B. P. MARSH & PARTNERS PLC

2015 ANNUAL REPORT

COMPANY INFORMATION

Directors
Brian Marsh OBE *(Chairman)*
Jonathan Newman *(Group Finance Director)*
Daniel Topping *(Director)*
Camilla Kenyon *(Director)*
Alice Foulk *(Director)*
Campbell Scoones *(Non-executive Deputy Chairman)*
Stephen Clarke *(Non-executive)*
Philip Mortlock *(Non-executive)*
Pankaj Lakhani *(Non-executive)*

Company Secretary
Sinead O'Haire

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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 £3 million in financial service investment opportunities based in the United Kingdom, but will also consider opportunities in Europe, North America, Australia 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.

CHAIRMAN'S STATEMENT

B.P. Marsh & Partners Plc, the niche venture capital provider to early stage businesses, announces its audited Group final results for the year to 31st January 2015.

The highlights of the results are:

- Increase in the Equity Value of the Portfolio of 15.5% over the year
- Net Asset Value of £63.0m (31st January 2014: £58.9m)
- Net Asset Value increase to 216p per share (31st January 2014: 202p)
- Total return to Shareholders in the year of 8.2% (2014: 6.9%)
- Two new investments made during the year, one in the UK and one in South Africa
- Consolidated profit after tax of £4.9m (31st January 2014: £3.8m)
- Average Net Asset Value annual compound growth rate of 11.3% since 1990
- Final Dividend of 2.75p per share declared
- Cash and treasury funds balance of £7.9m

I am pleased to present the audited Consolidated Financial Statements of B.P. Marsh & Partners Plc for the year ended 31st January 2015.

At B.P. Marsh we spend a great deal of time working with our 13 partner companies on their businesses and the challenges they face. These companies, in which we have substantial holdings, together employ around 4,500 people and I would like, in this Statement, to express my appreciation to these personnel for all their work, without which our own good results and progress would of course not have been possible.

In this year we have again achieved a steady growth in the Equity Value of the Portfolio, with an increase of 15.5% since 31st January 2014, excluding realisation proceeds.

Our remaining £7.3m holding in Hyperion Insurance Group Limited is subject to a Call Option at that price until realisation in July 2016. If this item is excluded from the calculation (as its value is capped) the Equity Value of our Portfolio has increased by 19.5% over the year.

The Group has increased its Net Asset Value to £63.0m (216p per share), with an average annual compound Net Asset Value growth rate of 11.3% after running costs, realisations, losses and distributions and having made an appropriate allowance for deferred corporation tax since the Group's establishment in 1990 (excluding £10.1m raised on flotation).

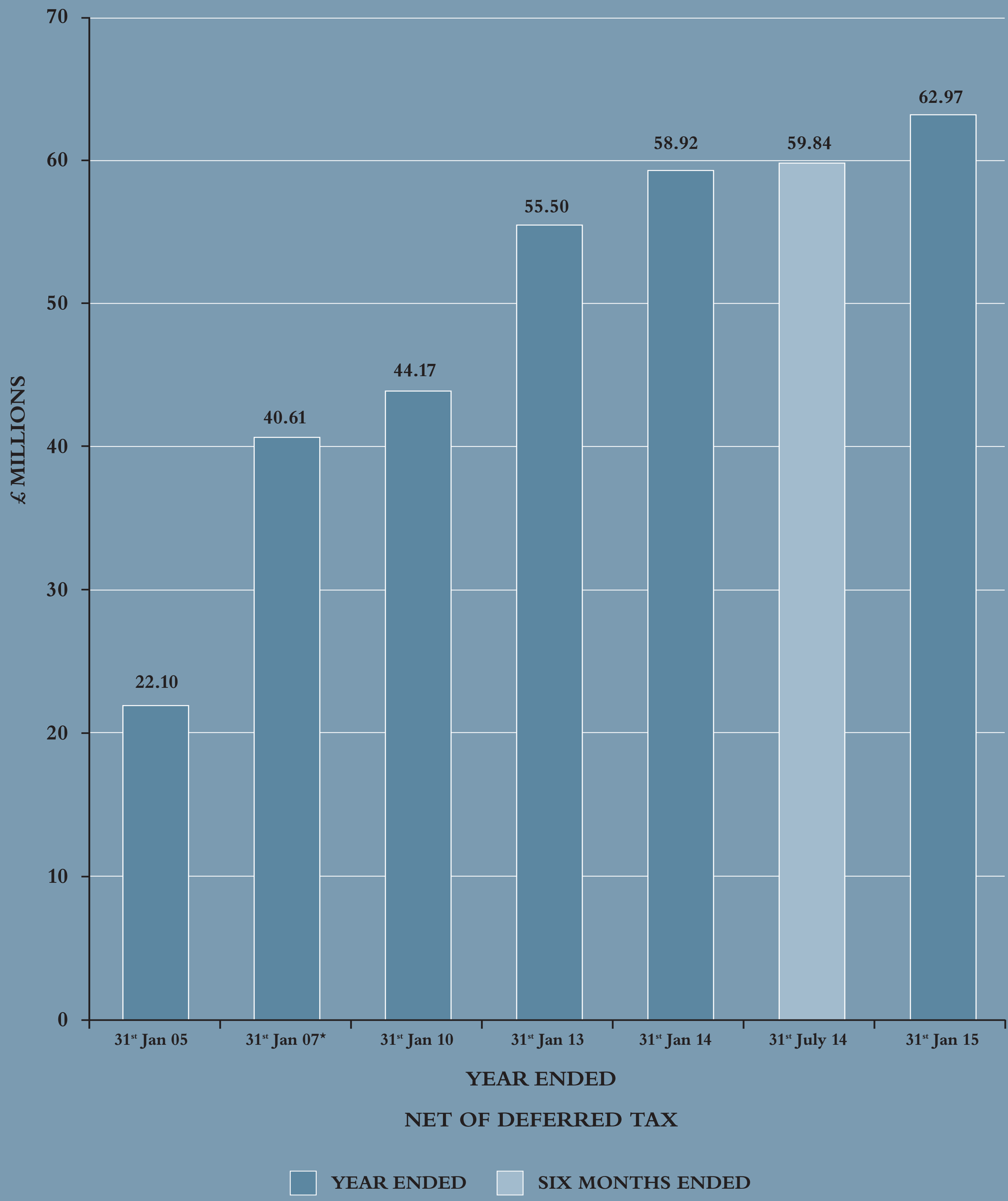
The Group is in a strong position, having adequate cash to make new investments, provide follow on funding for existing investments and to reward our shareholders. As such the Board has recommended a final dividend of 2.75p per share for the year ended 31st January 2015, subject to Shareholder approval at the Company's next Annual General Meeting. It remains the aspiration of the Board to continue to pay this level of dividend for at least the current financial year ending 31st January 2016.

We have made two new investments during the year, totalling £1.7m in equity financing and committed £0.3m in loan funding, both of which fall within our heartland of insurance intermediaries.

We have continued to diversify the portfolio geographically, following the Group's investments in Australia, and have established Bastion Reinsurance Brokerage (PTY) Limited, a start-up Reinsurance Broker based in South Africa specialising in the provision of reinsurance solutions over a number of complex issues.

Although B.P. Marsh is firmly established in London, we estimate that as much as 75% of our business originates overseas. We are pleased about this as it is an aspect of the work undertaken by our partner companies which we know well. Apart from our own direct investments in Spain, Australia and South Africa, we are much involved in developing business alongside our investee companies in, to name just a few, Turkey, Brazil, and Dubai and we are presently looking at further developments in several other countries.

G R O U P   V A L U A T I O N S



**NB: The valuation at 31st January 2007 includes £10.1m net proceeds raised on AIM.*

Business Update

Financial Performance

The Net Asset Value of the Group increased by 6.9% over the year to £63.0m, or 216p per share (2014: £58.9m or 202p per share). The Group's equity portfolio increased by 15.5% on a like-for-like basis with 2014, including a £7.3m holding in Hyperion Insurance Group, which is capped. Excluding this the remaining portfolio increased by 19.5% over the year.

Consolidated profit after tax increased by 28.8% to £4.9m (2014: £3.8m) in the year. Consolidated pre-tax profit was £5.9m (2014: £4.1m), of which £5.1m was derived from unrealised gains on revaluing the investment portfolio in line with current market conditions, an increase of 30.8% on the previous year (2014: £3.9m). The Group's strategy is to cover expenses from the portfolio yield, and on an underlying basis (excluding portfolio movement) this was achieved with a pre-tax profit of £0.8m for the year (2014: £0.2m).

The Group invested £1.7m in new equity investments and £1.4m for follow-on equity financing to its existing portfolio during the year. In addition the Group provided net new loans for working capital to the portfolio of £0.4m. Cash funds (including treasury funds) at 31st January 2015 were £7.9m.

Income from investments increased by 24% to £2.8m over the year (2014: £2.3m) as the Group continues to invest in new and existing opportunities. Operating expenses, including costs of making new investments, were 9% higher during the year at £2.2m (2014: £2.0m) in line with the increased portfolio.

The Group's treasury funds increased by 4.7% over the year (net of fund management charges) which compared favourably with the FTSE 100 increasing by 3.7% over the same period.

The Group continued to maintain a 2.75p per share dividend payment during the year, as announced previously (2014: 2.75p per share). Total shareholder return for the year was therefore 8.2% (2014: 6.9%) including the dividend payment and the Net Asset Value increase. The Group has delivered an annual compound growth rate of 11.3% in Net Asset Value after all costs, realisations, losses, distributions and deferred tax since 1990 (excluding the £10.1m raised on flotation).

Investment Strategy

The Group typically invests amounts of up to £3m and 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 7 years. The Group requires its investee companies to adopt certain minority shareholder protections and appoint a director to its board. The Group's successful track record is based on a number of factors that includes a robust investment process, management's considerable sector experience and a flexible approach to exit.

The Group's well-respected contacts within the insurance intermediary sector ensure access to a wide variety of new investment opportunities and enable discussions on these to be initiated at an early stage. The Group has seen a regular flow of new business opportunities within its heartland of interest and is continuing discussions on a number of these.

The Group received 59 relevant new investment proposals during the year, of which 24% warranted continued detailed investigation and 3% (2 new investments) were completed.

Of the proposals, 52% fell within the insurance sector, the area of the Group's specialism. The opportunities have ranged from start-ups to investments in established businesses.

Throughout the period M&A activity within the Lloyd's Insurance Market itself has been very active, especially in regard to Lloyd's larger broking entities. Transactions involving the larger companies within the Insurance Market tend to create opportunities for the Group either directly or via its investee companies.

At year end, the Group had £7.9m in cash and treasury funds, of which £6.8m is currently available for new investment opportunities after commitments.

New Investments

Bastion Reinsurance Brokerage (PTY) Limited ("Bastion")

In December 2014, the Group acquired a 35% Cumulative Preferred Ordinary shareholding in Bastion, a start-up Reinsurance Broker based in South Africa, for a total cash consideration of £0.1m. In addition to the equity investment, the Group provided Bastion with a loan facility of £0.34m, all of which has, since the year end, been drawn down to support working capital requirements.

Bastion provides specialist reinsurance solutions to a number of insurance companies and managing general agents in Africa. The Group undertook this investment as it was an opportunity to gain a foothold in the South African Reinsurance Market, whilst also backing a management team with a strong track record.

Ian Snowball, the Chairman of Bastion, has worked for various insurance and reinsurance businesses both in the South African and Lloyd's of London markets and has a 30 year track record in the insurance industry with considerable experience in the mid-market insurance sector.

Bastion's CEO, Lance Brogden, also has wide-ranging experience in the South African reinsurance and financial services sectors, having worked for a number of insurance related and multinational organisations over the past 20 years.

Nexus Underwriting Management Limited ("Nexus")

On 14th August 2014 the Group subscribed for a 5% Preferred Ordinary shareholding in Nexus, one of the largest independent Specialty Managing General Agents in the London market and 12th largest Managing General Agency in the UK, for a total consideration of £1.55m. The funds have been used to assist the company in its growth ambitions.

Founded in 2008 by Colin Thompson, its CEO, Nexus has grown rapidly in the six years since inception; from a standing start it now writes over US$350m Gross Written Premium annually.

Nexus has two operating subsidiaries, Nexus Underwriting Limited, which underwrites Speciality Insurance Products (Directors & Officers, Professional Indemnity, Financial Institutions and Accident & Health), and Nexus CIFS Limited, which specifically covers Trade Credit Insurance. Nexus CIFS Limited has recently won the title of Credit Insurer of the Year 2015 at the Institute of Credit Management Awards.

The Group considered that the opportunity to invest in a well-established and fast-growing business, with on-going development potential and an experienced and ambitious management team, justified a smaller minority stake (at 5%) than is typical for the Company.

Bulwark Investment Holdings (PTY) Limited ("Bulwark")

Following the year end, in April 2015 the Group, alongside its existing South African Partners, established a new venture, Bulwark, of which the Company owns 35%. This South African based holding company, funded via a £0.5m loan facility from the Company, establishes Managing General Agents in South Africa.

To date £0.15m of the loan facility has been drawn upon, and Bulwark has established two new Managing General Agents, Preferred Liability Underwriting Managers (PTY) Limited ("Preferred") and Mid-Market Risk Acceptances (PTY) Limited ("MMRA").

Preferred is a Managing General Agent which writes corporate and commercial liability business. Since it commenced writing business, Preferred has exceeded budget and looks well placed to fulfil the Group's expectations. MMRA is a Managing General Agent which writes mid-market commercial property risk. Performance of MMRA to date has been encouraging.

This investment, alongside our existing South African Partners, illustrates the Company's view that the South African insurance market offers substantial growth opportunities, given its continued and increasing exposure to the London Insurance market.

Disposals

Portfolio Design Group International Limited
The Group disposed of its respective stakes, to its fellow shareholders, in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI Businesses") on 1st May 2014 for a combined cash consideration of £1.3m.

The Group considered this to be an opportune moment to exit and in keeping with the Company's strategy, delivering an internal rate of return of 24.5% per annum, including all income received.

This divestment delivered cash to the Group which has enabled it to undertake new opportunities. It has also allowed the PDGI Businesses to restructure their shareholder base accordingly and pursue new ventures as they see fit.

Portfolio Developments

United Kingdom

Besso Insurance Group Limited ("Besso")
Following the year end, Besso announced a number of changes to its Board structures positioning Besso for its next phase of growth and expansion.

Howard Green, Chairman of Besso Property, will become CEO of Besso Limited. Mr. Green joined Besso in 1985 and is one of the founding members and architects of the business. He has nearly 50 years' experience in the insurance industry working in the Lloyd's market and specialising in property.

Roddy Caxton-Spencer (Chairman of Besso International), Robert Dowman (Head of Besso Global Casualty) and Russell Nichols (Head of Besso Global Property), have been appointed to the Besso Insurance Group Board.

John Hudson (Managing Director of Besso Marine), has been appointed as a Director of Besso Limited.

Colin Marshall, a founding partner of the Group, has announced his retirement as a Director of Besso Insurance Group and as CEO of Besso Limited.

Hyperion Insurance Group Limited ("Hyperion")
Hyperion has announced its results for the year to 30th September 2014. Total revenue was up 19% to £199.0m, whilst EBITDA (before non-recurring and acquisition costs and discontinued operations) increased by 20% to £43.2m, being an EBITDA margin of 21.7%.

In April 2015 Hyperion completed a merger with R K Harrison Holdings Limited. Following this merger Hyperion has become the world's largest employee-owned insurance and reinsurance intermediary group. The Company presently has a 1.61% shareholding in the combined group.

LEBC Holdings Limited ("LEBC")
LEBC continues to perform well in the post Retail Distribution Review environment. Its trading subsidiary LEBC Group Limited published its 30th September 2014 year-end results declaring a pre-tax profit of £1.10m for the year, a 43% increase in profit over the year-ended 30th September 2013 (£0.77m).

The independent financial adviser firm, which has 14 branches across the United Kingdom, also increased turnover by 8.8%, from £11.29m in 2013 to £12.28m in 2014. LEBC is continuing this excellent momentum into 2015. It is envisaged that the increased flexibility for pensions introduced in 2015 will lead to increased demand for independent advice in future for retirement planning.

During the year, following the provision of loan funding to an Employment Benefit Trust, the Group assisted LEBC in the establishment of a management incentive scheme. This scheme has further aligned the interests of the senior management team with that of the Company positioning LEBC to build upon its current momentum and growth.

Trireme Insurance Group Limited ("Trireme")
On 18th August 2014 US Risk (UK) Limited changed its name to Trireme Insurance Group Limited. The underlying businesses of Oxford Insurance Brokers Limited and James Hampden International Insurance Brokers Limited have retained their names. This re-branding coincided with Trireme moving into new offices at 6 Bevis Marks, enabling the Trireme businesses to operate from a single site.

On 29th May 2014, the Group subscribed to its pro-rata proportion of a £1.2m Rights Issue in Trireme. Total consideration paid amounted to £0.35m for newly issued B Ordinary Shares with the Group maintaining its shareholding. The Rights Issue was undertaken to provide financial support for the on-going development of the business.

Walsingham Motor Insurance Limited ("Walsingham")
In February 2015, the Group provided a further £0.3m of equity funding to Walsingham, and acquired an additional 10.5% in the business. This increases the Group's stake in Walsingham to 40.5%. The additional funding provided will be used for the on-going development of the business.

In April 2015 Walsingham established a new Fleet Facility with capacity from the New India Assurance Company Limited. This new facility will allow Walsingham to enter its next stage of development and will provide a sound building block for growth.

Europe

Summa Insurance Brokerage, S.L ("Summa")
In December 2014, the Group acquired a further 28.625% equity stake in Summa, the Spanish insurance broker consolidator, for a cash consideration of €1.25m, increasing the Group's stake in Summa to 77.25%.

This was a commercially prudent opportunity to provide an exit for a non-strategically aligned third party shareholder which will allow Summa's management team to wholly focus on taking advantage of its strong position within the Spanish Insurance Market. The Group believes that this further acquisition will be value accretive and is in the best interests of Summa and the Company.

The Board of B.P. Marsh considers this majority stake as an exceptional holding. Our ongoing strategy remains to acquire minority equity stakes in early stage financial services businesses and remains unaltered. In respect of this exception, the Group has taken advantage of a new amendment to IFRS 10, which exempts an investment entity from having to consolidate a subsidiary.

In 2014 the Spanish economy grew by 2.6% and in 2015 Spain is expected to be one of the fastest growing economies within the Eurozone. The Board believes that Summa is well positioned in this stabilising market and looks forward to working with Summa's management team to bring about growth.

For the year ended 31st December 2014, Summa reported revenues of €5.57m, with an EBITDA of €1.20m. Performance over 2015 is encouraging, and with the substantial restructuring undertaken by Summa throughout 2014, it is envisaged that Summa will build upon its now solid foundations.

Australia

The Group's two investments in Australia, Sterling Insurance Holdings (PTY) Limited and MB Prestige Holdings (PTY) Limited, continue to perform in line with or above the Group's expectations at the current time, and continue to experience growth across their two areas of expertise.

This is notwithstanding the fact that competition remains strong in the Australian market with recent market entrants looking to establish themselves whilst the larger players continue to focus on both driving operational efficiencies and growth, against a backdrop of broadly stagnant rate increases.

Nevertheless the Group's investments in Australia benefit from it being a safe and secure domicile in which to transact business with a transparent tax and legal system.

Share Buybacks

As part of the Group's efforts to reduce the Share Price discount to Net Asset Value, during the financial year the Group undertook a number of low volume daily share buybacks, taking advantage of the window of opportunity when the Group's Share Price represented a significant discount to Net Asset Value. Since 1st February 2014, the Group has acquired 63,000 shares for a total cash consideration of £82,450 which has helped to underpin the share price. Of the 63,000 shares, 59,040 are currently held in Treasury.

Dividend

The Group is pleased to announce that the Board has recommended a final dividend of 2.75p per share for the year ended 31st January 2015, subject to Shareholder approval at the Company's next Annual General Meeting. If approved the recommended dividend will be payable on 24th July 2015 to all the shareholders on the register of members at the close of business on the record date of 26th June 2015.

It remains the Board's aspiration to maintain at least this level of dividend for the current year ending 31st January 2016, subject to ongoing review and approval by the Board and the Shareholders.

The Management team remains positive about the Company's ability to generate long term returns from the existing investment portfolio, alongside an interesting pipeline of new investment opportunities.

Board Composition

In January 2015 the Board was pleased to announce the appointment of Campbell Scoones as Non-Executive Deputy Chairman. Campbell was originally appointed as a Non-Executive Director of B.P. Marsh in April 2013.

The Board was also pleased to appoint Alice Foulk to the Board as an Executive Director in February 2015, in order to reflect her increased involvement and contribution.

On 6th November 2014, Natasha Dunbar resigned from the Group after a period of service of twenty years. The Board expresses its thanks to her for all her efforts over the years.

Following the above, Pankaj Lakhani was asked to join the Board as a Non-Executive Director, as well as a member of the Remuneration Committee and Valuation Committee with effect from 21st May 2015.

Pankaj Lakhani, aged 61, has over 40 years' experience within the Global Insurance Sector, having worked at the Marsh McLennan Group, Admiral Underwriting and Victor O. Schinnerer & Company Limited.

Summary

Since our establishment over a quarter century ago and now approaching our first decade of listed status, we have cash in hand to make new investments and reward shareholders. We have achieved annual compound growth of 11.3% and our Net Asset Value per share has increased to 216p. The Group looks forward to the year ahead with confidence and this is reflected in our aspiration to maintain a dividend of at least 2.75p per share in the current year.

Brian Marsh OBE
2nd June 2015

As at 31st January 2015 the Group's equity interests were as follows:

Bastion Reinsurance Brokerage (PTY) Limited
(www.bastionre.co.za)
In December 2014 the Group invested in Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"), a start-up Reinsurance Broker based in South Africa. Established in May 2013 by its CEO and Chairman, Bastion specialises in the provision of reinsurance solutions over a number of complex issues, engaged by various insurance companies and managing general agents.
Date of investment: December 2014
Equity stake: 35%
31st January 2015 valuation: £155,000

Besso Insurance Group 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 Limited. The company specialises in insurance broking for the North American wholesale market and changed its name to Besso Insurance Group Limited in June 2011.
Date of investment: February 1995
Equity stake: 37.94%
31st January 2015 valuation: £10,899,000

The Broucour Group Limited
(www.turnerbutler.co.uk)
(www.ownersellers.com)
In March 2008 the Group assisted in establishing a business sales platform that provides valuation and negotiation services for the sale of SME businesses in the sub £3m sector. In July 2012 Broucour was formed as a new holding company, and the Group financed the acquisition of Turner Butler.
Date of investment: March 2008
Equity stake: 49.0%
31st January 2015 valuation: £291,000

Hyperion Insurance Group Limited
(www.hyperiongrp.com)
The Group first invested in Hyperion in 1994. Hyperion owns, amongst other things, an insurance broker specialising in directors' and officers' ("D&O") and professional indemnity ("PI") insurance. In 1998 Hyperion set up an insurance managing general agency specialising in developing D&O and PI business in Europe. In July 2012 Hyperion acquired Windsor and in July 2013 the Group sold 80% of its holding to General Atlantic in July 2013, with the remaining holding being valued at the agreed option price. In April 2015 Hyperion completed a merger with R K Harrison Holdings Limited. Following this merger Hyperion has become the world's largest employee-owned insurance and reinsurance intermediary group and the Group's shareholding is now, post year-end, 1.61%.
Date of investment: November 1994
Equity stake: 2.24%
31st January 2015 valuation: £7,310,000

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: 34.91%
31st January 2015 valuation: £6,983,000

MB Prestige Holdings (PTY) Limited

(www.mbinsurance.com.au)

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

Date of investment: December 2013
Equity stake: 40.0%
31st January 2015 valuation: £1,288,000

Nexus Underwriting Management Limited

(www.nexusunderwriting.com)

In August 2014 the Group invested in Nexus Underwriting Management Limited ("Nexus"), the independent specialty Managing General Agency, founded in 2008. Through its two operating subsidiaries, Nexus Underwriting Limited and Nexus CIFS Limited, Nexus specialises in Directors & Officers, Professional Indemnity, Financial Institutions, Accident & Health and Trade Credit Insurance.

Date of investment: August 2014
Equity stake: 5.0%
31st January 2015 valuation: £1,554,000

Randall & Quilter Investment Holdings Limited

(www.rqih.com)

Randall & Quilter Investment Holdings 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 wholly acquired.

Date of investment: January 2010
Equity stake: 1.33%
31st January 2015 valuation: £1,243,000

Sterling Insurance (PTY) Limited

(www.sterlinginsurance.com.au)

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

Date of investment: June 2013
Equity stake: 19.70%
31st January 2015 valuation: £2,265,000

Summa Insurance Brokerage, S. L.

(www.grupo-summa.com)

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

Date of investment: January 2005
Equity stake: 77.25%
31st January 2015 valuation: £4,326,000

Trireme Insurance Group Limited
(www.oxfordinsurancebrokers.co.uk)
(www.jhinternational.co.uk)

In July 2010 the Group completed an investment in Trireme Insurance Group Limited (formerly known as US Risk (UK) Ltd), the parent company of Oxford Insurance Brokers Ltd and James Hampden International Insurance Brokers Ltd, London-based Lloyd's specialist international reinsurance and insurance intermediaries. Trireme Insurance Group Limited is also the parent company of Abraxas Insurance AG, a Swiss-based underwriting agency specialising in Directors & Officers Liability Insurance, Professional Liability Insurance, Insurance for Financial Institutions, Medical malpractice Insurance, Property Insurance and Event Insurance.
Date of investment: July 2010
Equity stake: 30.57%
31st January 2015 valuation: £2,033,000

Walsingham Motor Insurance Limited
(www.walsinghamunderwriting.com)

In December 2013 the Group invested in Walsingham Motor Insurance Limited, a new niche UK Motor Managing General Agency. Walsingham was established in August 2012 and commenced trading in July 2013 having secured primary capacity from Calpe. Post year-end the Group acquired a further 10.5% equity, taking the current shareholding to 40.5%.
Date of investment: December 2013
Equity stake: 30.0%
31st January 2015 valuation: £300,000

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

Investments made after the year end:

Bulwark Investment Holdings (PTY) Limited
In April 2015 the Group, alongside its existing South African Partners, established a new venture, Bulwark Investment Holdings (PTY) Limited ("Bulwark"), a South African based holding company which establishes Managing General Agents in South Africa. To date Bulwark has established two new Managing General Agents: Preferred Liability Underwriting Managers (PTY) Limited and Mid-Market Risk Acceptances (PTY) Limited.
Date of investment: April 2015
Equity stake: 35%
31st January 2015 valuation: N/A

B.P. Marsh & Partners Plc

(Company No: 05674962)

Directors' Report, Strategic Report & Consolidated Financial Statements

For The Year Ended 31st January 2015

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

Brian Marsh OBE
Executive Chairman, aged 74 (R) (I) (V)
Brian started his career in insurance broking and underwriting in Lloyd's and the London and overseas market over 55 years ago and was, from 1979 to 1990, chairman of Nelson Hurst & Marsh (Holdings) Ltd, before founding the Group. Brian has over 30 years' experience in building, buying and selling financial services businesses particularly in the insurance sector. Brian is a majority shareholder in B.P. Marsh owning 58.6% of the Company, with a beneficial interest (as joint owner) in a further 4.9% of the Company through his 100% holding in B.P. Marsh Management Limited.

Jonathan Newman ACMA, CGMA, MCSI
Group Finance Director, aged 40 (I) (V)
Jonathan is a Chartered Management Accountant with over 18 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 four investee companies. Jonathan has a beneficial interest (as joint owner) in 355,283 ordinary shares in B.P. Marsh.

Daniel Topping MCSI, ACIS
Director, aged 31 (I) *
Daniel is a Member of the Chartered Institute of Securities and Investment (MCSI) and an Associate Member of the Institute of Chartered Secretaries and Administrators (ACIS), having graduated from the University of Durham. He joined B.P. Marsh in February 2007 having started his career at WiltonGroup. In 2011, having spent a period of time as Investment Assistant to the Chairman he was appointed as a director of B.P. Marsh and currently has seven nominee appointments and evaluates new investment opportunities. Daniel has both a beneficial interest (as joint owner) in 355,283 ordinary shares in B.P. Marsh and also directly owns 802 ordinary shares in the Company.

Camilla Kenyon
Director, aged 42 (I)
Millie was appointed as Head of Investor Relations at B.P. Marsh in February 2009, having 4 years of prior experience with the Company. She is Head of the New Business Department and chairs the New Business Committee. Millie has a background in media and public relations, is a qualified journalist (National Council for the Training of Journalists) and holds a Certificate in Investor Relations. Millie currently has two nominee appointments. Millie has a beneficial interest (as joint owner) in 241,592 ordinary shares in B.P. Marsh.

Alice Foulk BA (Hons)
Director, aged 28 (appointment date 16th February 2015) *
Alice joined B.P. Marsh in September 2011 having started her career at a leading Life Assurance company. In 2014 she took over as Executive Assistant to the Chairman, running the Chairman's Office and in December 2014 was appointed interim Head of New Business. Alice has a beneficial interest (as joint owner) in 127,901 ordinary shares in B.P. Marsh.

Stephen Clarke FCA
(Non-executive), aged 77 (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 40 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 77 (R) (A) (V)

A Chartered Accountant with over 40 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 served as the Group's nominee director on the board of Portfolio Design Group International Limited until the Group's disposal of this investment in May 2014 (please refer to Note 12 on page 48).

Campbell Scoones

Non-executive Deputy Chairman, aged 68 (R)

Campbell joined B.P. Marsh in April 2013 and has over 45 years' experience in the Lloyds and overseas insurance broking and underwriting markets. Having started his career in 1966, Campbell has worked for a number of Lloyd's insurance broking and underwriting firms during this time, including, inter alia, Nelson Hurst & Marsh Group, Admiral Underwriting, Marsh & McLennan Companies and Encon Underwriting. Campbell currently has one nominee appointment and in January 2015 Campbell was appointed the Group's Non-Executive Deputy Chairman. Campbell owns 46,000 ordinary shares in B.P. Marsh.

Pankaj Lakhani FCCA

Non-executive, aged 61 (appointment date 21st May 2015) *

Pankaj joined B.P. Marsh in May 2015 and has over 40 years' experience within the Global Insurance Sector, having worked at the Marsh McLennan Group, Admiral Underwriting and Victor O. Schinnerer. Upon joining the Group Pankaj was appointed a member of the Remuneration Committee and the Valuation Committee. Pankaj owns 18,800 ordinary shares in B.P. Marsh.

* On 16th February 2015 Alice Foulk was appointed to the Investment Committee and on the 21st May 2015 Daniel Topping was appointed to the Valuation Committee and Pankaj Lakhani to the Valuation Committee and Remuneration Committee. However, they did not formally serve on these committees during the year.

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 of B.P. Marsh ("the Board") is responsible for the Group's corporate governance policies and recognises the importance of high standards of integrity, and consistently seeks to apply the principles set out in the revised UK Corporate Governance Code (the "Code") by the Financial Reporting Council 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.

A formal review of the performance and effectiveness of each director, including the non-executive directors, takes place annually and 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

During the year the Remuneration Committee was comprised of the three non-executive directors of the Company and Brian Marsh and was 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 18 to 20.

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
During the year the Valuation Committee was 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.

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 also produces quarterly trading updates, in order to ensure a consistent flow of information throughout the year.

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

Internal controls and risk management

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 its Annual Report and these consolidated financial statements play an important part in presenting all shareholders with an assessment of the Group's position and prospects. The Chairman's Statement included within the Annual Report contains a detailed consideration of the Group's position and prospects.

A statement of the directors' responsibilities in respect of the consolidated financial statements is set out on page 21.

By order of the Board

S.C. O'Haire
Company Secretary
1st June 2015

The Remuneration Committee of the Board (the "Committee") during the year comprised three non-executive directors of the Company, Philip Mortlock, Stephen Clarke and Campbell Scoones, 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's terms of reference provide that for as long as the Chairman of the Company is executive, he should attend as a member and be invited to express his views on remuneration levels, but should not be present when his own salary is decided or when decisions are taken on performance targets for incentive arrangements in which he participates.

The Board has delegated the review and setting of non-executive director remuneration to a sub-committee of the Board consisting of Brian Marsh, Jonathan Newman and Daniel Topping.

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
D.J. Topping	1st March 2011	Continuous	6 months
C.S. Kenyon	1st March 2011	Continuous	6 months
A.H.D. Foulk*	16th February 2015	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
C.R. Scoones	19th April 2013	12 months	3 months
P.B. Lakhani*	21st May 2015	12 months	3 months

* On 16th February 2015 A.H.D. Foulk was appointed an executive director of the Company and on 21st May 2015 P.B. Lakhani was appointed a non-executive director of the Company.

Audited Information

Joint Share Ownership Plan ("JSOP")

On 6th November 2014, following the resignation of J.K.N. Dunbar, B.P. Marsh Management Limited ("BPMM"), a company wholly owned by Mr B.P. Marsh, the Executive Chairman and majority shareholder of the Company, acquired 1,421,130 ordinary shares in the Company from the Tasha Dunbar Life Interest Trust (a trust set up on behalf of J.K.N. Dunbar) for 138 pence per share.

On the same date as the acquisition of these shares, in order to instigate a non-dilutive share incentive scheme, BPMM granted beneficial joint interests in 1,421,130 ordinary shares for no consideration to respective individual directors and senior employees of the Company to be held together with BPMM upon and subject to the terms of joint share ownership agreements ("JSOAs") respectively entered into between each employee, the Company and BPMM.

Of the 1,421,130 ordinary shares in respect of which joint interests have been granted, the following directors of the Company have each acquired, jointly with BPMM, and upon and subject to the terms of a JSOA, a beneficial interest (as joint owner) in the number of shares respectively shown opposite the name of each such director:

DIRECTOR	NUMBER OF JOINTLY-OWNED SHARES	% OF TOTAL JOINTLY-OWNED SHARES	PRE-EXISTING ORDINARY SHAREHOLDING
J.S. Newman	355,283	25%	-
D.J. Topping	355,283	25%	802
C.S. Kenyon	241,592	17%	-
A.H.D. Foulk	127,901	9%	-
Total	**1,080,059**	**76%**	**802**

The form of JSOA used on this occasion was approved by the Remuneration Committee on 6th November 2014 and provides for the acquisition by the employee of a beneficial interest as joint owner (with BPMM) of ordinary shares in the Company. This acquisition will provide, inter alia, that if jointly-owned shares become vested and are sold, the proceeds of sale will be divided between the joint owners so that BPMM receives at least 140 pence per jointly-owned share ("IMV") plus an amount representing interest of 3.5% per cent per annum on the IMV and the employee is entitled to the balance (if any). Jointly-owned shares will normally vest if the employee remains employed with the B.P. Marsh group of companies for a minimum period of three years.

No jointly-owned shares were sold or forfeited during the year. The number of jointly-owned shares expected to vest has therefore not been adjusted. In accordance with IFRS 2 (Share-based Payment) the fair value of the expected cost of the award (measured at the date of grant) has been spread over the three year vesting period.

Further details are given in Note 27 to the financial statements.

The directors' interests in other shares of the Company are detailed in the Group Report of the Directors.

Aggregate Directors' Remuneration

	2015 (£)	2014 (£)
Emoluments	796,195	790,532
Fees	23,250	33,573
Pension contributions	40,500	35,300

Aggregate Directors' Emoluments

	SALARIES AND FEES (£)	BENEFITS (£)	ANNUAL BONUSES (£)	OTHER BONUSES† (£)	TERMINATION PAYMENTS (£)	2015 EMOLUMENTS EXCLUDING PENSION CONTRIBUTIONS (£)
B.P. Marsh	110,000	2,434	-	-	-	112,434
J.S. Newman	152,000	4,357	45,000	3,371	-	204,728
D.J. Topping	120,000	4,632	45,000	3,079	-	172,711
C.S. Kenyon	73,776	4,750	14,000	1,900	-	94,426
J.K.N. Dunbar**	84,333	8,491	-	-	26,072	118,896
P.J. Mortlock	40,250	-	-	-	-	40,250
S.S. Clarke	35,000	-	-	-	-	35,000
C.R. Scoones	41,000	-	-	-	-	41,000

† Relate to bonuses awarded to the directors participating in the JSOP in order to cover the Income Tax and National Insurance liabilities arising from the initial grant of the joint beneficial interest in the shares (settled by the Company on behalf of those directors).

In addition to the above, and as outlined in Note 18 on page 53 of these financial statements, on 2nd May 2014 the Group paid S.S. Clarke £197,033 in settlement of his carried interest entitlement in respect of the sale of the Group's equity investments in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses").

Directors' Pensions
The executive directors received the following pension contributions during the year:

	2015 (£)
B.P. Marsh	-
J.S. Newman	15,300
D.J. Topping	6,100
C.S. Kenyon	8,100
J.K.N. Dunbar**	11,000

** J.K.N. Dunbar resigned as an executive director of the Company on 6th November 2014.

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 2015.

By order of the Board
S.C. O'Haire
Company Secretary

Directors

B.P. Marsh OBE (Chairman)
J.S. Newman ACMA, CGMA, MCSI
D.J. Topping MCSI, ACIS
C.S. Kenyon
A.H.D. Foulk BA (Hons) (appointed 16th February 2015)
J.K.N. Dunbar BBA (resigned 6th November 2014)
S.S. Clarke FCA (non-executive)
P.J. Mortlock MA, FCA (non-executive)
C.R. Scoones (non-executive Deputy Chairman)
P.B. Lakhani FCCA (non-executive) (appointed 21st May 2015)

The directors submit their report and the audited financial statements of the Company and the Group for the year ended 31st January 2015.

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. Under that law, the directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. 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 the Group's profit or loss for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investments Market.

In preparing financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU subject to any material departures disclosed and explained in the financial statements; 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

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 services businesses.

Country Of Incorporation And Registration
B.P. Marsh & Partners Plc was incorporated and is registered in England and Wales.

Results Of The Business
The results for the year are set out on page 30. The directors consider the current state of affairs of the Group to be satisfactory.

Dividends
A dividend of £803,825 (2.75p per share) was paid on 25th July 2014 (2014: £365,375). The directors have recommended a final dividend of £803,825 (2.75p per share) which will be paid, subject to Shareholder approval, on 24th July 2015 to Shareholders registered at the close of business on 26th June 2015.

Substantial Interests
As at 22nd May 2015 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	17,084,271	58.6%
B.P. Marsh Management Limited*	1,421,130	4.9%
James Sharp & Co	1,252,099	4.3%
IS Partners Investment Solutions	1,247,500	4.3%
The Stephen Crowther Trust	963,614	3.3%
Henderson Global Investors	912,000	3.1%

* Jointly-owned beneficial interest with six employees of the Company, of whom four are directors.

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 2015 ORDINARY SHARES OF 10P EACH	31ST JANUARY 2014 ORDINARY SHARES OF 10P EACH
Mr B.P. Marsh[1]	18,505,401	17,304,271
The Tasha Dunbar Life Interest Trust[2]	-	1,428,614
Mr J.S. Newman[3]	355,283	-
Mr D.J. Topping[4]	356,085	802
Ms C.S. Kenyon[5]	241,592	-
Mr C.R. Scoones	46,000	35,800

DIRECTORS (CONTINUED)

[1] *Total interest includes 1,421,130 ordinary shares held (under joint ownership with six employees of the Company, of whom four are directors) by B.P. Marsh Management Limited ("BPMM"), a company wholly owned by Mr B.P. Marsh, and 171,000 ordinary shares held by the Marsh Christian Trust of which Mr B.P. Marsh is Trustee and Settlor.*

[2] *The Tasha Dunbar Life Interest Trust held shares in trust for J.K.N. Dunbar who was a director of the Company until her resignation on 6th November 2014. 1,421,130 ordinary shares were acquired from the Tasha Dunbar Life Interest Trust by BPMM on the same date.*

[3] *Shares co-owned with BPMM under a Joint Share Ownership Agreement between Mr J.S. Newman, BPMM and the Company dated 6th November 2014.*

[4] *Total interest includes 355,283 ordinary shares co-owned with BPMM under a Joint Share Ownership Agreement between Mr D.J. Topping, BPMM and the Company dated 6th November 2014 and 802 ordinary shares directly owned by Mr D.J. Topping.*

[5] *Shares co-owned with BPMM under a Joint Share Ownership Agreement between Ms C.S. Kenyon, BPMM and the Company dated 6th November 2014.*

Ms A.H.D. Foulk (appointed as a director of the Company on 16th February 2015) was granted an award of 127,901 ordinary shares in the Company under a Joint Share Ownership Agreement on 6th November 2014. However, as Ms A.H.D. Foulk was not a director of the Company as at 31st January 2015 this interest has not been disclosed above.

SHARE CAPITAL

Information relating the Company's ordinary share capital (including share repurchases and cancellation) is shown in Note 21 to the financial statements.

EVENTS AFTER THE REPORTING DATE

On 20th February 2015 the Group acquired a further 10.5% stake in Walsingham Motor Insurance Limited ("Walsingham") for total consideration of £300,000. This increased the Group's holding in Walsingham from 30% as at 31st January 2015 to 40.5%.

In February and March 2015 the Group provided the remaining £130,000 of an agreed £341,831 loan facility (£211,831 drawn down as at 31st January 2015) to Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"). £50,000 was provided on 9th February 2015, £42,500 on 18th February 2015 and £37,500 on 19th March 2015.

On 15th April 2015 the Group subscribed for a 35% preferred equity stake in Bulwark Investment Holdings (PTY) Limited ("Bulwark"), based in South Africa, for a consideration of £1. On the same date the Group also provided Bulwark with a loan facility of £500,000 in order to fund start-up Managing General Agencies ("MGAs"). £120,000 of this facility was drawn down immediately in order to fund two new MGAs, and a further £33,708 was drawn down on 6th May 2015, leaving a remaining undrawn facility of £346,292 at the date of this report.

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.

AUDITORS

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

By order of the Board
S.C. O'Haire
Company Secretary
1st June 2015

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

Business Review

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

On 27th February 2014 the Group provided the remaining £200,000 of an agreed £1,200,000 loan facility to Walsingham Motor Insurance Limited to fund the continued expansion of the business.

On 17th April 2014, the Group provided Besso Insurance Group Limited ("Besso") with a short-term working capital loan of £315,000. The loan is repayable over 12 months and repayments commenced on 31st May 2014. The loan has a final repayment date of 30th April 2015 and has, since 31st January 2015, been repaid in full in accordance with the terms of the loan.

On 1st May 2014 the Group sold, to its fellow shareholders, its respective 20% stakes in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses") for a combined total of £1,250,000 in cash. As outlined in Note 18, Mr S.S. Clarke, a non-executive Director of the Company, was entitled to 20% of any gain on the sale of the PDGI businesses after the deduction of expenses. Consequently, on 2nd May 2014 the Group paid Mr S.S. Clarke £197,033 in respect of his entitlement due on the sale of the PDGI businesses as per the carried interest agreement between the Group and Mr S.S. Clarke.

On 12th May 2014 the Group provided £68,000 of an agreed £747,000 loan facility to Besso in order to fund the continued expansion of its business in Turkey. This draw down was in addition to the £265,000 already drawn down from the facility as at 31st January 2014. Following a repayment of £63,000 received during the year in respect of this loan, the balance as at 31st January 2015 was £270,000. Together with £2,750,000 of 10% loan stock and other loans of £2,115,393, total loans drawn down by Besso as at 31st January 2015 amounted to £5,135,393, with a remaining undrawn facility of £414,000 (see Note 24).

On 29th May 2014 the Group subscribed to its pro-rata proportion of a £1,200,000 Rights Issue in Trireme Insurance Group Limited ("Trireme", formerly known as US Risk (UK) Limited). Total consideration paid amounted to £351,000 for 351,000 newly issued B Preferred Ordinary shares (£1 per share). In addition, on the same date the Group agreed to provide Trireme with additional loan funding of £469,515 (in addition to the £1,800,000 of loans already drawn down as at 31st January 2014) which increased the total agreed loan funding to £2,269,515. No cash was provided to Trireme in respect of the additional £469,515 loan funding as it was utilised throughout the year to settle trade receivables balances owing to the Group. On 23rd September 2014 the Group provided a further loan facility of £150,000 (increasing the total agreed loan facility to £2,419,515), of which £125,598 was drawn down in cash on completion. As at 31st January 2015 total loans drawn down by Trireme amounted to £2,395,113, with a remaining undrawn facility of £24,402 (see Note 24). Both the Rights Issue and respective increases to the loan facility were made for working capital purposes.

On 30th October 2014, following the departure of a 5% minority shareholder and director of Trireme, the Group acquired its pro-rata proportion for a cash consideration of £63,105. As at 31st January 2015 the Group's equity holding in Trireme was 29.27% (effective economic holding of 30.57%).

On 14th August 2014 the Group acquired a 5% equity stake in Nexus Underwriting Management Limited ("Nexus") for a total consideration of £1,554,000. Nexus is one of the largest independent speciality Managing General Agencies in the London Market which underwrites Speciality Insurance Products (Directors' & Officers, Professional Indemnity, Financial Institutions and Accident & Health).

Business Review (continued)

On 5th December 2014 the Group acquired a further 28.625% equity stake in Summa Insurance Brokerage, S.L ("Summa") for a cash consideration of €1,248,177 (£997,884). This holding was acquired from a non-strategically aligned third party shareholder and will allow Summa to wholly focus on taking advantage of its strong position within the Spanish insurance market. The acquisition increased the Group's equity stake in Summa from 48.625% as at 31st January 2014 to 77.25% as at 31st January 2015, however this is considered to be an exceptional holding and the Group's ongoing strategy remains to acquire minority equity stakes in early stage financial services business and remains unaltered. In respect of this exception, the Group has taken advantage of a new amendment to International Financial Reporting Standard 10: Consolidated Financial Statements ("IFRS 10"), which exempts an investment entity from having to consolidate a subsidiary. On the same date the Group also agreed to acquire the exiting shareholder's outstanding loan (including accrued interest) to Summa of €251,824 (£201,326). Together with an existing loan of €2,951,240, total loans drawn down by Summa as at 31st January 2015 amounted to €3,203,064 (£2,406,690).

On 11th December 2014 the Group acquired a 35% equity stake in Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"), a start-up Reinsurance Broker based in South Africa, for a total cash consideration of £100,000. In addition to the equity investment, the Group agreed to provide Bastion with loan funding of £211,831 on completion and, subject to certain conditions, additional loan funding of up to £130,000. As at 31st January 2015 total loans drawn down by Bastion amounted to £211,831, with a remaining undrawn facility of £130,000.

Financial Performance

At 31st January 2015, the net asset value of the Group was £63.0m, or 216p per share (2014: £58.9m, or 202p per share) including a provision for deferred tax. This equates to an increase in net asset value of 6.9% (2014: 6.3%) for the year.

The Group continued to maintain a £0.8m (or 2.75p per share) dividend payment during the year, as announced previously (2014: £0.8m or 2.75p per share). Total shareholder return for the year was therefore 8.2% (2014: 6.9%) including the dividend payment and the net asset value increase.

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

31st January 2014 valuation	Acquisitions at cost	Disposal proceeds	Impairment provisions	Adjusted 31st January 2014 valuation	31st January 2015 valuation
£31.7m	£3.1m	£(1.3)m	£nil	£33.5m	£38.7m

Including a £7.3m holding in Hyperion Insurance Group Limited ("Hyperion") which is capped, this equates to an increase in the portfolio valuation of 15.5% (2014: increase of 14%). Excluding the holding in Hyperion, the remaining portfolio increased by 19.5% over the year.

The net asset value of £63.0m at 31st January 2015 represented a total increase in net asset value of £50.4m 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 11.3% in Group net asset value after running costs, realisations, losses, distributions and deferred tax since 1990.

The consolidated profit on ordinary activities after taxation increased by 28.8% to £4.9m (2014: profit of £3.8m). The consolidated profit on ordinary activities before taxation was £5.9m (2014: profit of £4.1m), of which £5.1m was derived from unrealised gains on revaluing the equity investment portfolio in line with current market conditions, an increase of 30.8% on the previous year (2014: net unrealised gains of £3.9m). The Group's strategy is to cover expenses from the portfolio yield, and on an underlying basis (excluding portfolio movement) this was achieved with a pre-tax profit of £0.8m for the year (2014: £0.2m).

The Group invested £1.7m in new equity investments and £1.4m for follow-on equity financing to its existing portfolio during the year. In addition the Group provided net new loans for working capital to the portfolio of £0.4m. Cash funds (including treasury funds) at 31st January 2015 were £7.9m.

BUSINESS REVIEW (CONTINUED)

Financial Performance (continued)
Income from investments increased by 24% to £2.8m over the year (2014: £2.3m) as the Group continues to invest in new and existing opportunities. Operating expenses, including costs of making new investments, were 9% higher during the year at £2.2m (2014: £2.0m) in line with the increased portfolio.

The Group's treasury funds increased by 4.7% over the year (net of fund management charges) which compared favourably with the FTSE 100 increasing by 3.7% over the same period.

Future Prospects
During the year under review, several new investments were made and the Group continued to assist and support its existing investments through follow-on funding to enable continued growth. A number of prospective investments were considered and the Group continues to receive a strong pipeline of opportunities and continues to evaluate them for investment potential.

Financial Data and Key Performance Indicators
The table below summarises the Group's financial results and key performance indicators.

	YEAR TO/AS AT 31ST JANUARY 2015	YEAR TO/AS AT 31ST JANUARY 2014
Net asset value	£ 63.0m	£ 58.9m
Net asset value per share	216p	202p
Equity portfolio increase	15.5%	14.0%
Equity portfolio increase excluding Hyperion	19.5%	13.5%
Dividend per share	2.75p	1.25p
Total shareholder return (including dividends)	£ 4.9m	£ 3.8m
Total shareholder return on opening shareholders' funds	8.2%	6.9%
Annual operating cash profit/(loss)	£ 0.2m	£ 0.7m
Cash investment for the year – Equity	£ 3.1m	£ 4.3m
Cash investment for the year – Loans	£ 1.6m	£ 13.8m
Realisations (net of costs)	£ 1.0m	£ 29.0m
Profit on realisations	£ 0.8m	£ 20.6m
Loans repaid by investee companies in the year	£ 1.2m	£ 3.0m

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. As at 31st January 2015 the Group was debt free (31st January 2014: 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.

FINANCIAL RISK MANAGEMENT (CONTINUED)

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
At 31st January 2015, the Group had no interest bearing liabilities but had 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 Consolidated Statement of Comprehensive Income in accordance with the Group's accounting policy. The Board monitors the movements and manages the risk accordingly.

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 42 (2014: 28) during the year.

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 2016 and 2017, including cash flows and borrowing facilities, consider that the Group has adequate resources to continue its operation for the foreseeable future.

By order of the Board
S.C. O'Haire
Company Secretary
1st June 2015

We have audited the Group and Company financial statements of B.P. Marsh & Partners Plc for the year ended 31st January 2015 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 auditor

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 and to express an opinion on 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. In addition, we read all the financial and non-financial information in the Directors' Report, Strategic Report and Consolidated Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing that audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 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 and the Group Strategic Report 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's financial statements and the part of the Report of the Remuneration Committee to be audited 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.

Christopher Bliss (Senior Statutory Auditor)
For and on behalf of

RAWLINSON & HUNTER AUDIT LLP
Statutory Auditor
Chartered Accountants
Eighth Floor
6 New Street Square
New Fetter Lane
London
EC4A 3AQ

1st June 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST JANUARY 2015

	NOTES	2015 (£'000)	2015 (£'000)	2014 (£'000)	2014 (£'000)
Gains on investments	1				
Realised gains on disposal of equity investments (net of costs)	1,14	-		12	
Unrealised gains on equity investment revaluation	12	5,109		3,744	
Carried interest movement	2,18	-		97	
			5,109		3,853
Income					
Dividends	1,28	432		368	
Income from loans and receivables	1,28	1,789		1,402	
Fees receivable	1,28	575		486	
			2,796		2,256
Operating Income	2		**7,905**		**6,109**
Operating expenses	2		(2,160)		(1,987)
Operating Profit			**5,745**		**4,122**
Financial income	2,4	450		138	
Financial expenses	2,3	(51)		(78)	
Exchange movements	2,8	(244)		(108)	
			155		(48)
Profit on ordinary activities before share based provision			**5,900**		**4,074**
Share based payment provision	22,27		(1)		-
Profit on ordinary activities before taxation	8		**5,899**		**4,074**
Income tax expense	9		(964)		(241)
Profit on ordinary activities after taxation attributable to equity holders	22		**4,935**		**3,833**
Earnings per share – basic and diluted (pence)	10		16.9p		13.1p

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

The notes on pages 34 to 63 form part of these financial statements.

CONSOLIDATED & COMPANY STATEMENTS OF FINANCIAL POSITION

FOR THE YEAR ENDED 31st JANUARY 2015

(Company Number: 05674962)

	NOTES	GROUP 2015 (£'000)	GROUP 2014 (£'000)	COMPANY 2015 (£'000)	COMPANY 2014 (£'000)
Assets					
Non-current assets					
Property, plant and equipment	11	18	18	-	-
Investments – equity portfolio	12	38,647	31,710	52,815	48,767
Investments – treasury portfolio	13	6,319	9,289	-	-
Loans and receivables	15	14,717	17,248	10,155	10,155
		59,701	**58,265**	**62,970**	**58,922**
Current assets					
Trade and other receivables	16	5,908	2,685	-	-
Cash and cash equivalents		1,531	5,502	1	1
Total current assets		**7,439**	**8,187**	**1**	**1**
Total assets		**67,140**	**66,452**	**62,971**	**58,923**
Liabilities					
Non-current liabilities					
Carried interest provision	18	-	(197)	-	-
Deferred tax liabilities	19	(3,661)	(2,736)	-	-
Total non-current liabilities		**(3,661)**	**(2,933)**	**-**	**-**
Current liabilities					
Trade and other payables	20	(446)	(558)	-	-
Corporation tax provision	20	(62)	(4,038)	-	-
Total current liabilities	20	**(508)**	**(4,596)**	**-**	**-**
Total liabilities		**(4,169)**	**(7,529)**	**-**	**-**
Net Assets		**62,971**	**58,923**	**62,971**	**58,923**
Capital and reserves - equity					
Called up share capital	21	2,923	2,923	2,923	2,923
Share premium account	22	9,370	9,370	9,370	9,370
Fair value reserve	22	13,992	9,743	50,671	46,623
Reverse acquisition reserve	22	393	393	-	-
Capital redemption reserve	22	6	6	6	6
Capital contribution reserve	22	1	-	1	-
Retained earnings	22	36,286	36,488	-	1
Shareholders' Funds - equity	22	**62,971**	**58,923**	**62,971**	**58,923**

The Financial Statements were approved by the Board of Directors and authorised for issue on 1st June 2015 and signed on its behalf by:

B.P. Marsh & J.S. Newman

The notes on pages 34 to 63 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2015

	NOTES	2015 (£'000)	2014 (£'000)
Cash from operating activities			
Income from loans to investees		1,789	1,402
Dividends		432	368
Fees received from investment activity		575	486
Operating expenses		(2,160)	(1,987)
(Increase) / decrease in receivables		(302)	456
Decrease in payables		(111)	(26)
Depreciation	*11*	7	6
Net cash from operating activities		**230**	**705**
Net cash (used by) / from investing activities			
Purchase of property, plant and equipment	*11*	(7)	(17)
Purchase of equity investments	*12*	(3,066)	(4,272)
Purchase of treasury investments	*13*	(2,763)	(12,000)
Net proceeds from sale of equity investments	*12,14*	1,041	29,029
Corporation tax paid on equity investment disposal		(4,216)	(1,400)
Net advances of loans to investee companies		(424)	(10,736)
Net proceeds from sale of treasury investments	*13*	6,088	2,777
Net cash (used by) / from investing activities		**(3,347)**	**3,381**
Net cash used by financing activities			
Financial income[1]	*4*	44	60
Financial expenses[2]	*3*	-	(66)
Dividends paid	*7*	(804)	(365)
Payments made to repurchase company shares	*21,22*	(83)	-
Net cash used by financing activities		**(843)**	**(371)**
Change in cash and cash equivalents		(3,960)	3,715
Cash and cash equivalents at beginning of the period		5,502	1,787
Exchange movement[3]		(11)	-
Cash and cash equivalents at end of period		**1,531**	**5,502**

[1] *The financial income as noted in the Consolidated Statement of Comprehensive Income is £450k (2014: £138k). The financial income in the Consolidated Statement of Cash Flows excludes realised income (which was reinvested) and unrealised income of £406k (2014: £78k) arising from the Group's treasury investments as this is a non-cash movement.*

[2] *The financial expenses as noted in the Consolidated Statement of Comprehensive Income are £51k (2014: £78k). The financial expenses in the Consolidated Statement of Cash Flows excludes treasury management costs of £51k (2014: £12k) as this is a non-cash movement.*

[3] *The exchange movement as noted in the Consolidated Statement of Comprehensive Income is a loss of £(244)k (2014: loss of £(108)k). The exchange movement in the Consolidated Statement of Cash Flows excludes an exchange loss of £(233)k (2014: loss of £(108)k) relating to the revaluation of loans denominated in Euros and Australian Dollars as this is a non-cash movement.*

The notes on pages 34 to 63 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST JANUARY 2015

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 period, other than dividends received from B.P. Marsh & Company Limited ("BPMCL"), a subsidiary company, which were settled via an intercompany adjustment. The ordinary dividend payment to the Company's members during the year was paid directly by BPMCL and reflected in the Company through an intercompany adjustment. Accordingly the Company's "cash and cash equivalents" balance as at 31st January 2015 is £1k (2014: £1k).

CONSOLIDATED & COMPANY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST JANUARY 2015

	GROUP		COMPANY	
	2015 (£'000)	2014 (£'000)	2015 (£'000)	2014 (£'000)
Opening total equity	58,923	55,455	58,923	55,455
Profit for the year	4,935	3,833	4,935	3,833
Dividends paid	(804)	(365)	(804)	(365)
Repurchase of company shares	(83)	-	(83)	-
Total Equity	**62,971**	**58,923**	**62,971**	**58,923**

Refer to Note 22 for detailed analysis of the changes in the components of equity.

The notes on pages 34 to 63 form part of these financial statements.

1. Accounting Policies

Basis of preparation of financial statements

These consolidated 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 are presented in sterling, the functional currency of the Group, rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10: Consolidated Financial Statements ("IFRS 10") are required to account for their investments in controlled entities, as well as investments in associates at fair value through profit or loss. Subsidiaries that provide investment related services or engage in permitted investment related activities with investees that relate to the parent investment entity's investment activities continue to be consolidated in the Group results. The criteria which define an investment entity are currently as follows:

a) an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
b) an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
c) an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Group's annual and interim consolidated financial statements clearly state its objective of investing directly into portfolio investments and providing investment management services to investors for the purpose of generating returns in the form of investment income and capital appreciation. The Group has always reported its investment in portfolio investments at fair value. It also produces reports for investors of the funds it manages and its internal management report on a fair value basis. The exit strategy for all investments held by the Group is assessed, initially, at the time of the first investment and this is documented in the investment paper submitted to the Board for approval.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the investments are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties. The Board has concluded that B.P. Marsh & Partners Plc and its two subsidiaries, B.P. Marsh & Company Limited and Marsh Insurance Holdings Limited, which provide investment related services on behalf of B.P. Marsh & Partners Plc, all meet the definition of an investment entity. These conclusions will be reassessed on an annual basis for changes to any of these criteria or characteristics.

Application and significant judgments

When it is established that a parent company is an investment entity, its subsidiaries are measured at fair value through profit or loss. However if an investment entity has subsidiaries that provide services that relate to the investment entity's investment activities, exception to the Amendment of IFRS 10 is not applicable as in this case, the parent investment entity still consolidates the results of its subsidiaries. Therefore the results of B.P. Marsh & Company Limited and Marsh Insurance Holdings Limited continued to be consolidated into its Group financial statements for the year.

1. Accounting Policies (continued)

Basis of preparation of financial statements (continued)

Application and significant judgments (continued)
The most significant estimates relate to the fair valuation of the equity investment portfolio. The valuation methodology for the investment portfolio is detailed below. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

New standards effective during the year
As noted above, the Group has adopted IFRS 10 Amendment (Consolidated Financial Statements) and accounted for its investment in Summa Insurance Brokerage, S.L. when it became a subsidiary during the year at fair value through profit or loss. None of the other new standards, interpretations or amendments, which are effective for the first time in these consolidated financial statements, has had a material impact on these consolidated financial statements.

Basis of consolidation

(i) Subsidiaries
Subsidiaries are entities controlled by the Group. Control, as defined by IFRS 10, is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
a) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
b) exposure, or rights, to variable returns from its involvement with the investee; and
c) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
a) rights arising from other contractual arrangements; and
b) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

B.P. Marsh & Partners Plc ("the Company"), an investment entity, has two subsidiary investment entities, B.P. Marsh & Company Limited and Marsh Insurance Holdings Limited, that provide services that relate to the Company's investment activities. The results of these two subsidiaries are consolidated into the Group consolidated financial statements. Summa Insurance Brokerage, S.L. ("Summa") became a subsidiary of B.P. Marsh & Company Limited following a further acquisition of a 28.625% equity stake in December 2014. The Group has taken advantage of the Amendment to IFRS 10 not to consolidate the results of Summa. Instead the investments in Summa are valued at fair value through profit or loss.

1. Accounting Policies (continued)

Basis of consolidation (continued)

(ii) Associates
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.

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.

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 Consolidated 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: Financial Instruments ("IAS 39"), with changes in fair value recognised in the profit or 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 £4,934,864, prior to a dividend distribution of £803,825 (2014: profit of £3,833,449 prior to a dividend distribution of £365,375).

Employee services settled in equity instruments
The Group issued cash settled share-based awards to certain employees. A fair value for the cash settled share awards is measured at the date of grant. The Group measured the fair value using the Black-Scholes method which was considered to be the most appropriate valuation technique to value the awards.

The fair value of the 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 capital contribution.

1. Accounting Policies (continued)

Investments – equity portfolio
All equity portfolio 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 equity portfolio investments. In valuing equity portfolio investments, the Board applies guidelines issued by the International Private Equity and Venture Capital Valuation ("IPEVCV") Committee. The following valuation methodologies have been used in reaching the fair value of equity portfolio 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 Consolidated Statement of Comprehensive Income for the year. In the Consolidated 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 equity portfolio investments are expensed in the Consolidated Statement of Comprehensive Income.

Income from equity portfolio investments
Income from equity portfolio investments comprises:

a) gross interest from loans, which is taken to the Consolidated Statement of Comprehensive Income on an accruals basis;
b) dividends from equity investments are recognised in the Consolidated 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.

Investments – treasury portfolio
All treasury portfolio 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 market value as determined from the valuation reports provided by the fund investment manager.

Both realised and unrealised gains and losses arising from changes in fair market value are taken to the Consolidated Statement of Comprehensive Income for the year. In the Consolidated Statement of Financial Position the unrealised gains and losses arising from changes in fair value are shown within the retained earnings reserve as these investments are deemed as being easily convertible into cash. Costs associated with the management of these investments are expensed in the Consolidated Statement of Comprehensive Income.

Income from treasury portfolio investments
Income from treasury portfolio investments comprises of dividends receivable which are either directly reinvested into the funds or received as cash.

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

1. ACCOUNTING POLICIES (CONTINUED)

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 into sterling at the foreign exchange rate ruling at the date of the transaction.

Exchange gains and losses are recognised in the Consolidated 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 Consolidated 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 substantively enacted by the date of the Consolidated 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 Consolidated 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.

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 Consolidated 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.

1. Accounting Policies (continued)

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 Consolidated 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 Consolidated 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 which are classified as non-current assets. They are stated at their cost less impairment losses.

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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Statement of Financial Position.

International Financial Reporting Standards in issue but not yet effective
At the date of authorisation of these consolidated financial statements there were no IFRS or International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations or amendments issued but not yet effective that would be expected to have a material impact on the Group.

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 from equity portfolio investments as described in further detail in Note 1 under 'Income from equity portfolio investments' and also from treasury portfolio investments as described in Note 1 under 'Income from treasury portfolio investments'.

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

	Geographic segment 1: UK & Channel Islands		Geographic segment 2: Non UK & Channel Islands		Group	
	2015 (£'000)	2014 (£'000)	2015 (£'000)	2014 (£'000)	2015 (£'000)	2014 (£'000)
Operating income	**6,056**	**5,949**	**1,849**	**160**	**7,905**	**6,109**
Operating expenses	(1,670)	(1,679)	(490)	(308)	(2,160)	(1,987)
Segment operating profit / (loss)	**4,386**	**4,270**	**1,359**	**(148)**	**5,745**	**4,122**
Financial income	348	117	102	21	450	138
Financial expenses	(39)	(66)	(12)	(12)	(51)	(78)
Exchange movements	(6)	-	(238)	(108)	(244)	(108)
Share based payment provision	(1)	-	-	-	(1)	-
Profit / (loss) before tax	**4,688**	**4,321**	**1,211**	**(247)**	**5,899**	**4,074**
Income tax expense	(722)	(293)	(242)	52	(964)	(241)
Profit / (loss) for the year	**3,966**	**4,028**	**969**	**(195)**	**4,935**	**3,833**

Included within the operating income reported above are the following amounts requiring separate disclosure owing to the fact that they are derived from a single investee company and the total revenues attributable to that investee company are 10% or more of the total realised income generated by the Group during the period:

	Total income attributable to the investee company		% of total realised operating income		Reportable geographic segment	
	2015 (£'000)	2014 (£'000)	2015	2014	2015	2014
Besso Insurance Group Limited	849	876	30	39	1	1
Hyperion Insurance Group Limited	509	552	18	24	1	1
Trireme Insurance Group Limited	391	292	14	13	1&2	1&2

2. Segmental Reporting (continued)

	Geographic Segment 1: UK & Channel Islands		Geographic Segment 2: Non UK & Channel Islands		Group	
	2015 (£'000)	2014 (£'000)	2015 (£'000)	2014 (£'000)	2015 (£'000)	2014 (£'000)
Non-current assets						
Property, plant and equipment	14	15	4	3	18	18
Investments – equity portfolio	30,613	25,989	8,034	5,721	38,647	31,710
Investments – treasury portfolio	6,319	9,289	-	-	6,319	9,289
Loans and receivables	11,466	14,074	3,251	3,174	14,717	17,248
	48,412	**49,367**	**11,289**	**8,898**	**59,701**	**58,265**
Current assets						
Trade and other receivables	5,588	2,460	320	225	5,908	2,685
Cash and cash equivalents	1,531	5,502	-	-	1,531	5,502
Deferred tax assets	-	-	-	40	-	40
	7,119	**7,962**	**320**	**265**	**7,439**	**8,227**
Total assets	**55,531**	**57,329**	**11,609**	**9,163**	**67,140**	**66,492**
Non-current liabilities						
Carried interest provision	-	(197)	-	-	-	(197)
Deferred tax liabilities	(3,406)	(2,776)	(255)	-	(3,661)	(2,776)
	(3,406)	**(2,973)**	**(255)**	**-**	**(3,661)**	**(2,973)**
Current liabilities						
Trade and other payables	(446)	(558)	-	-	(446)	(558)
Corporation tax provision	(62)	(4,038)	-	-	(62)	(4,038)
Total liabilities	**(3,914)**	**(7,569)**	**(255)**	**-**	**(4,169)**	**(7,569)**
Net assets	**51,617**	**49,760**	**11,354**	**9,163**	**62,971**	**58,923**
Additions to property, plant and equipment	6	14	1	3	7	17
Depreciation of property, plant and equipment	6	5	1	1	7	6
Impairment of investments and loans	-	-	-	-	-	-
Cash flow arising from:						
Operating activities	73	684	157	21	230	705
Investing activities	(1,836)	7,400	(1,511)	(4,019)	(3,347)	3,381
Financing activities	(843)	(371)	-	-	(843)	(371)
Change in cash and cash equivalents	**(2,606)**	**7,713**	**(1,354)**	**(3,998)**	**(3,960)**	**3,715**

3. Financial Expenses

	2015 (£'000)	2014 (£'000)
Other interest (Note 17)	-	66
Investment management costs (Note 13)	51	12
	51	**78**

4. Financial Income

	2015 (£'000)	2014 (£'000)
Bank interest	44	60
Income from treasury portfolio investments – dividend and similar income (Note 13)	208	14
Income from treasury portfolio investments – net unrealised gains on revaluation (Note 13)	198	64
	450	**138**

5. Staff Costs

The average number of employees, including all directors (executive and non-executive), employed by the Group during the year was 17 (2014: 16). All remuneration was paid by B.P. Marsh & Company Limited.

The related staff costs were:

	2015 (£'000)	2014 (£'000)
Wages and salaries	1,220	1,125
Social security costs	154	141
Pension costs	63	58
	1,437	**1,324**

In addition, during the year Joint Share Ownership Agreements were entered into between certain directors and employees, the Company and B.P. Marsh Management Limited, a company wholly owned by the Executive Chairman and majority shareholder, Mr. B.P. Marsh. Refer to the Report of the Remuneration Committee on page 18, 19 and Note 27 for further details.

6. Directors' Emoluments

The aggregate emoluments of the directors were:

	2015 (£'000)	2014 (£'000)
Management services – remuneration	796	790
Fees	23	34
Pension contributions – remuneration	41	35
	860	**859**

In addition to the above, and as outlined in Note 18, Mr S.S. Clarke had an entitlement to a gain based on a carried interest. On 2nd May 2014 £197,033 was paid to Mr S.S. Clarke in settlement of this carried interest entitlement.

6. Directors' Emoluments (continued)

Of the 1,421,130 shares in respect of which joint interests were granted during the year, 1,080,059 shares were issued to directors (952,158 shares to directors serving during the year and 127,901 to an employee who was appointed a director subsequent to the year end). Refer to the Report of the Remuneration Committee on pages 18, 19 and Note 27 for further details.

	2015 (£'000)	2014 (£'000)
Highest paid director		
Emoluments	205	202
Pension contribution	15	14
	220	**216**

The highest paid director also has a joint interest in 355,283 shares pursuant to a Joint Share Ownership Agreement entered into during the year. Refer to the Report of the Remuneration Committee on pages 18, 19 and Note 27 for further details.

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

During the period, 4 directors (2014: 4) accrued benefits under the defined contribution pension scheme.

7. Dividends

	2015 (£'000)	2014 (£'000)
Ordinary dividends		
Dividend paid:		
2.75 pence each on 29,230,000 Ordinary shares (2014: 1.25 pence each on 29,230,000 Ordinary shares)	804	365
	804	**365**

8. Profit On Ordinary Activities Before Taxation

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

	2015 (£'000)	2014 (£'000)
Depreciation of owned tangible fixed assets	7	6
Auditors remuneration:		
Audit fees for the Company	25	24
Other services:		
Audit of subsidiaries' accounts	12	10
Taxation	9	10
Other advisory	24	19
Exchange loss / (gain)	244	108
Operating lease rentals of land and buildings	84	84

9. Income Tax Expense

	2015 (£'000)	2014 (£'000)
Current tax:		
Current tax on profits for the year	62	5,438
Adjustments in respect of prior years	(23)	-
Total current tax	**39**	**5,438**
Deferred tax (Note 19):		
Origination and reversal of temporary differences	1,032	(4,464)
Re-measurement upon change in tax rate	(130)	(689)
Adjustment in respect of previous periods	23	(44)
Total deferred tax	**925**	**(5,197)**
Income tax expense	**964**	**241**
The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK. The differences are explained below:		
Profit before tax	**5,899**	**4,074**
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21.33% (2014: 23.17%)	1,258	944
Tax effects of:		
Expenses not deductible for tax purposes	22	71
Prior year current tax overprovision	(23)	-
Re-measurement of deferred tax upon change in tax rate	(130)	(689)
Tax payable on realised gains on disposal of investments	-	(5,438)
Capital gains on disposal of investments	-	5,817
Other adjustments	(71)	3
Other effects:		
Management expenses utilised	-	(382)
Non-taxable income (dividends received)	(92)	(85)
Tax charge for the year	**964**	**241**

There are no factors which may affect future tax charges except as set out in Note 19.

10. Earnings Per Share From Continuing Operations Attributable To The Equity Shareholders

	2015 (£'000)	2014 (£'000)
Earnings		
Earnings for the purpose of basic and diluted earnings per share being net profit attributable to equity shareholders	4,935	3,833
Earnings per share – basic and diluted	**16.9p**	**13.1p**

	NUMBER	NUMBER
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	29,218,815	29,230,000
Number of dilutive shares under option	Nil	Nil
Weighted average number of ordinary shares for the purposes of dilutive earnings per share	29,218,815	**29,230,000**

During the year the Company paid a total of £82,450 in order to repurchase 63,000 ordinary shares at an average price of 131 pence per share (during the period August 2014 to January 2015). 3,960 ordinary shares were immediately cancelled upon purchases and the remaining 59,040 ordinary shares are being held by the Company in Treasury. The repurchase and subsequent cancellations of 3,960 ordinary shares resulted in a reduction in the number of ordinary shares in issue from 29,230,000 to 29,226,040.

Distributable reserves have been reduced by £82,054 as a result and the amount of £396, being the nominal value of the cancelled 3,960 ordinary shares, has been transferred to the Capital Redemption Reserve.

The Treasury shares do not have voting or dividend rights and have therefore been excluded for the purposes of calculating earnings per share.

11. Property, Plant And Equipment

Group

	Furniture & Equipment (£'000)	Leasehold Fixtures & Fittings (£'000)	Total (£'000)
Cost			
At 1st February 2013	58	51	109
Additions	17	-	17
Disposals	(5)	-	(5)
At 31st January 2014	**70**	**51**	**121**
At 1st February 2014	70	51	121
Additions	7	-	7
Disposals	(12)	-	(12)
At 31st January 2015	**65**	**51**	**116**
Depreciation			
At 1st February 2013	51	51	102
Eliminated on disposal	(5)	-	(5)
Charge for the year	6	-	6
At 31st January 2014	**52**	**51**	**103**
At 1st February 2014	52	51	103
Eliminated on disposal	(12)	-	(12)
Charge for the year	7	-	7
At 31st January 2015	**47**	**51**	**98**
Net book value			
At 31st January 2015	18	-	18
At 31st January 2014	18	-	18
At 31st January 2013	7	-	7

12. Non-Current Investments – Equity Portfolio

Group

	SHARES IN INVESTEE COMPANIES TOTAL (£'000)
At valuation	
At 1st February 2013	52,711
Additions	4,272
Disposals	(29,017)
Provisions	-
Unrealised gains in this period	3,744
At 31st January 2014	**31,710**
At 1st February 2014	31,710
Additions	3,066
Disposals	(1,238)
Provisions	-
Unrealised gains in this period	5,109
At 31st January 2015	**38,647**
At cost	
At 1st February 2013	17,969
Additions	4,272
Disposals	(3,788)
Provisions	-
At 31st January 2014	**18,453**
At 1st February 2014	18,453
Additions	3,066
Disposals	(703)
Provisions	-
At 31st January 2015	**20,816**

The principal additions relate to the following transactions in the year:

On 29th May 2014 the Group subscribed to its pro-rata proportion of a £1,200,000 Rights Issue in Trireme Insurance Group Limited ("Trireme") (formerly known as U.S. Risk (UK) Limited*). Total consideration paid amounted to £351,000 for 351,000 newly issued B Preferred Ordinary shares (£1 per share). In addition, on 30th October 2014, following the departure of a 5% minority shareholder and director of Trireme, the Group acquired its pro-rata proportion of the exiting director's 5% shareholding for a cash consideration of £63,105. As at 31st January 2015 the Group's holding in Trireme was 29.27% (effective economic holding of 30.57%).

On 14th August 2014 the Group acquired a 5% equity stake in Nexus Underwriting Management Limited for a total consideration of £1,554,000.

On 5th December 2014 the Group acquired a further 28.625% equity stake in Summa Insurance Brokerage, S.L ("Summa") for a cash consideration of €1,248,177 (£997,884). The acquisition increased the Group's equity stake in Summa from 48.625% as at 31st January 2014 to 77.25% as at 31st January 2015.

On 11th December 2014 the Group acquired a 35% equity stake in Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"), a start-up Reinsurance Broker based in South Africa, for a total cash consideration of £100,000.

12. Non-Current Investments – Equity Portfolio (continued)

Group (continued)
The principal disposal in the year relates to the following transaction:

On 1st May 2014 the Group sold, to its fellow shareholders, its respective 20% stakes in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses") for £1,250,000 in cash. As outlined in Note 18, S.S. Clarke, a non-executive Director of the Company, is entitled to 20% of any gain on the sale of the PDGI businesses after the deduction of expenses. Consequently, on 2nd May 2014 the Group paid S.S. Clarke £197,033 in respect of his entitlement due on the sale of the PDGI businesses as per the carried interest agreement between the Group and S.S. Clarke.

The unquoted investee companies, which are registered in England except Summa Insurance Brokerage S.L. (Spain), MB Prestige Holdings (PTY) Limited (Australia) and Bastion Reinsurance Brokerage (PTY) Limited (South Africa) 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
The Broucour Group Limited	49.00	30.04.14	(710,622)	(70,687)	Business transfer agents
Besso Insurance Group Limited	37.94	31.12.13	6,323,328	32,099	Insurance intermediary
Hyperion Insurance Group Limited	2.24	30.09.14	51,694,000	4,515,000	Insurance holding company
LEBC Holdings Limited	34.91	30.09.14	212,460	761,891	Independent financial advisor company
MB Prestige Holdings (PTY) Limited	40.00	31.12.14	953,172	201,360	Specialist Australian Motor Managing General Agency
Neutral Bay Investments Limited	49.90	31.03.14	4,036,862	138,243	Investment holding company
Nexus Underwriting Management Limited	5.00	31.12.13	2,245,979	1,362,825	Specialist Managing General Agency
Summa Insurance Brokerage, S.L.	77.25	31.12.13	9,146,570	110,021	Consolidator of regional insurance brokers
Trireme Insurance Group Limited*	30.57	31.12.14	448,452	(2,030,999)	Holding company for insurance intermediaries
Walsingham Motor Insurance Limited	30.00	30.09.13	(378,118)	(379,118)	Specialist UK Motor Managing General Agency
Bastion Reinsurance Brokerage (PTY) Limited	35.00	31.12.14	30,042	(49,281)	Reinsurance broker

* On 18th August 2014 U.S. Risk (UK) Limited formally changed its name to Trireme Insurance Group Limited.

12. Non-Current Investments – Equity Portfolio (continued)

Group (continued)
In addition, as at 31st January 2015 the Group held 1.33% of the share capital of Randall & Quilter Investment Holdings Limited ("R&Q"). R&Q is an AIM listed company.

The aggregate capital and reserves and profit/(loss) for the year shown above are extracted from the relevant local GAAP accounts of the investee companies except for those of Hyperion Insurance Group Limited which are prepared under IFRS.

Company

	SHARES IN GROUP UNDERTAKINGS (£'000)
At valuation	
At 1st February 2013	45,299
Additions	-
Unrealised gains in this period	3,468
At 31st January 2014	**48,767**
At 1st February 2014	48,767
Additions	-
Unrealised gains in this period	4,048
At 31st January 2015	**52,815**
At cost	
At 1st February 2013	2,143
Additions	-
At 31st January 2014	**2,143**
At 1st February 2014	2,143
Additions	-
At 31st January 2015	**2,143**

12. Non-Current Investments – Equity Portfolio (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 IFRS accounts of B.P. Marsh & Company Limited and Marsh Insurance Holdings Limited and the UK GAAP accounts for the other companies, are as follows:

NAME OF COMPANY	% HOLDING OF SHARE CAPITAL	AGGREGATE CAPITAL AND RESERVES AT 31ST JANUARY 2015 (£)	PROFIT/(LOSS) FOR THE YEAR TO 31ST JANUARY 2015 (£)	PRINCIPAL ACTIVITY
B.P. Marsh & Company Limited	100	52,814,876	4,934,366	Consulting services and investment holding company
Marsh Insurance Holdings Limited	100	12,687,090	1,685,609	Investment holding company
B.P. Marsh Asset Management Limited	100	23,485	630	Consulting services
B.P. Marsh & Co. Trustee Company Limited	100	1,000	-	Dormant
Marsh Development Capital Limited	100	1	-	Dormant

13. Non-Current Investments – Treasury Portfolio

Group

	2015 (£'000)	2014 (£'000)
At valuation		
Market value at 1st February	9,289	-
Additions at cost	2,763	12,000
Disposals	(6,088)	(2,777)
Change in value in the year (Note 3 & Note 4)	355	66
Market value at 31st January	**6,319**	**9,289**
Investment fund split:		
GAM London Limited	4,538	5,544
Rothschild New Court Fund	-	732
Banque Heritage SA	1,781	3,013
Total	**6,319**	**9,289**

The treasury portfolio comprises of investment funds managed and valued by the Group's investment managers, GAM London Limited, Rothschild Wealth Management (UK) Limited and Banque Heritage SA. All investments in securities are included at year end market value.

13. Non-Current Investments – Equity Portfolio (continued)

The initial investment into the funds was made following the partial realisation of the Group's investment in Hyperion Insurance Group Limited in the year to 31st January 2014.

The purpose of the funds is to hold (and grow) the Group's surplus cash until such time that suitable investment opportunities arise.

The funds are risk bearing and therefore their value not only can increase, but also has the potential to fall below the amount initially invested by the Group. However, the performance of each fund is monitored on a regular basis and the appropriate action is taken if there is a prolonged period of poor performance.

Investment management costs of £51,480 (2014: £12,549) were charged to the Consolidated Statement of Comprehensive Income for the current year (Note 3).

14. Realised Gains On Disposal Of Equity Investments

The amount included in realised gains on disposal of equity investments for the current year is £Nil. During the year the Group disposed of its investments in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses") at their combined carrying value of £1,238,000 for a consideration of £1,250,000. This resulted in a gross realised gain on disposal of £12,000, reduced by disposal costs totalling £12,000, to give a net realised gain of £Nil.

The above disposal of the PDGI businesses also resulted in a net release to Retained Earnings from the Fair Value Reserve of £332,173, comprising of a £534,967 release of fair value which has been reduced by estimated tax payable on disposal of £5,761 and £197,033 of carried interest paid (See Note 12 & Note 18). In the year to 31st January 1999 an intra-group transfer had already recognised a £450,000 release of fair value in relation to this investment.

In the current year to 31st January 2015 the tax payable on the prior year partial disposal of the Group's investment in Hyperion Insurance Group Limited ("Hyperion") was re-evaluated following finalisation of the Group's corporation tax returns, resulting in a reduction of £22,538. This reduction subsequently resulted in a further net release to Retained Earnings from the Fair Value Reserve of the same amount (see Note 9 and Note 19).

As a result of the above disposal of the PDGI businesses and the re-evaluation of the tax payable on the Hyperion disposal in the prior year, the aggregate net release to Retained Earnings from the Fair Value Reserve in the current year amounted to £354,711.

The amount included in realised gains on disposal of equity investments in the year to 31st January 2014 was a net gain of £11,604 which was in respect of the Group's disposal of 80% of its investment in Hyperion at its carrying value of £29,017,000 for a consideration of £29,242,304 in July 2013. This resulted in a gross realised gain on disposal of £225,304, reduced by disposal costs totalling £213,700, to give a net realised gain of £11,604.

In the year to 31st January 2014 the above Hyperion disposal also resulted in a net release to Retained Earnings from the Fair Value Reserve of £19,791,304, comprising of a £25,228,770 release of fair value which was reduced by tax payable on disposal of £5,437,466. The tax payable on disposal was subsequently re-evaluated and reduced in the current year as noted above.

15. Loans And Receivables – Non-Current

	Group 2015 (£'000)	Group 2014 (£'000)	Company 2015 (£'000)	Company 2014 (£'000)
Loans to investee companies (Note 28)	14,717	17,248	-	-
Amounts due from subsidiary undertakings	-	-	10,155	10,155
	14,717	**17,248**	**10,155**	**10,155**

See Note 28 for terms of the loans.

16. Trade And Other Receivables – Current

	Group 2015 (£'000)	Group 2014 (£'000)	Company 2015 (£'000)	Company 2014 (£'000)
Trade receivables	533	217	-	-
Less provision for impairment of receivables	-	-	-	-
	533	**217**	**-**	**-**
Loans to investee companies (Note 28)	4,822	2,101	-	-
Corporation tax repayable	201	-	-	-
Other receivables	24	13	-	-
Prepayments and accrued income	328	354	-	-
	5,908	**2,685**	**-**	**-**

Included within trade receivables is £501,493 (2014: £183,391) owed by the Group's participating interests.

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.

During the year there were no provisions made for doubtful debts (2014: None).

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 £532,877 (2014: £216,382) 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.

16. Trade And Other Receivables – Current (continued)

Ageing of past due but not impaired:

	GROUP 2015 (£'000)	GROUP 2014 (£'000)	COMPANY 2015 (£'000)	COMPANY 2014 (£'000)
0 – 30 days*	173	50	-	-
31 – 60 days	122	56	-	-
61 – 90 days	5	51	-	-
More than 90 days	233	60	-	-
	533	**217**	**-**	**-**

* Included within the 0 – 30 days trade receivables balances shown above are £150,277 of invoices issued on 31st January 2015 (2014: £33,691 invoices issued on 31st January 2014). Whilst these invoices fall within this ageing category, they were not past due as at the year end date.

There were no provisions made against loans to investee companies in both the current or prior year. The total provision against loans relating to existing Non-Current Investments as at 31st January 2015 stands at £685,000 (2014: £685,000).

See Note 28 for terms of the loans and Note 26 for further credit risk information.

17. Loans And Other Payables

Except as set out in Note 19 and Note 20, the Group had no outstanding loans or other non-current liabilities as at 31st January 2015.

In the year to 31st January 2014, the Group drew down in full its £4,325,000 loan facility, which certain directors, and companies controlled by the directors, or other related parties, agreed to provide to the Group during the year to 31st January 2011. The loan facility was secured on the assets of the Company and accrued interest at a rate of UK Base Rate + 4% (subject to a minimum of 6.5%). Following the partial sale of the Group's investment in Hyperion Insurance Group Limited in July 2013, the Group repaid the outstanding loan in full, at which time the facility expired. Interest on this loan facility of £65,608 was charged to the Consolidated Statement of Comprehensive Income in the year to 31st January 2014 (Note 3).

18. Carried Interest Provision

At the year end there were no director's interests in any contracts with any Group investments (carried interest provided for as at 31st January 2014: £197,033).

The carried interest provided in the Consolidated Statement of Financial Position as at 31st January 2014 represented 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 the Group's equity investments in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses").

As outlined in Note 12, on 1st May 2014 the Group sold its entire investment in the PDGI businesses and on 2nd May 2014 the Group paid S.S. Clarke £197,033 in settlement of his carried interest entitlement in respect of this sale. No amounts were paid under this arrangement in the year to 31st January 2014.

19. Deferred Tax Liabilities – Non-Current

	GROUP (£'000)	COMPANY (£'000)
At 1st February 2013	7,933	-
Tax movement relating to investment revaluation and disposal of revalued investments for the year (Note 9)	(4,464)	-
Re-measurement upon change in tax rate (Note 9)	(689)	-
Adjustment in respect of previous periods (Note 9)	(44)	-
At 31st January 2014	**2,736**	**-**
At 1st February 2014	2,736	-
Tax movement relating to investment revaluation and disposal of revalued investments for the year (Note 9)	1,032	-
Re-measurement upon change in tax rate (Note 9)	(130)	-
Adjustment in respect of previous periods (Note 9)	23	-
At 31st January 2015	**3,661**	**-**

The directors estimate that, if the Group were to dispose of all its investments at the amount stated in the Consolidated Statement of Financial Position, £3,661,000 (2014: £2,736,000) of tax on capital gains would become payable by the Group at a corporation tax rate of 20% (2014: 21%).

As at 31st January 2015 the corporation tax rate was 21%. A reduced rate of 20% came into effect on 1st April 2015 and this rate has been used in the calculation of the current year deferred tax provision as no investments were sold in the period since the year end and 1st April 2015.

In the current year to 31st January 2015, following the disposal of the Group's equity investments in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses") and the realisation of the gains arising from this disposal in the year, £6,000 of deferred tax previously provided in respect of these investments (and included within the £2,736,000 of deferred tax provided as at 31st January 2014) was released to corporation tax payable in the Statement of Financial Position (Note 20).

In addition to this, following the current year re-evaluation of the tax payable on the partial disposal of the Group's investment in Hyperion Insurance Group Limited ("Hyperion") in the year to 31st January 2014 (which resulted from the finalisation of the Group's corporation tax returns for that year and a subsequent reduction to the actual corporation tax payable on the disposal of £23,000), £23,000 of the £5,438,000 of deferred tax previously released in the year to 31st January 2014 has been included in the current year as an adjustment in respect of the previous period.

20. Current Liabilities

	GROUP 2015 (£'000)	GROUP 2014 (£'000)	COMPANY 2015 (£'000)	COMPANY 2014 (£'000)
Trade and other payables				
Trade payables	95	65	-	-
Other taxation & social security costs	38	52	-	-
Accruals and deferred income	313	441	-	-
	446	**558**	**-**	**-**
Corporation tax (Note 9)	62	4,038		
	508	**4,596**	**-**	**-**

The corporation tax provision of £61,779 as at 31st January 2015 relates to the estimated tax payable on the disposal of the Group's investment the PDGI businesses (See Note 12 for further details) of £5,761 and estimated tax payable on the Group's underlying profit for the current year of £56,018.

The corporation tax provision as at 31st January 2014 related to the tax payable on the partial realisation of the Group's investment in Hyperion Insurance Group Limited in July 2013.

21. Called Up Share Capital

	2015 (£'000)	2014 (£'000)
Allotted, called up and fully paid		
29,226,040 Ordinary shares of 10p each (2014: 29,230,000)	2,923	2,923
	2,923	**2,923**

During the year the Company paid a total of £82,450 in order to repurchase 63,000 ordinary shares at an average price of 131 pence per share (during the period August 2014 to January 2015). 3,960 ordinary shares were immediately cancelled upon purchases and the remaining 59,040 ordinary shares are being held by the Company in Treasury. The repurchase and subsequent cancellations of 3,960 ordinary shares resulted in a reduction in the number of ordinary shares in issue from 29,230,000 to 29,226,040.

Distributable reserves have been reduced by £82,054 as a result and the amount of £396, being the nominal value of the cancelled 3,960 ordinary shares, has been transferred to the Capital Redemption Reserve.

22. Reconciliation Of Movements In Shareholders' Funds

Group

	SHARE CAPITAL (£'000)	SHARE PREMIUM ACCOUNT (£'000)	FAIR VALUE RESERVE (£'000)	REVERSE ACQUISITION RESERVE (£'000)	CAPITAL REDEMPTION RESERVE (£'000)	CAPITAL CONTRIBUTION RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL (£'000)
At 1st February 2013	2,923	9,370	26,348	393	6	-	16,415	55,455
Profit for the year	-	-	3,186	-	-	-	647	3,833
Transfers on sale of investments (Note 14)	-	-	(19,791)	-	-	-	19,791	-
Dividends paid (Note 7)	-	-	-	-	-	-	(365)	(365)
At 31st January 2014	**2,923**	**9,370**	**9,743**	**393**	**6**	**-**	**36,488**	**58,923**
At 1st February 2014	2,923	9,370	9,743	393	6	-	36,488	58,923
Profit for the year	-	-	4,604	-	-	-	331	4,935
Transfers on sale of investments (Note 14)	-	-	(355)	-	-	-	355	-
Dividends paid (Note 7)	-	-	-	-	-	-	(804)	(804)
Share repurchase (Note 21)	-	-	-	-	-	-	(83)	(83)
Share based payments (Note 27)	-	-	-	-	-	1	(1)	-
At 31st January 2015	**2,923**	**9,370**	**13,992**	**393**	**6**	**1**	**36,286**	**62,971**

22. Reconciliation Of Movements In Shareholders' Funds (continued)

Company

	SHARE CAPITAL (£'000)	SHARE PREMIUM ACCOUNT (£'000)	FAIR VALUE RESERVE (£'000)	CAPITAL REDEMPTION RESERVE (£'000)	CAPITAL CONTRIBUTION RESERVE (£'000)	RETAINED EARNINGS (£'000)	TOTAL (£'000)
At 1st February 2013	2,923	9,370	43,155	6	-	1	55,455
Profit for the year	-	-	3,468	-	-	365	3,833
Dividends paid (Note 7)	-	-	-	-	-	(365)	(365)
At 31st January 2014	**2,923**	**9,370**	**46,623**	**6**	**-**	**1**	**58,923**
At 1st February 2014	2,923	9,370	46,623	6	-	1	58,923
Profit for the year	-	-	4,048	-	-	887	4,935
Dividends paid (Note 7)	-	-	-	-	-	(804)	(804)
Share repurchase (Note 21)	-	-	-	-	-	(83)	(83)
Share based payments (Note 27)	-	-	-	-	1	(1)	-
At 31st January 2015	**2,923**	**9,370**	**50,671**	**6**	**1**	**-**	**62,971**

23. Operating Lease Commitments

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

	2015 LAND AND BUILDINGS (£'000)	2014 LAND AND BUILDINGS (£'000)
Earlier than one year	84	84
Between two and five years	76	160

24. Loan And Equity Commitments

On 22nd July 2010 (as varied on 8th August 2012) the Group entered into an agreement to provide a loan facility of £1,950,000 to Trireme Insurance Group Limited ("Trireme") (formerly known as U.S. Risk (UK) Limited), an investee company. As at 31st January 2014 Trireme had drawn down £1,800,000 of its previously agreed £1,950,000 loan facility. On 29th May 2014 the Group agreed to provide additional loan funding of £469,515 which increased the total agreed loan funding to £2,269,515. In addition, on 23rd September 2014, the Group agreed to provide a further loan facility of £150,000 which increased the total agreed loan facility to £2,419,515. As at 31st January 2015 £2,395,113 of this facility had been drawn down, leaving a remaining undrawn facility of £24,402.

24. Loan And Equity Commitments (continued)

On 1st May 2013 the Group entered into an agreement to provide a loan facility of £747,000 to Besso Insurance Group Limited, an investee company. As at 31st January 2015 £333,000 of this facility had been drawn down. Following repayments made during the year on this facility amounting to £63,000 and together with £2,750,000 of 14% loan stock and other loans of £2,115,393, total loans drawn down as at 31st January 2015 amounted to £5,135,393, with a remaining undrawn facility of £414,000.

On 11th December 2014 the Group entered into an agreement to provide a loan facility of £341,831 to Bastion Reinsurance Brokerage (PTY) Limited, an investee company. As at 31st January 2015 £211,831 of this facility had been drawn down, leaving a remaining undrawn facility of £130,000.

25. Contingent Liabilities

The Group has entered into a long-term incentive arrangement with an employee. Provided they remain in employment with the Group as at specified dates in the future, the Group has agreed to pay bonuses totalling £60,000 together with the Employers' National Insurance due thereon. £30,000 is due to be paid on 15th May 2015 and £30,000 on 15th May 2016. No amount has been included in these financial statements as the performance conditions relating to these incentives had not been met at the year end. The conditions for the £30,000 due for payment on 15th May 2015 were met subsequent to the year end and hence the amount has since been paid.

26. 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, other debtors and creditors and loans. 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 £1,531,000 (2014: £5,502,000), which are part of the financing arrangements of the Group. The cash balances comprise bank current accounts and deposits placed at investment rates of interest, which ranged up to 2.0% p.a. in the period (2014: deposit rates of interest ranged up to 2.0% p.a.). During the period maturity periods ranged between immediate access and 1 year (2014: maturity periods ranged between immediate access and 1 year).

Currency hedging
During the period, the Group did not engage in any form of currency hedging transaction (2014: None).

Financial liabilities
The Company had no borrowings as at 31st January 2015 (2014: £Nil). Please refer to Note 17 for further details.

26. Financial Instruments (continued)

Fair values

The Group has adopted the amendment to IFRS 7 for financial instruments which are measured at fair value at the reporting date. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, observed either directly as prices or indirectly from prices; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table presents the Group's assets and liabilities that are measured at fair value at 31st January 2015:

	LEVEL 1 (£'000)	LEVEL 2 (£'000)	LEVEL 3 (£'000)	TOTAL (£'000)
Assets				
Equity portfolio investments designated as "fair value through profit or loss" assets	1,243	-	37,404	38,647
Treasury portfolio investments	6,319	-	-	6,319
	7,562	**-**	**37,404**	**44,966**

The Group's assets and liabilities that are measured at fair value at 31st January 2014 are presented in the following table:

	LEVEL 1 (£'000)	LEVEL 2 (£'000)	LEVEL 3 (£'000)	TOTAL (£'000)
Assets				
Equity portfolio investments designated as "fair value through profit or loss" assets	1,708	-	30,002	31,710
Treasury portfolio investments	9,289	-	-	9,289
	10,997	**-**	**30,002**	**40,999**

27. Share Based Payment Arrangements

During the year, B.P. Marsh & Partners Plc entered into joint share ownership agreements ("the Agreements") with certain employees and directors. The details of the arrangements are described in the following table:

Nature of the arrangement	**Share appreciation rights (joint beneficial ownership)**
Date of grant	6th November 2014
Number of instruments granted	1,421,130
Exercise price (pence)	140.00
Share price (market value) at grant (pence)	138.00
Hurdle rate	3.5% p.a. (simple)
Vesting period (years)	3 years
Vesting conditions	There are no performance conditions other than the recipient remaining an employee throughout the vesting period. The awards vest after 3 years or earlier resulting from either: a) a change of control resulting from a person, other than a member of the Company, obtaining control of the Company either (i) as a result of a making a Takeover Offer; (ii) pursuant to a Scheme of Arrangement; or (iii) in consequence of a Compulsory Acquisition); or b) a person becoming bound or entitled to acquire shares in the Company pursuant to sections 974 to 991 of the Companies Act 2006; or c) a winding up. If the employee is a bad leaver the co-owner of the jointly-owned share can buy out the employee's interest for 1p.
Expected volatility	20%
Risk free rate	1%
Expected dividends expressed as a dividend yield	2%
Settlement	Cash settled on sale of shares
% expected to vest (based upon leavers)	85%
Number expected to vest	1,207,960
Valuation model	Black-Scholes
Black-Scholes value (pence)	15.00
Deduction for carry charge (pence)	14.50
Fair value per granted instrument (pence)	0.50
Charge for year ended 31st January 2015	£504

On 6th November 2014 1,421,130 10p Ordinary shares in the Company were transferred into joint beneficial ownership for six employees, four of whom are directors) under the terms of joint share ownership agreements. No consideration was paid by the employees for their interests in the jointly-owned shares.

27. Share Based Payment Arrangements (continued)

Under the terms of the Agreements, the employees and directors enjoy the growth in value of the shares above a threshold price of £1.40 per share plus an annual carrying charge of 3.5% per annum (simple interest) to the market value at the date of grant (£1.38 per share).

The employees and directors received an interest in jointly owned shares and a Joint Share Ownership Plan ("JSOP") is not an option, however the convention for JSOPs is to treat them as if they were options. The value of the employee's interest for accounting purposes is calculated using option pricing theory (Black-Scholes Mathematics).

The risk free rates are based on the yield on UK Government Gilts of a term consistent with the assumed option life.

No jointly-owned shares were sold or forfeited during the year. The number of jointly-owned shares expected to vest has therefore not been adjusted. In accordance with IFRS 2: Share-based Payment, the fair value of the expected cost of the award (measured at the date of grant) has been spread over the three year vesting period.

28. Related Party Disclosures

The following loans owed by the associated companies (including their subsidiaries and other related entities) of the Company and its subsidiaries were outstanding at the year end:

	2015 (£)	2014 (£)
The Broucour Group Limited	1,097,500	1,135,000
Bastion Reinsurance Brokerage (PTY) Limited	211,831	-
Besso Insurance Group Limited	5,135,393	5,882,575
Hyperion Insurance Group Limited	6,037,361	6,037,361
LEBC Holdings Limited	1,005,000	1,005,000
Trireme Insurance Group Limited*	2,395,113	1,800,000
Walsingham Motor Insurance Limited	1,200,000	1,000,000
	(€)	(€)
Summa Insurance Brokerage, S.L.	3,203,064	2,951,240
	(AUD)	(AUD)
MB Prestige Holdings (PTY) Limited	1,417,334	1,417,334

* On 18th August 2014 U.S. Risk (UK) Limited formally changed its name to Trireme Insurance Group Limited.

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.

Mr B.P. Marsh, the Chairman and majority shareholder of the Company is also the Chairman and majority shareholder of Brian Marsh Enterprises Limited. In addition Ms J.K.N. Dunbar (a director and shareholder of the Company until 6th November 2014) was also a director and minority shareholder of Brian Marsh Enterprises Limited until 1st December 2014 and 6th November 2014 respectively. Ms C.S. Kenyon (a director of the Company) is also a director of Brian Marsh Enterprises Limited.

28. Related Party Disclosures (continued)

Income receivable, consisting of consultancy fees, interest on loans and dividends recognised in the Consolidated Statement of Comprehensive Income in respect of the associated companies (including their subsidiaries and other related entities) of the Company and its subsidiaries for the year were as follows:

	2015 (£)	2014 (£)
The Broucour Group Limited	45,885	53,490
Bastion Reinsurance Brokerage (PTY) Limited	10,016	-
Besso Insurance Group Limited	848,694	875,550
Hyperion Insurance Group Limited	509,037	551,521
LEBC Holdings Limited	230,975	128,467
MB Prestige Holdings (PTY) Limited	100,629	7,586
Neutral Bay Investments Limited	111,257	94,456
Nexus Underwriting Management Limited	50,520	-
Portfolio Design Group International Limited	3,000	34,000
Summa Insurance Brokerage, S.L.	258,114	94,022
Trireme Insurance Group Limited*	390,640	292,110
Walsingham Motor Insurance Limited	119,998	17,753

In addition, the Group made management charges of £32,000 (2014: £34,000) to the Marsh Christian Trust, a grant making charitable Trust of which Mr B.P. Marsh, the Executive Chairman and majority shareholder of the Company, is also the Trustee and Settlor.

The Group also made management charges of £5,100 (2014: £8,000) to Brian Marsh Enterprises Limited.

On 12th February 2014 Mr B.P. Marsh gifted 220,000 ordinary shares in the Company to the Marsh Christian Trust for nil consideration. These shares were immediately sold by the Marsh Christian Trust in order to further its charitable objectives.

On 6th June 2014 Mr B.P. Marsh gifted 171,000 ordinary shares in the Company to the Marsh Christian Trust for nil consideration.

As outlined in Note 12 and Note 18, on 2nd May 2014, following the sale of the Group's investments in Portfolio Design Group International Limited, Morex Commercial Limited, Preferred Asset Management Limited and New Horizons Nominees Limited (together the "PDGI businesses") the Group paid Mr S.S. Clarke £197,033 in settlement of his carried interest entitlement in respect of this sale. The carried interest provided for at the year end was £nil (2014: £197,033).

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

Of the total dividend payments made during the year of £803,825, £509,905 was paid to the directors or parties related to them (2014: total dividend payments of £365,375, of which £234,625 was paid to the directors or parties related to them).

* On 18th August 2014 U.S. Risk (UK) Limited formally changed its name to Trireme Insurance Group Limited.

29. Events After The Reporting Date

On 20th February 2015 the Group acquired a further 10.5% stake in Walsingham Motor Insurance Limited ("Walsingham") for total consideration of £300,000. This increased the Group's holding in Walsingham from 30% as at 31st January 2015 to 40.5%.

In February and March 2015 the Group provided the remaining £130,000 of an agreed £341,831 loan facility (£211,831 drawn down as at 31st January 2015) to Bastion Reinsurance Brokerage (PTY) Limited ("Bastion"). £50,000 was provided on 9th February 2015, £42,500 on 18th February 2015 and £37,500 on 19th March 2015.

On 15th April 2015 the Group subscribed for a 35% preferred equity stake in Bulwark Investment Holdings (PTY) Limited ("Bulwark"), based in South Africa, for consideration of £1. On the same date the Group also provided Bulwark with a loan facility of £500,000 in order to fund start-up Managing General Agencies ("MGAs"). £120,000 of this facility was drawn down immediately in order to fund two new MGAs, and a further £33,708 was drawn down on 6th May 2015, leaving a remaining undrawn facility of £346,292 at the date of this report.

30. Ultimate Controlling Party

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

NOTES

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

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