (2009: £43.9m) including a provision for deferred tax. This equates to an increase in net asset value of 0.7% (2009: decrease of 3.8%). The increase in net asset value was as a result of revaluing the portfolio in line with current market conditions, despite having to write off an investment during the year, and the underlying business (excluding portfolio movements) showed a pre-exceptional items profit of £0.2m (2009: £0.4m).

The net asset value of £44.2m at 31st January 2010 represented a total increase in net asset value of £31.6m since the Group was originally formed in 1990 having adjusted for the £10.1m net proceeds raised on AIM and the original capital investment of £2.5m. The directors note that the Group has delivered an annual compound growth rate of 12.8% in Group net asset value after running costs, realisations, losses, distributions and deferred tax since 1990.

Based upon the above figures the Group's net asset value per share as at 31st January 2010 was 151p (2009: 150p).

The Consolidated profit on ordinary activities after taxation was £0.3m (2009: loss of £1.7m). The Consolidated profit on ordinary activities before exceptional items was £0.06m (2009: loss of £2.6m). This profit includes unrealised gains on investment revaluations, and therefore the increase in profit compared to 2009 is as a result of the investment portfolio being valued higher than in 2009 and reflects improvement in the financial markets, compared to the turbulence experienced in 2009.

Overall income from investments was down over 2009 as a result of dividend yields and interest earnings reducing as market conditions tightened and the UK Base Rate fell. However, the Group also reduced costs accordingly to enable it to continue the strategy of covering operational expenses through portfolio yield without the requirement for significant realisations.

The Group's investment portfolio movement during the year was as follows:

31ST JANUARY 2009 VALUATION	ACQUISITIONS AT COST	DISPOSALS PROCEEDS	IMPAIRMENT PROVISIONS	ADJUSTED 31ST JANUARY 2009 VALUATION	31ST JANUARY 2010 VALUATION
£41.7m	£2.0m	£(0.7)m	£(0.5)m	£42.5m	£42.8m

This equates to an increase in the portfolio valuation of 0.7% (2009: decline of 8.6%).

Future Prospects
During the year under review, although no new investments were made, a number of prospective investments were considered. In addition, the Group continued to assist and support its investments through follow-on funding to enable continued growth. The Group continues to receive a strong pipeline of opportunities and continues to evaluate them for investment potential.

Financial Risk Management

The Group's operations expose it to a variety of financial risks. The Group manages the risk to limit the adverse effects on the financial performance of the Group by monitoring those risks and acting accordingly. The Group is currently debt free.

The monitoring of the financial risk management is the responsibility of the Board. The policies of the Board of directors are implemented by the Group's finance department under specific guidelines.

Price risk
The Group is exposed to private equity securities price risk. The Group manages the risk by ensuring that a director is appointed to the board of each investee company. In this capacity, the appointed director can advise the Group's Board of the investee companies' activities and prompt action can be taken to protect the value of the investment. Management reports are required to be prepared by investee companies for the review of the appointed director and by the Group Board.

Credit risk
The Group provides consulting services to its investee companies which are investigated before an investment is made and are continually monitored. As such the directors believe that the credit risk is adequately managed.

Liquidity risk
The directors assess and review the Group's liquidity position and funding requirements on a regular basis and this is an agenda item for its Board meetings. They consider that the Group has sufficient liquidity to manage current commitments.

Interest rate cash flow risk
The Group has no interest bearing liabilities but does have interest bearing assets. Interest bearing assets are loans made available to investee companies to aid their expansion, and are normally subject to a minimum interest rate to protect the Group from a period of low interest rates.

Currency risk
Although the Group's investments are predominantly within the UK it also makes investments and derives income outside the UK. As such some of the Group's income and assets are subject to movement in foreign currencies which will affect the Statement of Comprehensive Income in accordance with the Group's accounting policy. The Board monitors the movements and manages the risk accordingly.

Results Of The Business

The results for the year are set out on page 22. The directors consider the current state of affairs of the Group to be satisfactory.

Dividends

No dividends were paid for the year (2009: £Nil). The directors recommend a final dividend of £292,861 (1p per share) in respect of the year, payable on 30th July 2010 to shareholders on the register at the close of business on 2nd July 2010.

Substantial Interests

As at 21st May 2010 the directors have been made aware that the following shareholders held disclosable interests of 3% or more of the issued share capital of the Company:

BENEFICIAL OWNER	NO. OF ORDINARY SHARES OF 10P EACH HELD	% OF ISSUED SHARE CAPITAL
Mr B. P. Marsh	17,304,771	59.1%
SVM Asset Management Limited	2,565,000	8.8%
Gartmore Investment Management Limited	2,003,635	6.8%
AXA S. A.	1,633,299	5.6%
The Tasha Dunbar Trust	1,428,614	4.9%
The Stephen Crowther Trust	1,428,614	4.9%
Sanlam Asset Management Limited	1,200,000	4.1%

Directors

The names of the directors who served at any time during the year are stated at the head of this report.

The directors' interests in the shares of the Company were:

	31ST JANUARY 2010 ORDINARY SHARES OF 10P EACH	31ST JANUARY 2009 ORDINARY SHARES OF 10P EACH
Mr B. P. Marsh	17,304,771	17,298,771
The Tasha Dunbar Trust	1,428,614	1,428,614

The Tasha Dunbar Trust holds shares in trust for Natasha Dunbar who is a director of the Company.

Policy On Payment Of Suppliers

The Group's policy on the payment of suppliers is to settle transactions based upon the supplier's agreed terms of trade. Average supplier days were 28 (2009: 18) during the year.

Charitable Donations

During the year the Group made charitable donations of £nil (2009: £7,250) (refer to Note 25 for details).

Post Balance Sheet Events

On 31st March 2010 the Group provided a further €300,000 (£272,183) of an agreed €900,000 loan note facility to Hyperion Insurance Group Limited in order to fund an acquisition. This was the final draw down of the facility, being part of a €4,500,000 loan note issue alongside other shareholders.

On 31st March 2010 the Group provided a further £60,000 of an agreed £140,000 loan facility to HQB Partners Limited for general working capital requirements. This facility has now been drawn down in full.

On 1st April 2010 the Group paid a bonus of £150,000, together with Employers' National Insurance due thereon, to one of its employees (who is also a director of the Company) as part of the Group's long-term incentive arrangements.

Directors' And Officers' Liability Insurance

The Company has purchased insurance cover to cover directors' and officers' liability, as permitted by Section 233 of the Companies Act 2006.

Going Concern

The directors continue to adopt the going concern basis in preparing the financial statements. This is because the directors, after making enquiries and following a review of the Group's budget for 2011 and 2012, including cash flows and borrowing facilities, consider that the Group has adequate resources to continue its operation for the foreseeable future.

Auditors

The auditors, Rawlinson & Hunter, will be proposed for re-appointment in accordance with relevant legislation.

By order of the Board
R. G. King
Company Secretary
1st June 2010

Registered Office:
2nd Floor
36 Broadway
London
SW1H 0BH

Independent Auditor's Report To The Shareholders Of B. P. Marsh & Partners Plc

We have audited the Group and Company financial statements of B. P. Marsh & Partners Plc for the year ended 31st January 2010 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the EU and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities Of Directors And Auditors

As explained more fully in the Statement of Directors' Responsibilities set out in the Group Report of the Directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope Of The Audit Of The Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion On Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31st January 2010 and of the Group's profit for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion On Other Matters Prescribed By The Companies Act 2006

In our opinion:

- the part of the Report of the Remuneration Committee to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Group Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters On Which We Are Required To Report By Exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kulwarn Nagra (Senior Statutory Auditor)
For and on behalf of

Rawlinson & Hunter
Statutory Auditors
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

1st June 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST JANUARY 2010

	NOTES	2010 (£'000)	2010 (£'000)	2009 (£'000)	2009 (£'000)
Losses on investments	1				
Realised gains / (losses) on disposal of investments	12	99		(966)	
Impairment of investments and loans	12,14	(652)		-	
Unrealised gains / (losses) on investment revaluation	12	23		(2,886)	
			(530)		(3,852)
Income					
Dividends	1	328		948	
Income from loans and receivables	1	474		240	
Fees receivable	1	910		731	
			1,712		1,919
Operating income / (loss)	2		**1,182**		**(1,933)**
Operating expenses	2		(1,562)		(1,944)
Operating loss			**(380)**		**(3,877)**
Financial income	2,4	25		292	
Financial expenses	2,3	-		(7)	
Carried interest provision	15	412		822	
Exchange movements	2,8	-		201	
			437		1,308
Profit / (loss) on ordinary activities before exceptional items			**57**		**(2,569)**
Exceptional items	7		-		(136)
Profit / (loss) on ordinary activities before taxation	8		**57**		**(2,705)**
Taxation	9		230		978
Profit / (loss) on ordinary activities after taxation attributable to equity holders	19		**287**		**(1,727)**
Earnings / (loss) per share – basic and diluted (pence)	10		1.0p		(5.9)p

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

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED & COMPANY STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST JANUARY 2010

	NOTES	GROUP 2010 (£'000)	GROUP 2009 (£'000)	COMPANY 2010 (£'000)	COMPANY 2009 (£'000)
Assets					
Non-current assets					
Property, plant and equipment	*11*	49	72	-	-
Investments	*12*	42,745	41,673	34,015	33,728
Loans and receivables	*13*	4,613	1,955	10,155	10,155
		47,407	**43,700**	**44,170**	**43,883**
Current assets					
Trade and other receivables	*14*	1,085	776	-	-
Cash and cash equivalents		2,972	7,341	1	1
Total current assets		**4,057**	**8,117**	**1**	**1**
Total assets		**51,464**	**51,817**	**44,171**	**43,884**
Liabilities					
Non-current liabilities					
Carried interest provision	*15*	(324)	(736)	-	-
Deferred tax liabilities	*16*	(6,268)	(6,498)	-	-
Total non-current liabilities		**(6,592)**	**(7,234)**	**-**	**-**
Current liabilities					
Trade and other payables	*17*	(701)	(699)	-	-
Total current liabilities		**(701)**	**(699)**	**-**	**-**
Total liabilities		**(7,293)**	**(7,933)**	**-**	**-**
Net assets		**44,171**	**43,884**	**44,171**	**43,884**
Capital and reserves – equity					
Called up share capital	*18*	2,929	2,929	2,929	2,929
Shares to be issued	*19*	-	-	-	-
Share premium account	*19*	9,370	9,370	9,370	9,370
Fair value reserve	*19*	18,057	17,396	31,871	31,584
Reverse acquisition reserve	*19*	393	393	-	-
Retained earnings	*19*	13,422	13,796	1	1
Shareholders' funds – equity	*19*	**44,171**	**43,884**	**44,171**	**43,884**

The Financial Statements were approved by the Board of Directors and authorised for issue on 1st June 2010 and signed on its behalf by:

B. P. Marsh & J. S. Newman

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2010

	NOTES	2010 (£'000)	2009 (£'000)
Cash from / (used by) operating activities			
Income from loans to investees		474	240
Dividends		328	948
Fees received from investment activity		910	731
Operating expenses		(1,562)	(1,944)
Exceptional item – termination payment	7	-	(136)
Decrease / (increase) in receivables		38	(42)
Increase / (decrease) in payables		2	(20)
Depreciation	11	23	14
Net cash from / (used by) operating activities		**213**	**(209)**
Net cash (used by) / from investing activities			
Purchase of property, plant and equipment	11	-	(83)
Purchase of investments	12	(2,005)	(1,629)
Proceeds from investments		703	5,858
Net cash (used by) / from investing activities		**(1,302)**	**4,146**
Net cash (used by) / from financing activities			
(Payments) / repayments of loans (to) / from investee companies		(3,325)	1,350
Financial income	4	25	292
Financial expenses	3	-	(7)
Net cash (used by) / from financing activities		**(3,300)**	**1,635**
Change in cash and cash equivalents		(4,389)	5,572
Cash and cash equivalents at beginning of the period		7,341	1,701
Exchange gain		20*	68*
Cash and cash equivalents at end of period		**2,972**	**7,341**

**The exchange movement as noted in the Consolidated Statement of Comprehensive Income is £nil (2009: gain of £201k). The exchange gain in the Consolidated Statement of Cash Flows excludes an exchange loss of £20k (2009: gain of £133k) relating to the revaluation of a loan denominated in Euros as this is a non-cash movement.*

The notes on pages 26 to 46 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2010

No Company Statement of Cash Flows has been prepared as there has been no cash flow movement in the Company during the current and previous periods. Accordingly the Company's "cash and cash equivalents" balance as at 31st January 2010 is £1k (2009: £1k).

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST JANUARY 2010

	GROUP		COMPANY	
FOR THE YEAR ENDED	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
Opening total equity	43,884	45,611	43,884	46,008
Total recognised income and expense for period	287	(1,727)	287	(2,124)
Total equity	**44,171**	**43,884**	**44,171**	**43,884**

The notes on pages 26 to 46 form part of these financial statements.

1. Accounting Policies

Basis of preparation of financial statements
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union ("IFRS"), and in accordance with the Companies Act 2006.

The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluations of financial assets and financial liabilities through the profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates particularly in relation to investment valuation. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

IAS 1 (revised) Presentation of Financial Statements ("IAS 1") is mandatory for accounting periods beginning on or after 1st January 2009. The revised standard prohibits the presentation of items of income and expenditure within the Statement of Changes in Equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two (the Income Statement and Statement of Comprehensive Income). The Group has elected to present one performance statement, being the Statement of Comprehensive Income. IAS 1 has also introduced a number of changes in terminology, and as a consequence the balance sheet has been renamed the 'Consolidated Statement of Financial Position' and the cash flow statement has been renamed the 'Consolidated Statement of Cash Flows'. There is no impact on reported profits or total equity as a result of adopting IAS 1.

IFRS 8 Operating Segments, IFRS 7 Financial Instruments: Disclosures (Amendment), Amendment to IAS 23 Borrowing Costs and Amendment to IFRS 2 Share Based Payments are also effective for annual periods beginning on or after 1st January 2009 and have been adopted in preparing these consolidated financial statements. The adoption of these standards has not had a significant impact on these financial statements.

Basis of consolidation
The Group financial statements consolidate the results and net assets of the Company and all of its subsidiary undertakings.

Business Combinations
The results of subsidiary undertakings are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists where the Group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

All business combinations are accounted for by using the acquisition accounting method. This involves recognising identifiable assets and liabilities of the acquired business at fair value. Goodwill represents the excess of the fair value of the purchase consideration for the interests in subsidiary undertakings over the fair value to the Group of the net assets and any contingent liabilities acquired. The one exception to the use of the acquisition accounting method was in 2006 when B. P. Marsh & Partners Plc became the legal parent company of B. P. Marsh & Company Limited in a share for share exchange transaction. This was accounted for as a reverse acquisition, such that no goodwill arose, and a merger reserve was created reflecting the difference between the book value of the shares issued by B. P. Marsh & Partners Plc as consideration for the acquisition of the share capital of B. P. Marsh & Company Limited. This compliance with IFRS 3 also represented a departure from the Companies Act.

1. Accounting Policies (continued)

Business Combinations (continued)
Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the Statement of Financial Position at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28 Investment in Associates ("IAS 28"), which requires investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the profit and loss in the period of the change. The Group has no interests in associates through which it carries on its business.

No Statement of Comprehensive Income is prepared for the Company, as permitted by Section 408 of the Companies Act 2006. The Company made a profit for the year of £287k (2009: loss of £2,124k).

Employee services settled in equity instruments
Where the Group issues equity settled share-based awards to certain employees and advisors, a fair value for the equity settled share awards is measured at the date of grant. The Group measures the fair value using the valuation technique most appropriate to value each class of award, either the Black-Scholes or a Trinomial valuation method.

The fair value of each award is recognised as an expense over the vesting period on a straight-line basis, after allowing for an estimate of the share awards that will eventually vest. The level of vesting is reviewed annually and the charge is adjusted to reflect actual or estimated levels of vesting with the corresponding entry to equity.

Cancellation of the rights to the equity settled share-based awards by the employees is accounted for as if the relevant employees have left the Group with the related amounts recorded previously in reserves being transferred to retained earnings.

Investments
All investments are designated as "fair value through profit or loss" assets and are initially recognised at the fair value of the consideration. They are measured at subsequent reporting dates at fair value.

The Board conducts the valuations of investments. In valuing investments, the Board applies guidelines issued by the International Private Equity and Venture Capital Valuation ("IPEVCV"). The following valuation methodologies have been used in reaching the fair value of investments, some of which are in early stage companies:

a) at cost, unless there has been a significant round of new equity finance in which case the investment is valued at the price paid by an independent third party. Where subsequent events or changes to circumstances indicate that an impairment may have occurred, the carrying value is reduced to reflect the estimated extent of impairment;
b) by reference to underlying funds under management;
c) by applying appropriate multiples to the earnings and revenues of the investee company; or
d) by reference to expected future cash flow from the investment where a realisation or flotation is imminent.

Both realised and unrealised gains and losses arising from changes in fair value are taken to the Statement of Comprehensive Income for the year. In the Statement of Financial Position the unrealised gains and losses arising from changes in fair value are shown within a "fair value reserve" separate from retained earnings. Transaction costs on acquisition or disposal of investments are expensed in the Statement of Comprehensive Income.

1. Accounting Policies (continued)

Income from investments
Income from investments comprises:
a) gross interest from loans, which is taken to the Statement of Comprehensive Income on an accruals basis;
b) dividends from equity investments are recognised in the Statement of Comprehensive Income when the shareholders rights to receive payment have been established; and
c) advisory fees from management services provided to investee companies, which are recognised on an accruals basis in accordance with the substance of the relevant investment advisory agreement.

Carried interest provision
This represents the amount payable to a director in the event of a particular investment being sold and is calculated on the fair value of that investment at the reporting period.

Property, plant and equipment
Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the property, plant and equipment cost less their estimated residual value, over their expected useful lives on the following bases:

Furniture & equipment - 5 years
Leasehold fixtures and fittings - over the life of the lease

Foreign currencies
Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated at the exchange rate ruling at the reporting period.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

Taxation
The tax expense represents the sum of the tax currently payable and any deferred tax. The tax currently payable is based on the estimated taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the date of the Statement of Financial Position.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and of liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and it is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each date of the Statement of Financial Position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Pension costs
The Group operates a defined contribution scheme for some of its employees. The contributions payable to the scheme during the period are charged to the Statement of Comprehensive Income.

Operating leases
Rentals under operating leases are charged on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Financial assets and liabilities
Financial instruments are recognised in the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. De-recognition occurs when rights to cash flows from a financial asset expire, or when a liability is extinguished.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets.

Loans and borrowings
All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Trade and other receivables
Trade and other receivables in the Statement of Financial Position are initially measured at original invoice amount and subsequently measured after deducting any provision for impairment.

Cash and cash equivalents
Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

Trade and other payables
Trade and other payables are stated based on the amounts which are considered to be payable in respect of goods or services received up to the date of the Statement of Financial Position.

1. Accounting Policies (continued)

International Financial Reporting Standards in issue but not yet effective
At the date of authorisation of these consolidated financial statements, the International Accounting Standards Board ("IASB") and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standard, which is effective for annual accounting periods beginning on or after the stated effective date. This standard has not been applied early in the preparation of these consolidated financial statements:

- IFRS 3: Business Combinations (revised) (effective as of 1st July 2009). This will affect accounting for any acquisitions made in the Group's financial year ending 31st January 2011. Acquisitions made prior to that date will not be affected.

Other standards, amendments and interpretations have been issued but are not yet effective, and are not expected to be relevant to the Group's operations. These are not referred to above.

2. Segmental Reporting

The Group operates in one business segment, provision of consultancy services to as well as making and trading investments in financial services businesses.

The Group identifies its reportable operating segments based on the geographical location in which each of its investments is incorporated and primarily operates. For management purposes, the Group is organised and reports its performance by two geographic segments: UK & Channel Islands and Non-UK & Channel Islands.

If material to the Group overall (where the segment revenues, reported profit or loss or combined assets exceed the quantitative thresholds prescribed by IFRS 8 Operating Segments ("IFRS 8")), the segment information is reported separately.

The Group allocates revenues, expenses, assets and liabilities to the operating segment where directly attributable to that segment. All indirect items are apportioned based on the percentage proportion of revenue that the operating segment contributes to the total Group revenue (excluding any unrealised gains and losses on the Group's non-current investments).

Each reportable segment derives its revenues from three main sources. These are described in further detail in Note 1 under 'Income from investments'.

All reportable segments derive their revenues entirely from external clients and there are no inter-segment sales.

The transition from the provisions of IAS 14 Segment Reporting ("IAS 14") to IFRS 8, which became mandatory for accounting periods beginning on or after 1st January 2009, has not given rise to any specific changes in the way the Group reports on its operating segments. However management have reviewed the current segments and have confirmed the existing approach to be satisfactory under the provisions of IFRS 8.

2. Segmental Reporting (continued)

	Geographic Segment 1: UK & Channel Islands		Geographic Segment 2: Non-UK & Channel Islands		Group	
	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
Operating income / (loss)	574	(2,802)	608	869	1,182	(1,933)
Operating expenses	(1,270)	(1,691)	(292)	(253)	(1,562)	(1,944)
Segment operating (loss) / profit	**(696)**	**(4,493)**	**316**	**616**	**(380)**	**(3,877)**
Financial income	20	254	5	38	25	292
Financial expenses	–	(6)	–	(1)	–	(7)
Carried interest provision	412	822	–	–	412	822
Exchange movements	(5)	65	5	136	–	201
Exceptional items	–	(136)	–	–	–	(136)
Profit / (loss) before tax	**(269)**	**(3,494)**	**326**	**789**	**57**	**(2,705)**
Income tax	321	1,199	(91)	(221)	230	978
Profit / (loss) for the year	**52**	**(2,295)**	**235**	**568**	**287**	**(1,727)**
Non-current assets						
Property, plant and equipment	42	64	7	8	49	72
Investments	36,484	36,902	6,261	4,771	42,745	41,673
Loans and receivables	4,155	1,030	458	925	4,613	1,955
	40,681	**37,996**	**6,726**	**5,704**	**47,407**	**43,700**
Current assets						
Trade and other receivables	329	465	756	311	1,085	776
Cash and cash equivalents	2,972	7,341	–	–	2,972	7,341
	3,301	**7,806**	**756**	**311**	**4,057**	**8,117**
Total assets	**43,982**	**45,802**	**7,482**	**6,015**	**51,464**	**51,817**
Non-current liabilities						
Carried interest provision	(324)	(736)	–	–	(324)	(736)
Deferred tax liabilities	(6,187)	(6,324)	(81)	(174)	(6,268)	(6,498)
	(6,511)	**(7,060)**	**(81)**	**(174)**	**(6,592)**	**(7,234)**
Current liabilities						
Trade and other payables	(701)	(699)	–	–	(701)	(699)
Total liabilities	**(7,212)**	**(7,759)**	**(81)**	**(174)**	**(7,293)**	**(7,933)**
Net assets	**36,770**	**38,043**	**7,401**	**5,841**	**44,171**	**43,884**
Additions to property, plant and equipment	–	73	–	10	–	83
Depreciation of property, plant and equipment	20	12	3	2	23	14
Impairment of investments and loans	652	–	–	–	652	–

3. Financial Expenses

	2010 (£'000)	2009 (£'000)
Other interest	-	7

4. Financial Income

	2010 (£'000)	2009 (£'000)
Bank interest	25	288
Other interest	-	4
	25	**292**

5. Staff Costs

The average number of employees, including all directors (executive and non-executive), employed by the Group during the year was 15 (2009: 17). All remuneration was paid by B. P. Marsh & Company Limited.

The related staff costs were:	2010 (£'000)	2009 (£'000)
Wages and salaries	856	1,009
Social security costs	100	119
Pension costs	40	50
	996	**1,178**

In addition to the above there were termination payments made to staff (inclusive of pension costs) of £nil (2009: £136,300). Please see Note 7 for further information.

6. Directors' Emoluments

The aggregate emoluments of the directors were:

	2010 (£'000)	2009 (£'000)
Management services – remuneration	574	751
Management services – termination payment (Note 7)	-	114
Fees	20	29
Pension contributions – remuneration	20	32
Pension contributions – termination payment (Note 7)	-	7
	614	**933**

In addition to the above, Mr S. S. Clarke has an entitlement to a gain based on a carried interest, as outlined in Note 15.

6. Directors' Emoluments (continued)

	2010 (£'000)	2009 (£'000)
Highest paid director		
Emoluments*	185	246
Pension contribution*	-	20
	185	**266**

**The 2009 comparative includes termination payments made to a director. Please see Note 7 for further information.*

The Company contributes into its defined contribution pension scheme on behalf of certain employees and directors. Contributions payable are charged to the Statement of Comprehensive Income in the period to which they relate.

During the period, 2 directors (2009: 3) accrued benefits under the defined contribution pension scheme.

7. Exceptional Items

	2010 (£'000)	2009 (£'000)
Termination payments made to directors and employees (Note 5)	-	136
	-	**136**

In the year to 31st January 2009, one-off compensation payments totalling £136,300 were made to two employees (including one director) who left the Group during that year. No such payments were made in the current year.

8. Profit / (Loss) On Ordinary Activities Before Taxation

The profit / (loss) for the period is arrived at after charging / (crediting):

	2010 (£'000)	2009 (£'000)
Depreciation of owned tangible fixed assets	23	14
Auditors remuneration:		
Audit fees for the Company	20	20
Other services:		
- Audit of subsidiaries' accounts	10	10
- Taxation	6	7
- Other advisory	14	10
Exchange gain	-	(201)
Operating lease rentals of land and buildings	106	153

9. Taxation

The (credit) for tax comprises:

	2010 (£'000)	2009 (£'000)
UK corporation tax charge for the year	-	-
Deferred tax (credit) for the year (Note 16)	(230)	(978)
	(230)	**(978)**
Factors affecting the charge for the year		
Profit / (loss) on ordinary activities before tax	**57**	**(2,705)**
Tax at 28% on profit / (loss) on ordinary activities (2009: 28%)	16	(757)
Effects of:		
Expenses not deductible for tax purposes	17	22
Non taxable (income) / expenses (impairments and unrealised gains and losses)	(122)	578
Capital (gains) / losses on disposal of investments	(28)	1,095
Other effects:		
Capital loss claims brought forward	-	(361)
Management expenses unutilised / (utilised)	110	(745)
Provisions against investments not allowable for tax	99	-
Non-taxable income (dividends received)	(92)	(238)
Tax payable on deferred consideration relating to the sale of an investment	-	406
Corporate tax charge for the year	**-**	**-**

There are no factors which may affect future tax charges.

10. Earnings / (Loss) Per Share From Continuing Operations Attributable To The Equity Shareholders

	2010 (£'000)	2009 (£'000)
Earnings / (loss)		
Earnings / (loss) for the purpose of basic and diluted earnings per share being net profit / (loss) attributable to equity shareholders	287	(1,727)
Earnings / (loss) per share – basic and diluted	1.0p	(5.9)p
Number of shares	NUMBER	NUMBER
Weighted average number of ordinary shares for the purposes of basic earnings per share	29,286,143	29,286,143
Number of dilutive shares under option	Nil	Nil
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	**29,286,143**	**29,286,143**

11. Property, Plant And Equipment

Group

	Furniture & Equipment (£'000)	Leasehold Fixtures & Fittings (£'000)	Total (£'000)
Cost			
At 1st February 2008	99	–	99
Additions	32	51	83
Disposals	(74)	–	(74)
At 31st January 2009	**57**	**51**	**108**
At 1st February 2009	57	51	108
Additions	–	–	–
Disposals	–	–	–
At 31st January 2010	**57**	**51**	**108**
Depreciation			
At 1st February 2008	96	–	96
Eliminated on disposal	(74)	–	(74)
Charge for the year	9	5	14
At 31st January 2009	**31**	**5**	**36**
At 1st February 2009	31	5	36
Eliminated on disposal	–	–	–
Charge for the year	7	16	23
At 31st January 2010	**38**	**21**	**59**
Net book value			
At 31st January 2010	19	30	49
At 31st January 2009	26	46	72
At 31st January 2008	3	–	3

12. Non-Current Investments

Group

	SHARES IN INVESTEE COMPANIES TOTAL (£'000)
At valuation	
At 1st February 2008	49,754
Additions	1,629
Disposals	(6,824)
Provisions	–
Unrealised losses in this period	(2,886)
At 31st January 2009	**41,673**
At 1st February 2009	41,673
Additions	2,005
Disposals	(604)
Provisions	(352)
Unrealised gains in this period	23
At 31st January 2010	**42,745**
At cost	
At 1st February 2008	18,328
Additions	1,629
Disposals	(2,914)
Provisions	–
At 31st January 2009	**17,043**
At 1st February 2009	17,043
Additions	2,005
Disposals	(600)
Provisions	(500)
At 31st January 2010	**17,948**

The principal additions and disposals in the period are outlined on page 16 of the Group Report of the Directors.

On 3rd September 2009 Trillium Partners Limited ("Trillium"), an associated company, was placed into administration. As at 31st January 2010 the Group had invested a total of £800,000 in Trillium (£500,000 equity at cost which was held at a fair value of £352,000 (see above) and £300,000 loan financing (see Note 14)). The directors consider that there may be a permanent diminution in value as a result of the company's circumstances and have therefore deemed it prudent to provide against the amount invested in full.

On 4th December 2009 Public Risk Management Limited, an associated company, went into liquidation. The Group had made a full provision for this investment as at 31st January 2008.

12. Non-Current Investments (continued)

Group (continued)

The investee companies, which are registered in England except Summa Insurance Brokerage S. L. (Spain), Preferred Asset Management Ltd (Jersey), New Horizons Ltd (Isle of Man) and Paterson Squared, LLC (USA), are as follows:

NAME OF COMPANY	% HOLDING OF SHARE CAPITAL	DATE INFORMATION AVAILABLE TO	AGGREGATE CAPITAL AND RESERVES(£)	POST TAX PROFIT/(LOSS) FOR THE YEAR(£)	PRINCIPAL ACTIVITY
Amberglobe Limited	49.00	30.04.09	(362,574)	(501,859)	Business sales platform
Besso Holdings Limited	22.73	31.12.09	9,605,838	(91,777)	Investment holding company
HQB Partners Limited	27.72	31.12.08	166,057	40,583	Investor relations consultants
Hyperion Insurance Group Limited	19.50	30.09.09	38,541,000	814,000	Insurance holding company
LEBC Holdings Limited	21.95	30.09.09	709,565	56,061	Independent financial advisor company
Portfolio Design Group International Limited	20.00	31.12.09	7,827,121	(1,356,340)	Fund managers of traded endowment policies
Morex Commercial Ltd	20.00	31.12.09	367,254	28,824	Trading in secondary life policies
Preferred Asset Management Ltd	20.00	30.09.09	816,451	368,135	Fund management company
New Horizons Ltd (formerly Surrenda-Link Nominees Ltd)	20.00	31.12.08	1,595,863	66,732	Investment holding company
Summa Insurance Brokerage, S. L.	48.625	31.12.08	6,648,228	367,899	Consolidator of regional insurance brokers
Trillium Partners Limited	25.00	31.12.08	171,052	(359,137)	Independent corporate advisory company

12. Non-Current Investments (continued)

Group (continued)

In addition, as a result of the disposal of the Group's interest in JMD Specialist Insurance Services Group Limited, the Group acquired an investment of £698,750 in respect of 650,000 ordinary shares in Randall & Quilter Investment Holdings Plc ("R&Q"), which represents 1.16% of the share capital of R&Q. R&Q is listed on the AIM Market.

The aggregate capital and reserves and profit / (loss) for the year shown above are extracted from the relevant GAAP accounts of the investee companies.

Under FRS 25 the HQB Partners Limited accounts have included the Group's 27.72% interest as a long-term creditor. As this is in reality an equity investment the aggregate capital and reserves shown have therefore been adjusted to include this as equity and the profit has been adjusted by the dividend paid out.

Under FRS 25 the Trillium Partners Limited accounts have included the Group's 25% interest as a long-term creditor. As this is in reality an equity investment the aggregate capital and reserves shown have therefore been adjusted to include this as equity.

In November 2007 the Group acquired a 20% equity holding in London Endowments Limited. No statutory financial information is available at this time.

In September 2008 the Group acquired a 22.5% equity holding in Paterson Squared, LLC (a US company). As the company was only incorporated in September 2008, no statutory financial information is available at this time.

Company

	SHARES IN GROUP UNDERTAKINGS (£'000)
At valuation	
At 1st February 2008	35,852
Additions	-
Unrealised losses in this period	(2,124)
At 31st January 2009	**33,728**
At 1st February 2009	33,728
Additions	-
Unrealised gains in this period	287
At 31st January 2010	**34,015**
At cost	
At 1st February 2008	2,540
Additions	-
Adjustment to Share Appreciation Rights	(397)
At 31st January 2009	**2,143**
At 1st February 2009	2,143
Additions	-
Adjustment to Share Appreciation Rights	-
At 31st January 2010	**2,143**

12. Non-Current Investments (continued)

Shares in group undertakings
All group undertakings are registered in England and Wales. The details and results of group undertakings, which are extracted from the UK GAAP accounts of these companies, are as follows:

NAME OF COMPANY	% HOLDING OF SHARE CAPITAL	AGGREGATE CAPITAL AND RESERVES AT 31ST JANUARY 2010 (£)	PROFIT/(LOSS) FOR THE YEAR TO 31ST JANUARY 2010 (£)	PRINCIPAL ACTIVITY
B. P. Marsh & Company Limited	100	40,283,424	(526,174)	Consulting services and investment holding company
Marsh Insurance Holdings Limited	100	11,910,569	-	Investment holding company
B. P. Marsh & Co. Trustee Company Limited	100	1,000	-	Dormant
Marsh Development Capital Limited	100	1	-	Dormant

13. Loans And Receivables – Non-Current

	GROUP 2010 (£'000)	GROUP 2009 (£'000)	COMPANY 2010 (£'000)	COMPANY 2009 (£'000)
Loans to investee companies (Note 25)	4,613	1,955	–	–
Amounts due from subsidiary undertakings	–	–	10,155	10,155
	4,613	**1,955**	**10,155**	**10,155**

See Note 25 for terms of the loans.

14. Trade And Other Receivables - Current

	GROUP 2010 (£'000)	GROUP 2009 (£'000)	COMPANY 2010 (£'000)	COMPANY 2009 (£'000)
Trade receivables	177	257	-	-
Less provision for impairment of receivables	(20)	(10)	-	-
	157	**247**	**-**	**-**
Loans to investee companies (Note 25)	497	150	-	-
Other receivables	20	13	-	-
Prepayments and accrued income	411	366	-	-
	1,085	**776**	**-**	**-**

Included within trade receivables is £128,760 (2009: £228,593) owed by the Group's participating interests.

14. Trade And Other Receivables – Current (continued)

Trade receivables are provided for based on estimated irrecoverable amounts from the fees and interest charged to investee companies, determined by the Group's management based on prior experience and their assessment of the current economic environment.

Movement in the allowance for doubtful debts:

	Group		Company	
	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
Balance at 1st February	10	31	-	-
Increase / (decrease) in allowance recognised in the Statement of Comprehensive Income	10	(21)	-	-
Balance at 31st January	**20**	**10**	**-**	**-**

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

The Group's net trade receivable balance includes debtors with a carrying amount of £154,493 (2009: £245,843) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

Ageing of past due but not impaired:

	Group		Company	
	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
0 – 30 days	108	142	-	-
31 – 60 days	35	52	-	-
61 – 90 days	-	-	-	-
More than 90 days	11	52	-	-
	154	**246**	**-**	**-**

A provision of £300,000 was made against loans to investee companies in the year (refer to Note 12 for further information) in addition to provisions brought forward from 2009. The total provision therefore stands at £694,875 (2009: £394,875).

See Note 25 for terms of the loans and Note 24 for further credit risk information.

15. Carried Interest Provision

	GROUP		COMPANY	
	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
Carried interest provision	324	736	-	-
	324	**736**	**-**	**-**

This carried interest provision represents S. S. Clarke's entitlement to a maximum of 20% of any gain, after deducting expenses and following the repayment of all loans, redemption of all preference shares, loan stock and equivalent finance provided by the Company, on the sale of certain agreed investments of the Company and its subsidiaries.

No amounts were paid under this contract during the year (2009: £nil).

16. Deferred Tax Liabilities – Non-Current

	GROUP (£'000)	COMPANY (£'000)
At 1st February 2008	7,476	-
Credited to Statement of Comprehensive Income	(978)	-
At 31st January 2009	**6,498**	**-**
At 1st February 2009	6,498	-
Credited to Statement of Comprehensive Income	(230)	-
At 31st January 2010	**6,268**	**-**

The directors estimate that, if the Group were to dispose of all its investments at the amount stated in the Statement of Financial Position, £6,268,000 (2009: £6,498,000) of tax on capital gains would become payable by the Group at a corporation tax rate of 28%.

17. Trade And Other Payables - Current

	GROUP		COMPANY	
	2010 (£'000)	2009 (£'000)	2010 (£'000)	2009 (£'000)
Trade payables	47	41	-	-
Other taxation & social security costs	73	31	-	-
Other loans	332	332	-	-
Accruals and deferred income	249	295	-	-
	701	**699**	**-**	**-**

The other loan due within one year is an amount which is unsecured, interest free and repayable on the finalisation of the liquidation of Whitmor Holdings Limited (formerly Glenvaal Dewar Rand Limited).

18. Called Up Share Capital

	2010 (£'000)	2009 (£'000)
Allotted, called up and fully paid		
29,286,143 Ordinary shares of 10p each (2009: 29,286,143)	2,929	2,929
	2,929	**2,929**

19. Reconciliation Of Movements In Shareholders' Funds

Group

	SHARE CAPITAL (£'000)	SHARES TO BE ISSUED (£'000)	SHARE PREMIUM ACCOUNT (£'000)	FAIR VALUE RESERVE (£'000)	REVERSE ACQUISITION RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL (£'000)
At 1st February 2008	2,929	397	9,370	22,392	393	10,130	45,611
Loss for the year	-	-	-	(1,086)	-	(641)	(1,727)
Share based payments (Note 23)	-	(397)	-	-	-	397	-
Transfers on sale of investments	-	-	-	(3,910)	-	3,910	-
At 31st January 2009	**2,929**	**-**	**9,370**	**17,396**	**393**	**13,796**	**43,884**
At 1st February 2009	2,929	-	9,370	17,396	393	13,796	43,884
Profit for the year	-	-	-	665	-	(378)	287
Share based payments (Note 23)	-	-	-	-	-	-	-
Transfers on sale of investments	-	-	-	(4)	-	4	-
At 31st January 2010	**2,929**	**-**	**9,370**	**18,057**	**393**	**13,422**	**44,171**

Company

	SHARE CAPITAL (£'000)	SHARES TO BE ISSUED (£'000)	SHARE PREMIUM ACCOUNT (£'000)	FAIR VALUE RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL (£'000)
At 1st February 2008	2,929	397	9,370	33,311	1	46,008
Loss for the year	-	-	-	(2,124)	-	(2,124)
Share based payments (Note 23)	-	(397)	-	397	-	-
At 31st January 2009	**2,929**	**-**	**9,370**	**31,584**	**1**	**43,884**
At 1st February 2009	2,929	-	9,370	31,584	1	43,884
Profit for the year	-	-	-	287	-	287
Share based payments (Note 23)	-	-	-	-	-	-
At 31st January 2010	**2,929**	**-**	**9,370**	**31,871**	**1**	**44,171**

20. Operating Lease Commitment

The Group and Company was committed to making the following future aggregate minimum lease payments under non cancellable operating leases:

	2010 LAND AND BUILDINGS (£'000)	2009 LAND AND BUILDINGS (£'000)
Earlier than one year	132	132
Between two and five years	121	253

21. Loan And Equity Commitments

On 7th February 2005 the Group entered into an agreement to provide a loan facility of £140,000 to HQB Partners Limited, an associated company. As at 31st January 2010 £80,000 of this facility had been drawn down.

On 10th March 2008 the Group entered into an agreement to provide a loan facility of £630,000 to Amberglobe Limited, an associated company. An additional loan facility of £65,000 was agreed on 30th November 2009 increasing the total facility to £695,000. As at 31st January 2010 £670,000 of this facility had been drawn down.

On 1st April 2009 the Group entered into an agreement to provide a loan facility of £400,000 to LEBC Group Limited, an associated company. As at 31st January 2010 no amounts had been drawn down.

On 2nd June 2009 the Group provided a £2,460,000 loan to Hyperion Insurance Group Limited ("Hyperion"), which was drawn down in full. On the same date the Group entered into a further agreement with Hyperion to subscribe for €900,000 in loan notes to fund an acquisition, being part of a €4,500,000 loan note issue alongside other shareholders. As at 31st January 2010 €600,000 (£544,959) had been drawn down.

22. Contingent Liabilities

The Group has entered into long-term incentive arrangements with certain employees and directors. Provided they remain in employment with the Group as at specified dates in the future, the Group has agreed to pay bonuses totalling £600,000 together with the Employers' National Insurance due thereon. £150,000, £50,000, £50,000, £100,000 and £250,000 are due to be paid on 1st April 2010, 1st October 2010, 6th April 2011, 1st October 2011 and 1st October 2012 respectively.

No amount has been included in these financial statements as the performance conditions relating to these incentives had not been met at the time of the reporting period.

23. Share Based Payment Arrangements

During the year ended 31st January 2007, B. P. Marsh & Partners Plc entered into a share-based payment arrangement with certain employees and advisors.

Share appreciation rights representing 65% of the available units granted were forfeited in prior years following the employees leaving the Group and the remaining 35% of the units were subsequently waived by the relevant employees in the year to 31st January 2009. As a consequence, no charge in respect of these share arrangements has been made in these financial statements and the amounts recorded in reserves in respect of the earlier periods' charges were transferred to retained earnings in the year to 31st January 2009.

24. Financial Instruments

The Group's financial instruments comprise loans to participating interests, cash and liquid resources and various other items, such as trade debtors, trade creditors and other debtors and creditors. These arise directly from the Group's operations.

The Group has not entered into any derivatives transactions.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are price risk, credit risk, liquidity risk, interest rate cash flow risk and currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised in the Group Report of the Directors under "Financial Risk Management".

Interest Rate Profile
The Group has cash balances of £2,972k (2009: £7,341k), which are part of the financing arrangements of the Company. The cash balances comprise bank current accounts and deposits placed at investment rates of interest, which ranged between 0.2% p.a. and 1.4% p.a. in the period (2009: ranged between 0.8% p.a. and 5.2% p.a.). Maturity periods ranged between immediate access and 1 month in both the current and prior years.

Currency hedging
During the period, the Group did not engage in any form of currency hedging transaction (2009: none).

Financial liabilities
The Company had no borrowings during the period (2009: none).

Fair values
All the financial assets and liabilities at 31st January 2010 were revalued where the directors consider they are materially different from their book values.

25. Related Party Disclosures

The following loans owed by the associated companies of the Company and its subsidiaries were outstanding at the year end:

	2010 (£)	2009 (£)
Amberglobe Ltd	670,000	250,000
Besso Holdings Ltd	400,000	400,000
HQB Partners Ltd	80,000	80,000
Hyperion Insurance Group Ltd	3,004,959	-
JMD Specialist Insurance Services Group Ltd	-	100,000
Paterson Squared, LLC	150,000	250,000
Trillium Partners Ltd	-	200,000
	(€)	(€)
Summa Insurance Brokerage S. L.	927,990	927,990

The loans are typically secured on the assets of the investee companies and an appropriate interest rate is charged based upon the risk profile of that company.

Income receivable, consisting of consultancy fees and interest on loans credited to the Statement of Comprehensive Income in respect of the associated companies of the Company and its subsidiaries for the year were as follows:

	2010 (£)	2009 (£)
Amberglobe Ltd	68,873	50,938
Berkeley (Insurance) Holdings Ltd	6,053	-
Besso Holdings Ltd	184,174	145,063
HQB Partners Ltd	28,185	28,943
Hyperion Insurance Group Ltd	500,810	264,138
JMD Specialist Insurance Services Group Ltd	138,034	57,308
LEBC Group Ltd	44,161	31,103
Oakbridge Insurance Services, LLC	51,479	46,191
Paterson Squared, LLC	36,458	15,544
Portfolio Design Group International Ltd	36,000	36,000
Principal Investment Holdings Ltd	-	6,596
Public Risk Management Ltd	-	4,313
Summa Insurance Brokerage S. L.	232,204	187,626
Trillium Partners Ltd	18,290	70,773

In addition the Group made management charges of £39,000 (2009: £30,000) and charitable donations of £nil (2009: £7,250) to Marsh Christian Trust. Mr B. P. Marsh, the Chairman and majority shareholder of the Company, is also the Trustee and Settlor of Marsh Christian Trust.

S. S. Clarke is entitled to a maximum of 20% of any gain, after deducting expenses and following the repayment of all loans, redemption of all preference shares, loan stock and equivalent finance provided by the Company, on the sale of certain agreed investments of the Company and its subsidiaries. The carried interest provided for at the year end was £324,000 (2009: £736,000).

All the above transactions were conducted on an arms length basis.

26. Post Balance Sheet Events

On 31st March 2010 the Group provided a further €300,000 (£272,183) of an agreed €900,000 loan note facility to Hyperion Insurance Group Limited in order to fund an acquisition. This was the final draw down of the facility, being part of a €4,500,000 loan note issue alongside other shareholders.

On 31st March 2010 the Group provided a further £60,000 of an agreed £140,000 loan facility to HQB Partners Limited for general working capital requirements. This facility has now been drawn down in full.

On 1st April 2010 the Group paid a bonus of £150,000, together with Employers' National Insurance due thereon, to one of its employees (who is also a director of the Company) as part of the Group's long-term incentive arrangements.

27. Ultimate Controlling Party

The directors consider Mr B. P. Marsh to be the ultimate controlling party.

NOTES

NOTES

Making investments is not like saving and not like spending either. It is like choosing a canvas or a theme: where to try to be creative next.

Growth, maturity

and a vision for success.

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