MARSHALL

Marshall of Cambridge (Holdings) Limited

Annual Report and Accounts

For the year ended 31 December 2025

Contents

Directors and Company Information

Directors:	Roger Hardy (Chair) John Crompton David Doyle David Heaford David Mitchard Nick Shattock
Company Secretary:	Sarah Moynihan
Registered office:	Control Building The Airport Newmarket Road Cambridge England CB5 8RX
Independent Auditors:	PricewaterhouseCoopers LLP St Johns Innovation Park The Maurice Wilkes Building Cowley Road Cambridge CB4 0DS
Bankers:	Barclays Bank plc HSBC Bank plc Lloyds TSB Bank plc Santander UK plc

The directors present their strategic report for the year ended 31st December 2025.

Strategic review and future developments

2025 saw the Group successfully deliver against our strategy, pivoting away from our loss making and sub-scale engineering operations, with the successful disposal of three business units in the year:

- Marshall Fleet Solutions – sold on 31 March 2025 to Trane Technologies plc, ultimate parent to Thermo King, the business' primary supply partner.
- Slingsby Advanced Composites – sold on 27 June 2025 to Mangohojden AB, a privately held Swedish investment company.
- Marshall Land Systems – sold on 21 November 2025 to Flowing River Capital, a Canadian private equity company.

In Q4 2025, our Aerospace business successfully secured an entry into service contract for twelve of the ex-RAF C-130 aircraft, sold to the Turkish Air Force ("Türkiye") by the UK Government. This secured over £200m of future revenue, to be delivered over a four year period, significantly strengthening the Aerospace business, following the protracted UK Government-led C-130 sales process post the loss of the HIOS contract. (HIOS – Hercules Integrated Operational Support contract with the UK Ministry of Defence which ended in 2023).

With such a strengthened position for our Aerospace business, we elected to take the business to market in Q1 2026 seeking a full disposal. A competitive sales process is ongoing, and whilst there is no guarantee, we are hopeful of a satisfactory transaction in 2026.

Throughout 2025 we continued to assess options for the Group's major (430-acre) real estate asset, Cambridge East, exploring a number of partnership routes at both the operating and investment level. Whilst significant progress was made in the year on both the optimum partnership arrangement and in identifying a preferred partner, the Group received an unsolicited offer in Q4 2025 for an outright sale. The offer, from a combination of Hill Group and Homes England, included Cambridge East and all additional freehold land owned by the Group, totalling approximately 680 acres. The Group successfully disposed of its freehold property for £200m on 2 June 2026.

The completion of the Property transaction and disposals of our loss making and sub-scale businesses means the Group consists solely of the Aerospace business, a very much smaller Group Properties business and some residual liabilities. With significant cash inflows in H1 2026, the Group is materially more liquid and has substantially lower operating risk than at the start of 2025. However, given the ongoing transaction risk for Aerospace, to protect the financial position of the business the Board continues to assess a number of alternative scenarios for the Group for the remainder of 2026 and beyond. For the near term, given the ongoing transaction risk for Aerospace and the need to deliver Vacant Possession of Cambridge East by mid-2029, the group will focus on managing operating risk and minimising expenditure whilst holding its cash in low-risk, short term investments.

Given recent history, the Board will shortly consider whether to reinstate a dividend together with an interim dividend policy based upon expected investment income.

For the longer term, the Board is developing options to transition Marshall into an investment business, with the Group's assets being invested in a well-diversified portfolio, managed externally and offering shareholders a combination of income and capital growth, whilst offering shareholders who do not wish to participate in such a strategy the opportunity to exit from their shareholdings at a fair value and in a tax-efficient manner. The Board is seeking to engage advisors to assist in preparing proposals along these lines.

These proposals would need to be brought to shareholders for approval, and would be likely to require Special Resolutions of multiple classes of Marshall's share capital.

Business review

2025 was another significantly loss making year for the Group, with a loss before tax of £51.5m. Disposals through the year reduced overall revenue to £234.8m from £300.9m in 2024 which reflected a full 12 months ownership of all three entities. Continuing businesses are now only Aerospace and Group Properties. The loss making performance in our now discontinued business Land Systems, combined with the protracted sales process for the ex-RAF C-130 sale to Türkiye within Aerospace were primary drivers of the loss. An additional net £13.9m of exceptional costs were recognised in the year, with further details shown in note 6 to the accounts.

Financial Highlights:

	2025			2024		
	Underlying £m	Exceptional items £m	Statutory £m	Underlying £m	Exceptional items £m	Statutory £m
Revenue	**234.8**	**–**	**234.8**	300.9	–	300.9
Operating loss	**(39.0)**	**(19.0)**	**(58.0)**	(60.0)	(68.0)	(128.0)
Profit on disposal of operations	**–**	**5.2**	**5.2**	–	–	–
Share of results of joint ventures	**–**	**–**	**–**	4.4	–	4.4
Net finance income	**1.4**	**(0.1)**	**1.3**	0.1	0.2	0.3
Loss before tax	**(37.6)**	**(13.9)**	**(51.5)**	(55.5)	(67.8)	(123.3)
Tax on loss			**11.6**			3.2
Loss for the period			**(39.9)**			(120.1)
Net cash			**40.1**			31.9

Net cash as at 31 December 2025 stood at £40.1m, £8.2m ahead of the £31.9m figure in 2024. Securing the entry in service contract with Türkiye for twelve of the ex-RAF C130s saw significant cash inflows in Q4 for works already completed, together with upfront payment milestones in advance of commencing the new four year contract.

Segmental Performance:

(Loss)/profit before separately disclosed exceptional items and taxation	**2025 £m**	2024 £m
Aerospace	**7.5**	(6.1)
Group Properties (including share of profit in joint ventures)	**3.0**	7.6
Skills Academy	**–**	(1.3)
Futureworx	**–**	(1.8)
Land Systems (sold on 21 November 2025)	**(33.4)**	(36.1)
Fleet Solutions (sold on 31 March 2025)	**(3.2)**	(13.2)
Advanced Composites (sold on 27 June 2025)	**2.3**	3.3
Unallocated central costs	**(13.8)**	(7.9)
Loss before separately disclosed exceptional items and taxation	**(37.6)**	(55.5)

Within the continuing business lines, Aerospace returned to profit following recognition of the margin associated with works already completed on the ex-RAF C-130 fleet, with an overall profit of £7.5m recognised for the year. With the disposal of its interest in the Marleigh joint venture in late 2024, Group Properties saw a reduction in profitability to £3.0m.

Within the discontinued business lines, Land Systems continued to face issues on legacy contracts, notably across Gasket, DALO and DVOW, with losses of £33.4m for the period to 21 November 2025. These losses were driven by low priced contractual agreements with weak commercial terms, compounded by engineering challenges and production issues. As was seen throughout 2024, Fleet Solutions continued to face ongoing pricing competition in their market, with a £3.2m loss in the period to 31 March 2025. Advanced Composites performed strongly through to disposal on 27 June 2025, continuing to deliver on its strong pipeline, with a profit of £2.3m in the period.

Business review continued

Key Performance Indicators:

	2025	2024 (restated)
Order Book[1] £m	**292**	110
Dividend Ordinary/NVPO (Pence)	**nil/nil**	nil/nil
RIDDOR[2]	**1**	2
CO_2 emissions[3]	**5,627**	7,152

1 Order book is comprised of all outstanding contracted work as at 31 December. The 2024 comparative order book has been restated on the same basis with the removal of the order book for Land Systems business and Advanced Composites business which were sold during 2025.
2 RIDDOR ("Reporting of Incidents, Diseases and Dangerous Occurrences Regulations") is a measure of employee safety and refers to the number of instances recorded during the period.
3 Equivalent tonnes of carbon (tCO_2e)from energy use.

The Group's order book at 31 December 2025 was £292m, which when compared on a continuing activities basis, represented an increase over the £110m order book at the same point in 2024. The principal reason for this increase was the Türkiye contract success in the Aerospace business.

On 2 June 2026 the Group sold all of its freehold land for £200m, comprising the Cambridge Airport site and surrounding land. This significant increase in liquidity and the reduced operating risk realised through the divestment of Land Systems and Fleet Solutions means the business continues with a materially lower risk profile through 2026.

Roger Hardy
Chair

22 June 2026

Principal risks and uncertainties

The Board retains overall responsibility for overseeing the Group's risk management and internal control environment. Supporting this, the Executive Risk Management Committee (ERMC), chaired by the Chief Financial Officer, meets biannually to review principal and emerging risks, evaluate changes in the external and internal risk landscape, and advise management on current exposures and future risk mitigation strategies.

Following the divestments of the Fleet Solutions, Slingsby Advanced Composites and Land Systems businesses, and the completion of the Cambridge East sale, the Group now operates with a more focused portfolio, enhanced liquidity, and a structurally lower overall risk profile. These disposals align with the Group's objective to stabilise the financial position of the Company and to deliver long term, sustainable value for shareholders. As part of this transition, divestment risk and future strategic planning remain key areas of focus. The Group continues to manage these changes through a long-term vision, effective communication with stakeholders, and robust strategic oversight from the Board.

For 2025 the Board identified fourteen principal risks, including Divestment, Cyber Attack and Human Resources, reflecting both the current operating environment and the Group's forward-looking strategic priorities. These risks are mitigated through a system of controls, including established policies and procedures, defined risk appetites, and regular testing of key controls and scenarios. Risk updates are reviewed through a structured cadence of operational and management meetings, with escalation to the Executive team, the Audit and Risk Committee, and the Board to maintain transparency, confidence, and accountability.

We identify, assess, and manage both principal and less material risks, embedding awareness across the organisation and supporting the Group's ability to deliver its strategic objectives.

Section 172 statement

Under Section 172(1) of the Companies Act 2006 ("the Act"), the Board is required to act in a way that the directors consider, in all good faith, is most likely to promote the success of the Company. This is success for our shareholders, but also for our other stakeholders, which include our people, customers, suppliers and communities.

The Board recognises the requirement to understand and take into account the needs of the Company's shareholders and other stakeholders to whom it is accountable, as well as the environment in which it operates.

The Board considers the Company's purpose and values, together with its strategic priorities and its robust governance framework, when making decisions. As is normal for large companies, we delegate authority for day-to-day management of the Company and other subsidiaries in the Group to the executive directors and the Executive Committee. Marshall of Cambridge Aerospace Limited being a large subsidiary as defined in the Act, also provides Section 172 statements in its own report and accounts.

Principal decisions

Principal decisions are those that are strategic, commercially material, and impact the Group's stakeholders. The principal Board decisions made during the period and how the Board considered stakeholders views, are set out below.

Disposal of Fleet Solutions

The Board approved the disposal of the Group's Fleet Solutions business to Trane Technologies ("TT"). The disposal completed on 31 March 2025, for a total consideration of £6.0m, of which £1.5m is deferred over a three year period.

Disposal of Advanced Composites

The Board approved the disposal of the Group's Advanced Composites business to Mangohojden AB, which completed on 27 June 2025. A total consideration of £23.1m was received during the year.

Disposal of Land Systems

The Board approved the disposal of the Group's Land Systems business to Flowing River Capital, which completed on 21 November 2025 for a total consideration of £6.5m of which £1.9m is deferred into the following year. At the same time the Group entered into a Brand Support Agreement with Marshall Land Systems Limited and provided certain performance obligations were met, agreed to pay Marshall Land Systems Limited a total of £12.8m over a two year period.

Dividend in the year

When making the decision on the level of ordinary dividend to recommend, while recognising its importance to shareholders, the Board also considered other factors such as profitability, liquidity, ability to borrow, wider funding needs of the Group, along with the requirements of other stakeholders such as our banks and customers. With this in mind, the Board did not recommend an interim dividend in respect of the 12 months ended 31 December 2025.

Stakeholder engagement

The Section 172 statement sets out who the Board consider to be its key stakeholders and provides a summary of the engagement that takes place at an operational or Group level.

Shareholders

It is important that the business maintains its strong links with the Marshall family and that all of our different shareholder groups understand the business' performance, the decisions that are being taken and the Board's primary objectives for the Group. In addition to the formal cycle of the AGM and Annual Report, we continue to hold regular meetings with our material shareholders and shareholder representatives to provide a vehicle for two-way dialogue ensuring that shareholder views are reflected in the Board's decision making. We have also introduced twice yearly additional briefing sessions for all shareholders in smaller groups to enable more open and wide-ranging discussion with any shareholder who wishes to engage.

Employees

It is important that our employees align behind our shared purpose, have access to the information they need to do their jobs well and understand and embrace the changes or improvements that we need to make. At the same time we ensure we listen and respond to their concerns and, importantly, have a vehicle to capture their suggestions and ideas. All employees have the opportunity to attend regular face to face briefings with their managers and leaders to ensure they understand the priorities for their area of the business and how they will help to achieve them. We are committed to promoting diversity and inclusion, with representation across gender, ethnicity, and age monitored and reflected in our hiring and promotion practices.

Customers

We understand that developing long term strategic partnerships with key customers across all areas of our business gives us the opportunity to differentiate ourselves from our competitors. These are, where possible, aligned to our growth objectives. This enables Marshall to maintain and capitalise on its unique position as one of the last remaining independent mid-tier companies in the aerospace and defence sector. In order to ensure that our customer relationships, both civil and military, are embedded and enduring, we work hard to foster relationships at every level. Where appropriate, our Executives hold relationships with key political/military personnel and industry counterparts, attending regular 'Board to Board' meetings to drive strategic collaboration with similar touch points across a range of leadership levels to ensure relationships are more widely strengthened.

Community

Marshall is justifiably proud of its hard-won reputation as a force for good in those communities in which it operates, however, it is not something we can ever take for granted. We are involved with, and support, numerous initiatives in partnership with our local communities with particular emphasis on education and enablement. The David Gregory Marshall (DGM) Trust continues to make donations to charities or good causes nominated by either local community members or our own employees. We operate a paid volunteering scheme, which has enjoyed a strong take-up across all areas of the business, enabling our employees to give back to the communities in which we operate. In Cambridge, we continue to work alongside the community charity Abbey People, recognising the work it does to tackle inequality in the city by helping to improve the lives and wellbeing of Abbey residents.

Stakeholder engagement

Suppliers

A diverse, robust and trusted supply chain is vital to ensure business continuity, cost competitiveness, quality, innovation, sustainability and value across all areas of Marshall. Our strategic partners play an increasingly important role in our continued success. We spend quality time visiting existing and potential new suppliers in person and continue to host and attend regular supplier forums and events. We use trade shows as an opportunity for relevant Board members to engage directly with key strategic partners/suppliers, both in the UK and overseas, as well as expanding our network through active memberships of trade associations and governing bodies.

Banks

The Group has maintained a constructive and transparent relationship with its primary banking partners throughout the year. Regular financial reporting and strategic updates were shared to ensure mutual understanding and to support the long-term financial stability of the business. The directors took care to manage working capital and proactively engage the banks when considering any significant operational or strategic changes.

Government

Marshall continues to engage with both local, regional and national government, with a focus on the long term development of the business' real estate assets. Marshall and the government recognise the significant potential for the creation of thousands of new homes and new jobs at Cambridge East and continue to strengthen ties in order to deliver a development which both enhances and integrates into the fabric of the Cambridge community.

BY ORDER OF THE BOARD

Sarah Moynihan
Group Company Secretary

22 June 2026

Governance

Directors' report

Marshall of Cambridge (Holdings) Limited

Registered Number: 02051460

The directors present their report, together with the audited consolidated financial statements, for the year ended 31 December 2025.

The principal activity of the Company continues to be a holding company for its subsidiaries as well as financing the Group's activities. The principal activities of the Group include aerospace, defence and property.

Results and dividends

The Group recorded a loss after tax for the year ended 31 December 2025 of £39.9m (2024: £120.1m loss).

In light of the operational performance in the year, no interim dividend was paid on both Ordinary and NVPO shareholdings (2024: nil pence per share on both Ordinary and NVPO shareholdings) and no priority dividend was paid on the non-voting priority Ordinary ('NVPO') shares (2024: nil pence per share).

Preference dividends on the A and B preference shares amounting to £744,000 (2024: £744,000) were paid in the period.

Directors

The following served as directors of the Company during the year ended 31 December 2025 and up to the date of approval of the accounts, except as indicated:

Roger Hardy	(Chair*)
John Crompton	
David Doyle	(appointed 14 May 2026)
David Heaford	
David Mitchard	(appointed 21 January 2025)
Nick Shattock	
Julie Baddeley	(resigned 31 July 2025)
Justin Read	(resigned 16 December 2025)

* Roger Hardy assumed responsibility for Chief Executive Officer for the Group for the year ending 31 December 2025 in addition to his role as Chair.

The interests of the directors, who were directors of the Company at the date of the approval of the Report and Accounts, in the shares of the Company at 1 January 2025 and 31 December 2025 were nil and nil respectively.

Directors' indemnities

In accordance with our Articles of Association, and to the extent permitted by law, directors are granted an indemnity from the Company in respect of liability incurred as a result of their office. In addition, the Group maintained a directors' and officers' liability insurance policy throughout the period. Neither the indemnity nor the insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently. The third-party indemnity provisions (which are qualifying third-party indemnities under the Companies Act 2006) are in place during the year ended 31 December 2025 and at the date of approving the Report and Accounts.

Risk management

Further details on the Group's risk management framework and its principal strategic risks can be found in the Strategic Report.

Research and development

Whilst the Group remains committed to research and development, business disposals have meant spend has reduced in the year. The total amount of research and development for the year was £1.7m (2024: £2.5m).

Social policy

The Group takes its responsibilities to its employees, customers, suppliers, and shareholders seriously, as well as its wider social responsibilities to the environment and to the communities in which it operates. The Group has a policy of not making political donations to groups, parties, or individuals.

Charitable donations

The Group made charitable donations of £nil in the year (2024: £1,000).

Political contributions

There were no political donations in the year (2024: £nil).

Health and safety

The Board remains committed to the effective management and monitoring of health and safety and to providing a safe working environment for all employees and partners and to keeping members of the public free from harm.

Statement of engagement with employees and other stakeholders

The Group recognises the importance of engaging employees to help us understand their views and for our employees to understand the Group's strategy and long-term objectives. Further details on how the Group engages with employees and other stakeholders can be found in the stakeholder engagement section of the Strategic Report.

The Board is committed to ensuring there is a positive working environment, and the Company offers a range of options and benefits to enhance our employees' lives. The majority of employees are enrolled into our pension and life assurance schemes.

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same, or an alternative position and to provide appropriate training to achieve this aim.

Governance

The Company is committed to maintaining high standards of corporate governance appropriate to its size and structure. The Board of Directors meets regularly to review operational and financial performance, assess strategic direction, and ensure that risks are effectively managed. As a private company, the Company applies the Wates Principles where appropriate to support sound decision-making and accountability.

The Directors recognise their responsibilities under the Companies Act 2006 and are committed to acting in the best interests of the Company, its employees, and its stakeholders. The Company maintains internal controls and risk management procedures designed to safeguard the Company's assets and ensure the integrity of its financial reporting.

Section 172 Companies Act 2006

The Board's application of Section 172 of the Companies Act 2006 and the principal decisions made during the period are set out in the Section 172 statement in the Strategic Report.

Sustainability

The Group has a robust procedure in place for complying with environmental legislation in the UK and operates in an environmentally responsible manner throughout its domestic and international activities in line with the Group's strategy. The Policy is applicable to Marshall Aerospace, which also holds ISO14001 certification and has an Aerospace specific environmental policy statement.

Streamlined Energy and Carbon Reporting (SECR)

Greenhouse gas emissions Consumption (kWh)	2025	2024
Scope 1 – use of natural gas, transport, LPG, kerosene and gas	**30,217,634**	36,559,208
Scope 2 – use of electricity (before REGO)	**11,136,294**	13,392,334
Total (kWh)	**41,353,928**	49,951,542

Equivalent tonnes of carbon Emissions (tCO_2e)	2025	2024
Scope 1 – use of natural gas, transport, LPG, kerosene and gas	**5,627**	7,152
Scope 2 – use of electricity (after REGO)[1]	**–**	–
Total (tCO_2e)	**5,627**	7,152

Intensity ratio performance metric	2025	2024
Tonnes of CO_2 per £m revenue	**25.5**	24.4

1 Electricity purchased via REGO* would account for 1,971 tonnes of CO_2e in 2025 (2024: 2,773 tonnes).
* Renewable Electricity Guarantee of Origin (REGO) applied.

Scope of Emissions Included in the Report

Electricity, natural gas, LPG, Avgas, kerosene, direct diesel, direct petrol and direct mileage.

Scope 1 emissions relate to the direct consumption of natural gas used in Marshall offices and buildings, and fuels utilised for business owned or controlled transportation operations, such as company vehicle fleets.

Scope 2 emissions relate to indirect emissions resulting from the consumption of purchased electricity in day-to-day business operations.

Scope 3 emissions monitoring and reporting is not required for the Group and is therefore excluded from this report.

Methodology

The Group monitors its carbon footprint throughout the year and reports on its UK energy use and the associated greenhouse gas emissions annually. Our methodology is in line with the Greenhouse Gas Protocol and our disclosure is in accordance with the SECR requirements for "market based" emissions.

Validation

This data has been compiled and validated by Orchard Energy Limited trading as World Kinect Energy Services whose registered office is at The Broadgate Tower,
Third Floor, 20 Primrose Street, London, United Kingdom, EC2A 2RS.

Annual Energy Efficiency Statement

The Group's energy consumption decreased by 21.3% during 2025 as a result of company divestments and energy efficiency improvements. The sale of Marshall Fleet Solutions, Slingsby Advanced Composites and Marshall Land Systems throughout the year reduced diesel mile CO_2e tonnage by 81% and kerosene and LPG usage ceased.

The Government Energy Saving Opportunity Scheme (ESOS) Energy Action Plan reporting obligation maintained a focus on energy saving projects. During 2025, there were LED lighting upgrades to Hangar 12 and the two airfield lighting masts, and the Hangar 17 Paint Facility Regenerative Thermal Oxidiser (RTO) auto-shutdown project went live, saving a combined 2m kWh of electricity. All Marshall electricity is sourced against a Renewable Electricity Guarantee of Origin (REGO) supply allowing for all purchased electricity to be discounted from greenhouse gas (CO_2e) reporting.

Although not formally reported, business air travel emissions were reduced by 83 CO_2e tonnes during the reporting period, an 11% saving when compared with 2024 flight activity.

Going concern

The Directors have adopted the going concern basis in preparing the financial statements. As part of their assessment, the Directors have performed a number of stress tests, which model a range of severe but plausible down-side scenarios, to understand under which circumstances the business would fully utilise its available funds. Having assessed the results of this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of the financial statements.

Foreign branches

The Group has a foreign branch in the United Arab Emirates.

Post balance sheet events

The audited financial statements take into consideration events occurring between the period end date and the date of approval by the Board of directors on 22 June 2026. Note 29 to the financial statements provides details of non-adjusting post balance sheet events.

BY ORDER OF THE BOARD

Sarah Moynihan
Group Company Secretary

22 June 2026

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Report and Accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- So far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware.
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

BY ORDER OF THE BOARD

Sarah Moynihan
Group Company Secretary

22 June 2026

Financial Statements

Independent auditors' report to the members of Marshall of Cambridge (Holdings) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Marshall of Cambridge (Holdings) Limited's group financial statements and company's financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2025 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise:

- the consolidated and company balance sheets as at 31 December 2025;
- the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity and the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Marshall of Cambridge (Holdings) Limited continued

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Health and Safety at Work etc. Act 1974 and the UK employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and corporate taxation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of financial information by posting of journal entries with inappropriate account combinations and / or management bias in accounting estimates and judgements particularly in relation to long-term revenue contracts. Audit procedures performed by the engagement team included:

- Enquiry of and discussions with management and those charged with governance, including the reading of Board minutes, for any known or suspected instances of fraud, non-compliance with laws and regulations and any potential or actual litigation or claims;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- challenging the assumptions made by management in their significant accounting estimates, in particular in relation to revenue recognition; and
- designing audit procedures to incorporate unpredictability around nature, timing and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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 are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Craig Skelton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
22 June 2026

Consolidated income statement

Year ended 31 December 2025

	Notes	2025 £000 Continuing operations	2025 £000 Discontinued operations	2025 £000 Total	2024 £000 Continuing operations	2024 £000 Discontinued operations	2024 £000 Total
Revenue	2	**133,644**	**101,195**	**234,839**	149,355	151,574	300,929
Cost of sales		**(78,494)**	**(102,392)**	**(180,886)**	(112,155)	(141,920)	(254,075)
Gross profit / (loss)		**55,150**	**(1,197)**	**53,953**	37,200	9,654	46,854
Administrative expenses		**(78,429)**	**(37,591)**	**(116,020)**	(64,464)	(116,126)	(180,590)
Analysed as:							
Administrative expenses		**(66,048)**	**(31,013)**	**(97,061)**	(61,401)	(51,168)	(112,569)
Separately disclosed exceptional items	6	**(12,381)**	**(6,578)**	**(18,959)**	(3,063)	(64,958)	(68,021)
Gain on revaluation of investment properties	4	**1,251**	**–**	**1,251**	25	30	55
Other operating income	3	**1,839**	**994**	**2,833**	4,416	1,212	5,628
Operating loss	4	**(20,189)**	**(37,794)**	**(57,983)**	(22,823)	(105,230)	(128,053)
Profit on disposal of operations	7	**–**	**5,232**	**5,232**	–	–	–
Share of profit in the period in joint ventures		**–**	**–**	**–**	4,442	–	4,442
Net finance income/(expense)	5	**1,348**	**(66)**	**1,282**	627	(322)	305
Loss before taxation		**(18,841)**	**(32,628)**	**(51,469)**	(17,754)	(105,552)	(123,306)
Analysed as:							
Loss before exceptional items		**(6,290)**	**(31,282)**	**(37,572)**	(14,867)	(40,594)	(55,461)
Separately disclosed exceptional items	6	**(12,551)**	**(1,346)**	**(13,897)**	(2,887)	(64,958)	(67,845)
Tax on loss	8	**12,757**	**(1,154)**	**11,603**	1,889	1,336	3,225
Loss for the financial year		**(6,084)**	**(33,782)**	**(39,866)**	(15,865)	(104,216)	(120,081)

Consolidated statement of comprehensive income

Year ended 31 December 2025

	Notes	2025 £000	2024 £000
Loss for the financial year		**(39,866)**	(120,081)
Exchange differences on retranslation of subsidiary undertakings		**496**	(166)
Reclassification of cash flow hedge gains to profit and loss		**(1,797)**	(2,503)
Fair value gain recognised on cash flow hedges		**2,045**	1,386
Taxation on cash flow hedges	8c	**(62)**	279
Revaluation of freehold land	12	**151,739**	–
Deferred tax charge relating to revaluation of freehold land	8c	**(37,935)**	–
Actuarial gain recognised on defined benefit pension scheme		**–**	915
Deferred tax charge relating to defined benefit pension scheme	8c	**–**	(229)
Total other comprehensive income/(expense)		**114,486**	(318)
Total comprehensive income/(expense)		**74,620**	(120,399)

Consolidated balance sheet

Year ended 31 December 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Intangible assets	11	**3,739**	5,665
Tangible assets	12	**224,526**	89,027
Investments	13	**20,872**	2,342
Total fixed assets		**249,137**	97,034
Current assets			
Stocks	14	**15,772**	26,986
Debtors			
Amounts falling due within one year	15	**47,879**	115,402
Amounts falling due after more than one year	15	**9,214**	6,254
Cash at bank and in hand		**60,129**	52,199
Total current assets		**132,994**	200,841
Creditors: amounts falling due within one year	16	**(100,719)**	(118,948)
Net current assets		**32,275**	81,893
Total assets less current liabilities		**281,412**	178,927
Creditors: amounts falling due after more than one year	17	**(3,318)**	(3,416)
Provision for liabilities	19	**(53,917)**	(25,323)
Net assets		**224,177**	150,188
Capital and reserves			
Called-up share capital	20	**15,785**	15,785
Share premium account		**611**	611
Capital redemption reserve	21	**130**	130
Cash flow hedge reserve	21	**779**	593
Profit and loss account		**206,872**	133,069
Total equity		**224,177**	150,188

The audited financial statements on pages 24 to 60 were approved by the Board of Directors on 22 June 2026 and signed on its behalf by:

D J Heaford
Director

Registered number: 02051460

Consolidated statement of changes in equity

Year ended 31 December 2025

	Share capital £000	Share premium £000	Capital redemption reserve £000	Cash flow hedge reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2024	15,785	611	130	1,431	253,374	271,331
Loss for the financial year	–	–	–	–	(120,081)	(120,081)
Other comprehensive (expense)/income	–	–	–	(838)	520	(318)
Total comprehensive expense for the year	–	–	–	(838)	(119,561)	(120,399)
Equity dividends paid (note 9)	–	–	–	–	(744)	(744)
At 31 December 2024	15,785	611	130	593	133,069	150,188
Loss for the financial year	–	–	–	–	(39,866)	(39,866)
Other comprehensive income	–	–	–	186	114,300	114,486
Total comprehensive income for the year	–	–	–	186	74,434	74,620
Share-based compensation expense	–	–	–	–	113	113
Equity dividends paid (note 9)	–	–	–	–	(744)	(744)
At 31 December 2025	**15,785**	**611**	**130**	**779**	**206,872**	**224,177**

Consolidated statement of cash flows

Year ended 31 December 2025

	Notes	2025 £000	2024 £000
Operating activities			
Net cash outflow from operating activities	10a	**(18,217)**	(49,038)
Investing activities			
Income from other investments	5	**239**	306
Interest received		**790**	852
Payments to acquire intangible assets	11	**(730)**	(2,272)
Payments to acquire tangible assets	12	**(3,864)**	(6,715)
Receipts from sales of tangible assets – excluding property		**185**	986
Receipts from sales of tangible assets – property		**–**	15,409
Receipts from sales of fixed assets investments		**384**	1,017
Receipts from the sale of Investments		**10,000**	38,300
Receipts from the sale of subsidiaries		**27,035**	600
Net cash disposed on sale of business		**(4,694)**	–
		29,345	48,483
Financing activities			
Interest paid		**(1,913)**	(1,186)
Other interest paid – finance leases	5	**(71)**	(355)
Dividends paid to preference shareholders	9	**(744)**	(744)
Repayment of obligations under finance leases	18	**(38)**	(71)
Repayment of overdrafts	18	**–**	(246)
Proceeds from loans and borrowings	18	**–**	20,000
		(2,766)	17,398
Increase in cash and cash equivalents		**8,362**	16,843
Effect of exchange rates on cash and cash equivalents		**(432)**	(76)
Cash and cash equivalents at beginning of year	10c	**52,199**	35,432
Cash and cash equivalents at end of year	10c	**60,129**	52,199

Notes to the consolidated financial statements

1a. Accounting policies

Statement of compliance

Marshall of Cambridge (Holdings) Limited ('the Company') is a private company limited by shares incorporated in England, United Kingdom under the Companies Act 2006. The registered office is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

The financial statements of the Company and its subsidiaries (together 'the Group') have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2025.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

The audited consolidated financial statements of Marshall of Cambridge (Holdings) Limited were authorised for issue by the Board of Directors on 22 June 2026. The consolidated financial statements have been prepared in accordance with applicable accounting standards. They are presented in sterling and are rounded to the nearest £'000. The consolidated and parent company financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1b.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are described within the Strategic Report on pages 3 to 9. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on page 28 and in note 10 to the consolidated financial statements.

Based on this assessment, the Directors have adopted the going concern basis in preparing the consolidated financial statements, subject to the risks and uncertainties described in this section.

At 31 December 2025, the Group reported net current assets of £32,275,000 (2024: £81,893,000) and a year-end cash position of £60,129,000 (2024: £52,199,000).

As part of their assessment, the Directors have performed a stress test, including modelling a range of severe but plausible scenarios, to understand what would need to happen for the business to fully utilise its available funds. Having assessed the results of this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of the consolidated financial statements.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings for the year ended 31 December 2025.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

Subsidiary audit exemptions

The consolidated financial statements include the results of all subsidiary undertakings owned by the Company as listed in note 9 'Investments' on the Company section of this Annual Report and Accounts. The Group's subsidiaries listed below have taken the exemption from an audit for the year ended 31 December 2025 by virtue of s479A of the Companies Act 2006. In order to allow these subsidiaries to take the audit exemption, the Company, Marshall of Cambridge (Holdings) Limited, has given a statutory guarantee of all the outstanding liabilities as at 31 December 2025 of the subsidiaries listed below:

Marshall ADG Ltd (reg no 10567163)
Marshall Cambridge Airport Ltd (formerly Marshall Skills Academy Ltd) (reg no 14813643)
The Cambridge Aero Club Limited (reg no 00454656)

1a. Accounting policies continued

Revenue recognition

Revenue comprises the invoiced value of goods and services supplied by the Group excluding trade discounts and value-added tax. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The specific methods used to recognise the different forms of revenue earned by the Group are set out below:

- Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be reliably measured. These criteria are considered to be met when the goods are delivered to the buyer.
- Long-term contracts: Revenue from long-term contracts is recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally determined by the proportion that contract costs incurred to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. If the nature of a particular contract means that costs incurred do not accurately reflect the progress of contract activity, an alternative approach is used, such as the achievement of pre-determined contract milestones. Revenue in respect of variations to contracts, claims and incentive payments are recognised when it is highly likely that it will be agreed by the customer. Profit attributable to long-term contracts is recognised if the final outcome of such contracts can be reliably assessed. On all contracts, full provision is made for any losses in the period in which they are first foreseen.
- Rendering of services: Revenue from the provision of services is recognised as the contract activity progresses to reflect the performance of the underlying contractual obligations. Progress is measured on the basis of costs to complete, or a similarly appropriate method.
- Leases: Rental income from operating leases is recognised on a straight-line basis over the lease term.

Unwind of discounting

The finance income associated with the time-value of money on discounted receivables is recognised within interest receivable and similar income as the discount unwinds over the life of the relevant item.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a business is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the estimate of the amount payable if probable in relation to any liability resulting from a contingent consideration arrangement.

On the acquisition of a business, fair values are attributed to the identifiable assets and liabilities and contingent liabilities unless the fair value cannot be reliably measured, in which case the value is subsumed into goodwill.

Goodwill

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the balance sheet and amortised on a straight-line basis over its useful life of between 5 and 20 years. Each acquisition is assessed separately as to its specific useful economic life.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each cash-generating unit ('CGU') or group of CGUs that are expected to benefit from the synergies of the combination.

If a subsidiary, associate or business is subsequently sold or discontinued, any related goodwill arising on acquisition that has not been amortised through the consolidated income statement is taken into account in determining the profit or loss on sale or discontinuance, measured on a pro-rata basis for part disposals.

Other intangible assets

Software is stated at cost less accumulated amortisation. Cost comprises purchase price from third parties with respect to specific software development projects and amortisation is calculated on straight-line basis over the assets' expected economic lives, which varies depending on the nature of the asset.

Other intangible assets, when acquired separately from a business combination, include computer software and software licences. Cost comprises purchase price from third parties and amortisation is calculated on straight-line basis over the assets' expected economic lives, which varies depending on the nature of the asset. Licences are amortised, commencing on the date the intangible asset is capable of being brought into use, over the length of the licence, and software is amortised between 3 and 10 years.

1a. Accounting policies continued

Estimates of the useful economic life of other intangible assets are based on a variety of factors such as the expected use of the intangible asset, the business plan for the use of the assets and any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar intangible assets.

Tangible fixed assets

Freehold land is measured at fair value. The surplus or deficit on revaluation is recognised in other comprehensive income. The Group engages independent valuers to assist the Directors in determining fair value. For details of the change in accounting policy for the valuation of freehold land, effective year ending 31 December 2025 see note 1b.

Tangible fixed assets, excluding freehold land, are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis, over its expected useful life, as follows:

Freehold land	Not depreciated
Freehold buildings	4 years straight line to 2029, the planned departure from the Cambridge site where these assets are held
Short leasehold	Shorter of the lease or 10 years
Investment property	Not depreciated
Plant and machinery:	
General	3–8 years straight line
Aircraft	5–20 years straight line
Assets under construction	Not depreciated

Costs wholly attributable to future property developments are capitalised to the extent they are considered recoverable against future economic benefits. Such costs are capitalised from the point that a viable development is considered probable and includes external and directly attributable incremental internal costs relating to planning, site preparation, infrastructure and construction costs.

Costs incurred for constructing assets for use in the business are capitalised and comprise both external costs and directly attributable internal costs. Depreciation of such 'Assets under construction' commences when the asset is available to be brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment of assets

If any such indication exists, the Group estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in the consolidated income statement.

An impairment loss recognised for all assets, excluding goodwill, is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply and the recoverable amount has increased.

Investment properties

Certain of the Group's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost, which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the consolidated income statement. The Group engages independent valuers to assist the Directors in determining fair value.
- Expenditure to improve the rentals or capital appreciation are recorded as additions to investment properties. Where a substantial development is commenced with a view to a sale, the property is transferred to inventory.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

- Properties currently rented to third parties, which will be used in the residential development, are valued using the discounted cash flow technique to arrive at a fair value of the asset.
- Transfers into and out of investment properties are made at the fair value determined above.

Investments

Investments are recognised initially at fair value, which is normally the transaction price (excluding any transaction costs, where the investment is subsequently measured at fair value through the consolidated income statement). Subsequently, the investments are measured at fair value through the consolidated income statement, except for those investments that are not publicly traded or whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

Consistent with the requirements of FRS 102 such investments are held at cost less impairment, as no reliable fair value estimate can be determined given limited or no active market for such investments. If a reliable measure of fair value is no longer available, the instrument's fair value on the last date the instrument was reliably measured is treated as the cost of the instrument.

Restricted Cash

Restricted cash comprises cash balances that are not available for general use by the Group, as they are subject to contractual or legal restrictions.

In the current year, restricted cash represents amounts held as cash collateral in respect of a performance bond issued in the ordinary course of business. The performance bond has been provided to a third party to secure the Group's contractual obligations, and the associated cash cover is held in a designated account which is not accessible for general operational purposes.

The restriction over these cash balances will remain in place until the earlier of the release or expiry of the performance bond. As at the balance sheet date, the performance bond is due to expire in December 2030. Accordingly, the related cash collateral is classified as restricted cash and is expected to remain restricted until that date.

Short-term investments

Short-term deposits are initially recognised at fair value, which is typically, the amount deposited. Interest income is recognised over the deposit's term using the effective interest rate, and is accrued based on the time period elapsed and the outstanding balance. Short-term deposits are presented as current assets on the balance sheet.

Long-term debtors

Long-term balances relate to deferred land consideration and are initially recognised at the present value of consideration payable by the counterparty (including interest). After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation (unwinding of discount) is included as part of interest receivable and similar income in the consolidated income statement.

Stocks, work in progress and long-term contracts

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials, consumables and goods for resale – purchase cost on a first-in, first-out basis.
- Work in progress – cost of direct materials and labour, plus attributable overheads based on a normal level of activity.
- Finished goods and goods for resale – purchase price on an average cost basis.
- Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.
- Long-term contract work in progress is recognised on the basis described in the revenue recognition policy, less provisions for foreseeable losses and payments on account received or receivable.

Stocks held on consignment are accounted for when the terms of a consignment agreement and commercial practice indicate that the principal benefit of owning the stock, the ability to sell it, and principal risks of ownership, such as stock holding cost, responsibility for safe keeping and some risk of obsolescence rest within the Group. Stock held on consignment are accounted for net of value-added taxes, with a corresponding liability that includes value-added taxes.

1a. Accounting policies continued

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Research and development

Research and development expenditure is written off as incurred, except where development expenditure incurred on an individual project is capitalised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset, and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment, annually.

Research and development expenditure credit

Costs incurred that qualify as research and development may entitle the Group to a payment from HM Revenue and Customs. Income is only recognised when it is 'probable', and the business has reasonable assurance the conditions have been met. The receipt, which has the nature of a government grant, is credited to other income.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised as 'other income' within profit or loss in the same period as the related expenditure.

Taxation

The charge/(credit) for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures, only to the extent that, at the balance sheet date, dividends are receivable.
- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities, compared with the amounts that are recognised for those assets and liabilities in a business combination, a deferred tax liability/(asset) is recognised.
- The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised.
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted, or, substantively, enacted at the balance sheet date.

The Group has applied the exception under paragraphs 29.2B and 29.12A of FRS 102 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

Pensions

The Group operates, for the benefit of its employees, two schemes, a defined contribution scheme for UK employees and a scheme wound up during the year which had elements of both defined benefit and defined contribution. The Trustees of the defined benefit pension scheme entered into a Deed of Assignment with Aviva Life & Pensions UK Limited (Aviva) to assign the assets and liabilities associated with the Plan to Aviva. The scheme was wound up on 13 June 2025. Resultantly, as at 31 December 2025 the Plan had no assets or liabilities (2024: £nil). The defined contribution pension scheme was funded by the payment of contributions to trustee administered funds, which are kept entirely separate from the assets of the Group. The cost of providing benefits under the defined benefit plans was determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss, which was recognised in the consolidated income statement during the period in which it occurs.

The net interest element was determined by multiplying the net defined benefit liability by the discount rate, at the start of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest was recognised in the consolidated income statement as other finance revenue or cost.

Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability (excluding amounts included in net interest) were recognised immediately in other comprehensive income in the period in which they occur. Remeasurements were not reclassified to the consolidated income statement in subsequent periods.

Contributions to defined contribution schemes were recognised in the consolidated income statement in the period in which they became payable.

Marshall of Cambridge (Holdings) Limited was the sponsoring employer of the defined benefit scheme and had legal responsibility for the scheme. There was no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual Group entities and, therefore, the Company had recognised the entire net defined benefit cost and relevant net defined benefit liability of the scheme in its individual financial statements.

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts, are capitalised in the consolidated balance sheet and are depreciated over the shorter of the lease term and the assets' useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the consolidated balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the consolidated income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the consolidated income statement on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

Foreign currencies

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the income statement in operating profit.

1a. Accounting policies continued

Translation

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of these financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, short-term deposits and unlisted investments are initially recognised at transaction price.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments that are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, payments on account, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derivative financial instruments

The Group uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Changes in the value of derivatives are recognised in the consolidated income statement within administrative expenses, except where they have been designated as qualifying cash flow hedges. Gains or losses on derivatives designated as cash flow hedges are initially recognised within other comprehensive income, and subsequently recycled to the consolidated income statement when the hedged item impacts the consolidated income statement.

The fair value of the forward currency contracts is calculated by using counterparty valuation reports as the basis of the fair value recorded. In 2025, the currency derivatives in some of the subsidiaries met the requirements for hedge accounting in full and qualify for cash flow hedge accounting.

Provision for liabilities

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

Cash and cash equivalents

Cash and cash equivalents in the consolidated balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity date of three months or less. Where a right of offset exists, overdrafts are netted against cash and cash equivalents, otherwise they are disclosed as loans and borrowings within creditors: amounts falling due within one year.

Separately disclosed exceptional items

Items that are one-off or material to the reader's understanding of the financial statements are presented as exceptional items within the consolidated income statement. The separate reporting of exceptional items helps provide additional information to the reader, which management considers useful and relevant in understanding the Group's underlying business performance. More details on these items can be found in note 6.

Borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Classification of shares as debt or equity

All categories of shares are classified as equity. Incremental costs directly attributable to the issue of new shares would be shown in a share premium account as a deduction from the proceeds.

Share-based payments

The Company operates an equity-settled share-based compensation plan through which the Group allows certain participants to receive non-voting priority dividend ordinary ("NVPO") shares in the Company.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity over the vesting period during which the employees become unconditionally entitled to the awards. The total amount recognised as an expense is based on the fair value of the options granted at the grant date and is adjusted for the estimated number of awards expected to vest.

At each reporting date, the Group revises its estimate of the number of options expected to vest based on non-market vesting conditions. The impact of any revision to original estimates is recognised in the profit and loss account, with a corresponding adjustment to equity.

1a. Accounting policies continued

Accrued and deferred income

Accrued income represents revenue earned but not yet invoiced or received at the reporting date. The recognition of accrued income is based on the substance of the transaction and the expectation of future economic benefits. Deferred income represents consideration received from customers for goods and services that have not yet been provided or earned at the reporting date.

Post balance sheet events

The financial statements take into consideration events occurring between the period end date and the date of their approval by the Board of Directors, as indicated on the consolidated balance sheet. In accordance with FRS 102, equity dividends on ordinary share capital are recognised as a liability in the period in which they are declared.

1b. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Judgements

Change in accounting policy measurement of tangible fixed asset freehold land.

Recognising that the redevelopment of the Cambridge East site is the Group's primary strategic objective, the Group has decided to change the basis of measurement for freehold land from historical cost to fair value. This is to ensure that the Financial Statements present the current position of the Group in the most appropriate and relevant way. Freehold land valuation at 31 December 2025 was £158,655,000 based on fair value, this compares to £6,916,000 under the previous historical cost basis. Revaluation gains of £151,739,000, less deferred tax £37,935,000 are included in other comprehensive income. Further details can be found in note 12.

It is not practicable to apply the change in accounting policy retrospectively to prior period comparatives. The Group's strategic direction was different in the prior period year ending 31 December 2024 and retrospective application would require making assumptions about what the Group's management intentions would have been in that prior period.

Change in accounting estimate for useful economic lives of tangible fixed assets

The impact of the planned cessation of activities on the Cambridge East site by June 2029 and the site's subsequent redevelopment was included in the annual review of the useful economic lives of assets. These factors represented a significant indicator of change to the useful economic lives of certain tangible fixed assets classes located on the Cambridge site. As a result, the maximum useful economic life end date for Cambridge site buildings and immobile plant and machinery assets has been changed to June 2029. This change of accounting estimate has resulted in a reduction in the value of tangible fixed assets value of £7,491,000 as at 31 December 2025, and a corresponding £7,491,000 increase in administrative expenses as the annual depreciation charge has increased. This increase in annual depreciation charge affects three classes of tangible fixed assets namely; freehold buildings £3,142,000, short leasehold £22,000 and plant and machinery £4,327,000.

Future period reporting covering each of the next three years, are forecast to include this £7,491,000 increase to the annual depreciation charge.

The strategic redevelopment of the Cambridge site and its associated restructuring are significant and unusual, therefore the additional annual depreciation charge of £7,491,000 has been included as accelerated depreciation in the separately disclosed exceptional items in the comprehensive income statement, note 6.

Determination of useful life of goodwill

Goodwill is an intangible asset acquired through business combinations. The useful life is determined at initial recognition and is based on a variety of factors such as the expected use of the acquired business and the expected useful life of the cash-generating units. The net book value of goodwill at the balance sheet date was £nil (2024: £nil). Further details can be found in note 11.

Notes to the consolidated financial statements continued

1b. Judgements and key sources of estimation uncertainty continued

Recoverability of property development costs

Development and related relocation planning costs are capitalised and treated as freehold land and buildings assets at the point that an approved development plan is determined to be financially viable and that it is probable the economic benefits associated with the proposed development will flow to the entity. This is at the point that expenditure is considered to enhance the value of land when considering a probable alternative use or at the point it is considered probable that planning permission will be granted.

Development costs include expenditure to ready the site for development, professional fees supporting the development plan and the related relocation plan, costs of obtaining planning permission, borrowing costs and technical studies.

The Directors consider the carrying value of development and relocation planning costs at each year end to determine if the costs are recoverable. In considering the carrying value of capitalised development costs, the Directors consider the property's actual and potential uses that are physically, legally and financially viable. Where the highest and best use differs from the existing use, the Directors consider a number of factors that include: the likelihood of successful planning permission being obtained, conditions that need to be met to achieve a change in use, and the use a market participant would have in mind when formulating the price it would bid and reflects the cost and likelihood of achieving that use.

Moreover, the total carrying value of property development costs as at 31 December 2025 is deemed recoverable due to the Group sale on 2 June 2026 of all of its freehold land. Further details can be found in note 29.

Recoverability of capitalised research and development costs

Research and development costs are treated as intangible assets at the point when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset, and the ability to measure reliably the expenditure during development. The Group considers the carrying value of the assets at each year end to determine if the costs are recoverable.

During the year the Group conducted a strategic review and made the decision to discontinue certain activities. As a result of this change in priorities, previously capitalised research and development costs no longer meet the criteria for continued capitalisation and have been written off.

Included within intangible assets, refer to note 11, are costs £nil (2024: £2,843,000) and net book value of £nil (2024: £nil), which relate to capitalised research and development costs.

Exceptional items

Exceptional items are those items which are significant, non-recurring and outside the normal operating practice of the Group. The Group has disclosed profit on the disposal of subsidiaries, multi-year restructuring costs, provisions for onerous contracts, impairment of intangible assets, present value adjustments related to the deferred receivable on the disposal of land in prior periods and accelerated depreciation as separately disclosed exceptional items. Refer to note 6 for further details.

Deferred Tax

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the Directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. In making this assessment there is considerable judgement as this involves forward looking performance forecasts and changes to the Group which may impact the timing and recoverability of such amounts.

Sources of estimation uncertainty

Useful economic lives

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The Group tests for impairment when a triggering event occurs.

Where applicable, the estimated useful life of the hangars and the associated property, plant and equipment has been limited to the period remaining to the planned redevelopment of the Cambridge site.

1b. Judgements and key sources of estimation uncertainty continued

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated income statement. The Group engaged independent valuation specialists to assist the Directors in determining fair value at 31 December 2025. The valuer determines fair value by considering comparable local market data such as rental yields, location, condition and nature of the property. At 31 December 2025, the fair value of investment properties was £8,516,000 (2024: £7,321,000), refer to note 12.

Long-term contracts

Revenue on long-term contracts is recognised by reference to the stage of completion of contract activity and, therefore, is sensitive to the ability to reliably assess this stage of completion. This is normally based on the costs incurred to date as a proportion of the total anticipated contract costs. However, if this does not accurately reflect the stage of completion then an alternative approach is used instead. In making its estimate of costs to complete the contract, management exercises judgement to forecast likely contract outcome based on its best estimate of likely costs, taking into account development, production, financial and customer risks.

These assessments are, inherently, highly judgemental and, while they are the best estimate of the contract outcome at a point in time, the final outcome can vary materially as new risks or opportunities develop. In addition, if the final outcome of a contract cannot be reliably assessed, revenue recognition is limited to the level of costs incurred until such time that the contract has progressed sufficiently to make profit recognition appropriate. Where a contract is forecast to be loss making, full provision is made for such losses in the first period in which they are foreseen. Revenue recognised on long-term contracts for the year ended 31 December 2025 was £186,782,000 (2024: £186,920,000), refer to note 2.

Impairment of goodwill and intangible assets

The Group reviews the goodwill arising on the acquisition of subsidiaries or businesses for impairment when events or changes in economic circumstances indicate that impairment may have taken place. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ('CGUs'), or groups of CGUs, which are expected to benefit from the synergies of the combination. The group of CGUs to which the goodwill is allocated represents the lowest level within the group at which the goodwill is monitored for internal management purposes.

The impairment review is performed by projecting the future cash flows, excluding finance costs and tax, based upon budgets and plans and making appropriate assumptions about rates of growth and discounting these using a recognised rate, which takes into account prevailing market interest rates and judgements relating to the risks inherent in the business. If the present value of the projected cash flows is less than the carrying value of the underlying asset or group of assets and related goodwill, an impairment charge is recorded in the consolidated income statement. This calculation requires the exercise of significant judgement by management. If the estimates made prove to be incorrect or changes in the performance of the cash-generating unit affect the amount and timing of future cash flows, goodwill may become impaired in future periods. Details of the cost, amortisation and net book value of goodwill and intangible assets can be found in note 11.

Notes to the consolidated financial statements continued

2. Revenue and profit before tax analysis

The Group has the following operating units which were determined from the operating reports used to assess both performance and strategic decisions.

Revenue	2025 £000	2024 £000
Aerospace	**134,306**	151,707
Group Properties	**6,593**	6,979
Skills Academy	**–**	2,386
Futureworx	**–**	265
Other	**904**	707
Internal sales – continuing operations	**(8,159)**	(12,689)
Sub-total: continuing operations	**133,644**	149,355
Land Systems	**80,512**	79,192
Fleet Solutions	**15,695**	72,584
Advanced Composites	**10,259**	15,311
Internal sales – discontinued operations	**(5,271)**	(15,513)
Sub-total: discontinued operations	**101,195**	151,574
Total	**234,839**	300,929

(Loss)/profit before taxation	2025 £000	2024 £000
Aerospace	**(665)**	(13,994)
Group Properties (including share of profit in joint ventures)	**(1,264)**	20,557
Skills Academy	**–**	(1,810)
Futureworx	**–**	(6,105)
Unallocated central costs – continuing activities	**(13,865)**	(11,006)
Consolidation adjustment – remove intragroup interest	**(3,047)**	(5,396)
Sub-total: continuing operations	**(18,841)**	(17,754)
Land Systems	**(35,606)**	(75,163)
Fleet Solutions	**(3,222)**	(32,907)
Advanced Composites	**2,270**	2,234
Profit/(loss) on sale of Land Systems	**(8,970)**	–
Profit/(loss) on sale of Fleet	**3,366**	–
Profit/(loss) on sale of Advanced Composites	**10,836**	–
Unallocated central costs – discontinued activities	**(4,349)**	(5,112)
Consolidation adjustment – remove intragroup interest	**3,047**	5,396
Sub-total: discontinued operations	**(32,628)**	(105,552)
Total	**(51,469)**	(123,306)

(Loss)/profit before separately disclosed exceptional items and before taxation	2025 £000	2024 £000
Aerospace	**7,459**	(6,107)
Group Properties (including share of profit in joint ventures)	**2,984**	7,572
Skills Academy	**–**	(1,261)
Futureworx	**–**	(1,761)
Unallocated central costs – continuing activities	**(13,686)**	(7,914)
Consolidation adjustment – remove intragroup interest	**(3,047)**	(5,396)
Sub-total: continuing operations	**(6,290)**	(14,867)
Land Systems	**(33,391)**	(36,110)
Fleet Solutions	**(3,222)**	(13,169)
Advanced Composites	**2,284**	3,289
Consolidation adjustment – remove intragroup interest	**3,047**	5,396
Sub-total: discontinued operations	**(31,282)**	(40,594)
Total	**(37,572)**	(55,461)

2. Revenue and profit before tax analysis continued

	Revenue by destination		Revenue by origin	
	2025	2024	**2025**	2024
Geographical areas	**£000**	£000	**£000**	£000
UK	**90,227**	135,365	**222,947**	293,204
Rest of Europe	**60,453**	62,433	**43**	229
North America	**64,601**	62,940	**11,849**	7,496
Rest of World	**19,558**	40,191	**–**	–
	234,839	300,929	**234,839**	300,929

The total amount of income, including revenue, recognised in the year is analysed as follows:

	2025	2024
	£000	£000
Sale of goods	**10,883**	33,276
Rendering of services	**35,173**	78,785
Long term contracts	**186,782**	186,920
Rents received	**2,001**	1,948
Revenue	**234,839**	300,929
Finance income (note 5a)	**3,050**	2,457
Research and development expenditure credit	**320**	1,458
Other income	**2,513**	4,170
Total income	**240,722**	309,014

3. Other operating income

	2025	2024
	£000	£000
Research and development expenditure tax credit	**320**	1,458
Rent receivable	**22**	10
Deferred land profit	**–**	3,666
Trademark licence income	**87**	80
Government grants	**1,074**	414
Post-disposal transitional services income	**1,330**	–
	2,833	5,628

Deferred land profit relates to the transfer of land to the joint venture, Hill Marshall LLP ('LLP1') with profit on this land transfer recognised as homes were sold within the Marleigh development.

Notes to the consolidated financial statements continued

4. Operating loss

		2025 £000	2024 £000
Operating loss is after charging/(crediting):			
Depreciation	– tangible assets	**15,341**	10,153
Amortisation	– goodwill and intangible assets	**1,835**	3,375
Impairment	– tangible assets	**381**	4,918
	– goodwill and other intangible assets	**99**	14,569
	– other assets	**(1,559)**	47,348
Operating lease rentals	– land and buildings	**2,639**	4,196
	– plant and machinery	**472**	1,645
Net foreign exchange loss		**1,013**	(1)
Profit on disposal of Marleigh joint venture and associated land		**–**	(13,672)
Profit on disposal of tangible fixed assets (excluding property)		**(244)**	(137)
Research and development	– current year expenditure	**1,685**	2,517
Research and development expenditure credit included in other income		**(320)**	(1,458)
Gain on revaluation of investment properties[1]		**(1,251)**	(55)
Deferred consideration on disposals of investments in prior year		**–**	(69)
Profit on disposal of subsidiaries		**(5,232)**	(600)
Auditors' remuneration	– audit of the Parent Company and the Group's consolidated financial statements	**1,096**	720
	– audit of subsidiary undertakings	**995**	1,180
	– pension and legal services	**55**	120

The directors have agreed with the statutory auditors that the statutory auditor's liability to damages for breach of duty in relation to the audit of the Company's financial statements for the year ended 31 December 2025 should be limited to the greater of £5 million or 5 times to the statutory auditor's fees, and that in any event the statutory auditor's liability for damages should be limited to that part of any loss suffered by the Company as is just and equitable having regard to the extent to which the statutory auditor, the Company and any third parties are responsible for the loss in question. The shareholders approved the terms of this limitation of liability agreement, as required by the Companies Act 2006, by a resolution dated 2 December 2025.

5. Net finance income/(expense)

	2025 £000	2024 £000
(a) Finance income		
Bank interest receivable	**479**	705
Interest receivable from joint ventures	**–**	590
Other interest receivable	**202**	181
Income from other investments	**239**	306
Unwind of discounting – related party debtor balances (note 15)	**–**	290
Unwind of discounting – deferred land debtor balances (note 15)	**2,130**	209
Present value adjustment – deferred receivable on land sale	**–**	176
	3,050	2,457

	2025 £000	2024 £000
(b) Finance expense		
Bank loans and overdrafts – interest and charges	**(1,527)**	(1,740)
Other interest expense – finance leases	**(71)**	(355)
Interest on defined benefit scheme liabilities	**–**	(57)
Present value adjustment – deferred receivable on land sale	**(170)**	–
	(1,768)	(2,152)
Net finance income	**1,282**	305

Notes to the consolidated financial statements continued

6. Separately disclosed exceptional items

	2025 £000 Continuing operations	2025 £000 Discontinued operations	2025 £000 Total	2024 £000 Continuing operations	2024 £000 Discontinued operations	2024 £000 Total
Loss before separately disclosed exceptional items	**(6,290)**	**(31,282)**	**(37,572)**	(14,867)	(40,594)	(55,461)
Separately disclosed exceptional items:						
Profit on disposal of Marleigh joint venture and associated land[2]	–	–	–	13,672	–	13,672
Restructuring costs[1]	**(4,410)**	**(2,229)**	**(6,639)**	(11,332)	(3,777)	(15,109)
Impairment of Fleet Solutions assets[2]	–	–	–	–	(18,574)	(18,574)
Impairment of Land Systems assets[2]	–	–	–	–	(34,031)	(34,031)
Impairment of intangible assets[2]	**(99)**	–	**(99)**	(6,003)	(3,465)	(9,468)
Impairment of tangible fixed assets[2]	**(381)**	–	**(381)**	–	–	–
Onerous contracts[2]	–	**(4,349)**	**(4,349)**	–	(5,111)	(5,111)
Profit on deferred consideration from sale[2] of subsidiary	–	–	–	600	–	600
Accelerated depreciation[1]	**(7,491)**	–	**(7,491)**	–	–	–
Total included within administrative expenses	**(12,381)**	**(6,578)**	**(18,959)**	(3,063)	(64,958)	(68,021)
Loss on disposal of Land Systems[2]	–	**(8,970)**	**(8,970)**	–	–	–
Profit on disposal of Fleet Solutions[2]	–	**3,366**	**3,366**	–	–	–
Profit on disposal of Advanced Composites[2]	–	**10,836**	**10,836**	–	–	–
Total included within profit on disposal of operations	–	**5,232**	**5,232**	–	–	–
Present value adjustment – deferred receivable on land sale[1]	**(170)**	–	**(170)**	176	–	176
Total included within net finance (expense)/income	**(170)**	–	**(170)**	176	–	176
Total separately disclosed exceptional items	**(12,551)**	**(1,346)**	**(13,897)**	(2,887)	(64,958)	(67,845)
Loss before taxation	**(18,841)**	**(32,628)**	**(51,469)**	(17,754)	(105,552)	(123,306)

1 The Group consider these costs to be non-routine in nature.
2 Considered by the Group to be non-recurring.

The Group has incurred a number of exceptional items, whose significance is sufficient to warrant separate disclosure. The key elements included within separately disclosed items are:

- Marleigh joint venture and associated land: The Group's interest in the Marleigh development comprised investments in three joint venture vehicles and land. These were disposed on 29 November 2024.
- Restructuring costs, which include redundancy costs, were part of a multi-year programme incurred after a strategic review of the business in the previous year. Restructuring costs within continuing operations include costs to withdraw from a building lease in the USA. Restructuring costs within discontinued operations include the write off in Land Systems of costs of an aborted site relocation, prior to the business's disposal.
- Intangible asset impairment relates to the write down of business services software following the reduction in the size of the Group. In the prior year intangible asset impairment also related to the write off of previously capitalised development costs in Land Systems and an abortive ERP implementation in Advanced Composites.
- Tangible fixed asset impairment relates to the write down of leasehold building improvements to net realisable value.
- Provision for onerous contracts relate to multi-year contracts for services which are no longer expected to deliver value to the Group.
- Accelerated depreciation relates to the change in accounting estimate for useful economic lives of fixed assets for the planned departure from the Cambridge Airport site in 2029.
- Fleet Solutions, Land Systems and Advanced Composites were disposed during the period, see note 7. In the prior year the assets of Fleet Solutions were Land Systems impaired to reflect an estimation of the amounts recoverable.
- Present value adjustments relate to the deferred receivable on the disposal of land in prior periods.

7. Disposals

As part of the Group's strategy to fundamentally shift its operational and investment focus, the Group sold three businesses during the year. Details of which are set out below.

On 31 March 2025, the Group completed the sale of its wholly owned subsidiary, Marshall Fleet Solutions Limited, the holding company for the subsidiaries that made up its Fleet Solutions business. During the year the Fleet Solutions business contributed a post-tax loss of £3,096,000 (year to 31 December 2024: post-tax loss £33,941,000). The Group received net proceeds after transaction costs of £5,351,000. The net assets of Fleet Solutions business at the date of disposal was £1,985,000 and a profit on disposal of £3,366,000 was recognised in the profit and loss account.

On 27 June 2025, the Group completed the sale of its wholly owned subsidiary, Slingsby Holdings Limited, the holding company for the subsidiary that made up its Advanced Composites business. During the year the Advanced Composites business contributed a post-tax profit of £2,080,000 (year to 31 December 2024: post-tax profit £2,185,000). The Group received net proceeds after transaction costs of £21,216,000. The net assets of Advanced Composites business at the date of disposal was £10,380,000 and a profit on disposal of £10,836,000 was recognised in the profit and loss account.

On 21 November 2025, the Group completed the sale of its Land Systems business which consisted of the wholly owned subsidiaries, Marshall Land Systems Limited including its subsidiaries, and Marshall Aerospace Netherland BV. During the year the Land Systems business contributed a post-tax loss of £39,648,000 (year to 31 December 2024: post-tax loss £72,744,000). The Group received net proceeds after transaction costs of £3,826,000. The net assets of Land Systems business at the date of disposal was a negative value of £4,000. At the same time as the disposal, the Group entered into a Brand Support Agreement with Marshall Land Systems Limited and, provided certain performance obligations were met, agreed to pay Marshall Land Systems a total of £12,800,000 over a two year period. This is included as a cost of disposal and gives a net loss on disposal of £8,970,000.

8. Tax on loss

	2025 £000	2024 £000
a) Analysis of tax charge/(credit) for the year		
Current tax:		
UK corporation tax charge on the profit for the year	**95**	219
UK corporation tax adjustment in respect of prior periods	**(78)**	(1,119)
Overseas tax on profit for the year	**80**	25
Overseas tax adjustment in respect of prior periods	**6**	6
Total current tax	**103**	(869)
Deferred tax:		
Origination and reversal of timing differences	**(7,102)**	(4,443)
Adjustment in respect of prior periods	**(4,604)**	2,087
Total deferred tax (see note 19b)	**(11,706)**	(2,356)
Total tax credit on (loss)/profit	**(11,603)**	(3,225)

	2025 £000	2024 £000
b) Factors affecting the total tax credit for the year		
Loss before taxation	**(51,469)**	(123,306)
Expected tax credit at 25.0% (2024: 25.0%)	**(12,867)**	(30,827)
Effects of:		
Expenses not deductible for tax purposes	**2,714**	16,805
Losses not provided for	**9,069**	14,819
Non-taxable income	**(106)**	(5,153)
Non-taxable gains	**(5,788)**	–
Other items	**51**	(206)
Taxable capital gains	**–**	363
Adjustments in respect of prior periods	**(4,676)**	974
Total tax credit for the year	**(11,603)**	(3,225)

Notes to the consolidated financial statements continued

8. Tax on loss continued

	2025 £000	2024 £000
c) Tax included in the statement of other comprehensive income		
Taxation on cash flow hedges	**(62)**	279
Taxation on property revaluation	**(37,935)**	–
Deferred tax on actuarial pension gain	**–**	(229)
Tax (credit)/charge included in the statement of other comprehensive income	**(37,997)**	50

d) Factors that may affect future tax charges

Future tax charges, and, therefore, the Group's effective tax rate, may be affected by factors such as acquisitions, disposals, restructuring and tax regime reforms.

The standard rate of tax applied to reported profit is 25.0% (2024: 25.0%).

Deferred tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £2,865,000 (2024: £17,165,000) in respect of tax losses as there is uncertainty as to the timing of taxable profits against which these assets may be recovered. There is no expiry date attached to these losses.

During the year ending 31 December 2026, the net reversal of deferred tax assets and liabilities are expected to reduce the net deferred tax liability at 31 December 2025 by £30,060,000. This is primarily due to the sale on 2 June 2026 of the Cambridge site land which was subject to a large revaluation gain in the year ended 31 December 2025.

e) Pillar Two income taxes

The Group has applied the exception under paragraphs 29.2B and 29.12A of FRS 102 to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

On 20 June 2023, Finance (No.2) Act 2023 was substantively enacted in the UK, introducing a global minimum effective tax rate of 15.00%. The legislation implements a domestic top-up tax, effective for accounting periods starting on or after 31 December 2023. The Group does not account for deferred tax on top up taxes and therefore there was no impact on the recognition and measurement of deferred tax balances as a result of the legislation being substantively enacted.

The Group fell within the Pillar Two tax regime with effect from the accounting period beginning on 1 January 2024. The Group has assessed its potential liability to Pillar Two taxes for the year ended 2025 and has concluded that no current tax expense relating to Pillar Two income taxes arises because either Group companies fall within the transitional Country-by-Country safe harbour for the year ended 31 December 2025 or the application of Pillar Two calculation rules results in no Pillar Two taxable income in 2025.

f) Close company

The Parent Company is a close company within the provisions of the Corporation Tax Act 2010.

9. Dividends

Dividends on Ordinary shares of 12.5p were £nil (2024: £nil).

	2025 £000	2024 £000
Dividends on preference shares:		
8.00p per A preference share	**384**	384
10.00p per B preference share	**360**	360
Aggregate dividends declared and paid during the year	**744**	744

10. Notes to the consolidated statement of cash flows

a) Reconciliation of loss to net cash outflow from operating activities	2025 £000	2024 £000
Group loss before taxation	**(51,469)**	(123,306)
Profit on disposal of tangible fixed assets	**(244)**	(129)
Share of profit in the year from joint ventures	**–**	(4,442)
Profit on disposal of investments	**–**	(13,741)
Profit on disposal of subsidiaries	**(5,232)**	(600)
Gain on investment properties at fair value through consolidated income statement	**(1,251)**	(55)
Net financial income	**(1,282)**	(305)
Foreign exchange movement	**1,018**	215
Depreciation of tangible fixed assets and impairment charges	**15,722**	15,071
Amortisation of intangible fixed assets and impairment charges	**1,934**	17,944
Research and development expenditure credit	**(320)**	(1,459)
Fixed Asset Investments – performance bond cash cover	**(19,000)**	–
Decrease in stocks	**9,591**	22,061
Decrease in debtors	**3,519**	43,927
Increase in provisions	**766**	11,769
Increase/(decrease) in creditors	**26,517**	(18,171)
Pension funding	**–**	(856)
Share-based compensation expense	**113**	–
UK corporation tax received	**1,396**	2,966
Overseas tax received	**5**	73
Net cash outflow from operating activities	**(18,217)**	(49,038)

b) Reconciliation of net cash flow to movement in net funds	Notes	2025 £000	2024 £000
Increase in cash and cash equivalents		**7,930**	16,767
Disposal – finance leases disposed		**227**	–
Cash inflow from new loans	18	**–**	(20,000)
Repayment of overdrafts	18	**–**	246
Finance lease payments	18	**38**	71
Increase/(decrease) in net funds		**8,195**	(2,916)
Net funds at beginning of year		**31,934**	34,850
Net funds at end of year		**40,129**	31,934

c) Analysis of net funds	1 January 2025 £000	Cash movement £000	Disposals £000	Foreign exchange £000	31 December 2025 £000
Cash and cash equivalents	52,199	13,055	(4,694)	(431)	**60,129**
Finance leases	(265)	265	–	–	**–**
Short-term loans	(20,000)	–	–	–	**(20,000)**
Loans and overdrafts	(20,265)	265	–	–	**(20,000)**
Net funds	31,934	13,320	(4,694)	(431)	**40,129**

Notes to the consolidated financial statements continued

11. Intangible assets

	Goodwill £000	Software £000	Capitalised Development Costs £000	Intangible assets under construction £000	Total £000
Cost:					
At 1 January 2025	9,287	27,673	2,843	2,765	42,568
Additions	–	25	–	705	730
Disposal of subsidiaries	(9,287)	(6,124)	(2,843)	–	(18,254)
Disposals	–	–	–	(2,765)	(2,765)
At 31 December 2025	**–**	**21,574**	**–**	**705**	**22,279**
Amortisation and impairment:					
At 1 January 2025	9,287	22,008	2,843	2,765	36,903
Provided during the year	–	1,835	–	–	1,835
Impairment	–	99	–	–	99
Disposal of subsidiaries	(9,287)	(5,402)	(2,843)	–	(17,532)
Disposals	–	–	–	(2,765)	(2,765)
At 31 December 2025	**–**	**18,540**	**–**	**–**	**18,540**
Net book value:					
At 31 December 2025	**–**	**3,034**	**–**	**705**	**3,739**
Net book value:					
At 31 December 2024	–	5,665	–	–	5,665

Included within software is £17,700,000 (2024: £21,513,000) of cost relating to an ERP system (IFS) used in the business. For those subsidiaries where the software is in use, amortisation and impairment of £15,420,000 (2024: £18,311,000) has been charged to date. IFS software included in disposal of subsidiaries totalled £3,813,000 in costs and £3,813,000 in accumulated amortisation and impairment.

Estimates of the useful economic life and net book value of intangible assets are based on a variety of factors, such as the expected use of the intangible assets, the business plan for the use of the assets and any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar intangible assets.

Intangible assets under construction comprise assets that are being developed and not yet commissioned. Assets are amortised when they are available to be brought into use.

12. Tangible assets

	Land and buildings						
	Freehold land £000	Freehold buildings £000	Investment properties £000	Short leasehold £000	Plant and machinery £000	AUC* £000	Total £000
Cost or valuation:							
At 1 January 2025	4,439	45,382	7,321	5,127	142,648	4,921	209,838
Additions	–	2,323	–	536	765	240	3,864
Disposals	–	(256)	–	(164)	(2,588)	(226)	(3,234)
Disposal of subsidiaries	–	(4,240)	(270)	(4,683)	(19,890)	–	(29,083)
Transfers	2,477	–	214	–	1,842	(4,533)	–
Revaluation	151,739	–	1,251	–	–	–	152,990
Exchange adjustment	–	–	–	–	15	–	15
At 31 December 2025	**158,655**	**43,209**	**8,516**	**816**	**122,792**	**402**	**334,390**
Depreciation and impairment:							
At 1 January 2025	–	21,562	–	2,334	96,915	–	120,811
Provided during the year	–	2,135	–	484	12,722	–	15,341
Impairment	–	–	–	381	–	–	381
Eliminated on disposals	–	(256)	–	(71)	(2,820)	–	(3,147)
Disposal of subsidiaries	–	(256)	–	(2,381)	(20,900)	–	(23,537)
Exchange adjustment	–	–	–	–	15	–	15
At 31 December 2025	**–**	**23,185**	**–**	**747**	**85,932**	**–**	**109,864**
Net book value:							
At 31 December 2025	**158,655**	**20,024**	**8,516**	**69**	**36,860**	**402**	**224,526**
Net book value:							
At 31 December 2024	4,439	23,820	7,321	2,793	45,733	4,921	89,027

* AUC – Assets under construction

Freehold land is stated at fair value with changes to fair value being recognised in the statement of other comprehensive income in accordance with the selected revaluation model of FRS 102 Chapter 17. Property, Plant and Equipment. This represents a change in accounting policy in the year ended 2025, where measurement was previously stated in accordance with historical cost model option. For further details see note 1b.

Freehold land fair value is determined by considering comparable market data, independent valuation reports and specific offers received. Freehold land has been included at a Directors' valuation of £158,655,000. (2024: historical cost basis £4,439,000). A revaluation gain of £151,739,000 has been taken to the statement of other comprehensive income. (2024: £nil),

The historical cost of the freehold land held at fair value is £6,916,000 (2024: £4,439,000). There is no depreciation of freehold land.

Investment properties are stated at fair value with changes in fair value being recognised in the consolidated income statement. No depreciation is provided in respect of such properties in accordance with FRS 102 Chapter 16 Investment Property.

Investment properties fair value is determined by considering and making key judgements using comparable market data such as rental yields, location, condition and nature of the property. The Group freehold investment properties have been included, using the guidance of professional advisers, at a Directors' valuation of £8,516,000 (2024: £7,321,000). Each year, the Group engages independent valuers to assist in determining fair value. A revaluation surplus of £1,251,000 (2024: £55,000) has been taken to the consolidated income statement.

The historical cost of the investment properties held at valuation in land and buildings is £222,000 (2024: £150,000), with accumulated depreciation of £nil (2024: £nil) and a net book value of £222,000 (2024: £150,000).

12. Tangible assets continued

The net carrying amount of assets held under finance leases included in plant and machinery is £nil (2024: £277,000).

There are no restrictions on the Group's ability to dispose of the investment properties or use any funds arising from the disposal. There are no contractual commitments for further development of the investment properties.

13. Investments

a) Fixed-asset investments

	Restricted Cash £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2025	–	2,342	2,342
Additions	19,000	–	19,000
Distribution	–	(384)	(384)
Fair value increase	–	(86)	(86)
At 31 December 2025	**19,000**	**1,872**	**20,872**

Restricted cash represents amounts held as cash collateral in respect of a performance bond issued in the ordinary course of business. The performance bond has been provided to a third party to secure the Group's contractual obligations, and the associated cash cover is held in a designated account which is not accessible for general operational purposes.

The restriction over these cash balances will remain in place until the earlier of the release or expiry of the performance bond in December 2030.

Other investments represent a holding in a managed fund that predominantly invests in floating rate senior secured loans issued by middle market companies located in developed countries in Europe. These are carried at fair value.

14. Stocks

	2025 £000	2024 £000
Raw materials, components and consumables	**12,107**	17,699
Work in progress	**3,662**	7,156
Finished goods and goods for resale	**3**	2,131
	15,772	26,986

Progress payments receivable in excess of the value of work done on individual contracts less provisions for losses are shown separately under creditors: amounts falling due within one year in the consolidated balance sheet.

The difference between purchase price and production cost of stocks and their replacement cost is not considered material by the Directors.

Stock is stated after provisions for impairment of £4,203,000 (2024: £30,962,000).

15. Debtors

	2025 £000	2024 £000
Amounts falling due within one year		
Trade debtors	**11,622**	34,745
Amounts recoverable on long-term contracts	**13,570**	35,471
Derivative financial instruments	**1,068**	1,762
Corporation tax recoverable	**350**	2,313
Other taxes recoverable	**613**	282
Deferred land debtor	**10,000**	21,762
Other debtors	**3,029**	6,369
Prepayments and accrued income	**7,627**	12,698
	47,879	115,402
Amounts falling due after more than one year		
Derivative financial instruments	**96**	451
Deferred consideration	**1,000**	–
Deferred land debtor	**8,118**	5,803
	9,214	6,254
	57,093	121,656

The total current and non-current deferred land debtors of £18,118,000 (2024: £27,565,000) represents the fair value of deferred proceeds for the sale of land.

16. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Bank loans and overdrafts (note 18)	**20,000**	20,000
Finance leases (note 18)	**–**	154
Payments received on account	**47,340**	30,640
Trade creditors	**10,954**	16,454
Derivative financial instruments	**–**	582
Corporation tax payable	**263**	351
Other taxation and social security	**4,465**	11,510
Other creditors	**105**	1,641
Accruals and deferred income	**17,592**	37,616
	100,719	118,948

17. Creditors: amounts falling due after more than one year

	2025 £000	2024 £000
Finance leases (note 18)	**–**	111
Derivative financial instruments	**105**	105
Accruals and deferred income:		
– Other post-employment benefits	**3,213**	3,200
	3,318	3,416

18. Loans, overdrafts and borrowings

	2025 £000	2024 £000
Finance leases	–	265
Loans	20,000	20,000
Total loans, overdrafts and borrowings	20,000	20,265

Analysis of changes in loans and borrowings during the year:	2025 £000	2024 £000
At 1 January	20,265	582
Disposals – debt	(227)	–
New loans	–	20,000
Overdrafts repaid	–	(246)
Finance lease payments	(38)	(71)
Total loans, overdrafts and borrowings	20,000	20,265

	2025 £000	2024 £000
Amounts falling due:		
Within one year – finance leases	–	154
Within one year – loans and overdrafts	20,000	20,000
Between two and five years – finance leases	–	111
	20,000	20,265
Less: included in creditors: amounts falling due within one year	(20,000)	(20,154)
Amounts falling due after more than one year	–	111

On 5 June 2025 the Group renewed an existing revolving credit facility for a reduced amount of £20,000,000, which was fully drawn at the year end. This is in addition to the £15,000,000 and £3,000,000 overdraft facilities which existed during the year. At 31 December 2025, there was £nil and £nil (2024: £nil and £nil) outstanding on these facilities. All facilities are with UK commercial banks. The revolving credit facility is available for general corporate use and accrues interest at SONIA plus a margin of 3.95%. It is repayable in full in December 2026 and secured by a fixed and floating charge over the Group's assets. Refer to note 29 for details of post-balance sheet changes to the Group's bank and debt facilities.

19. Provision for liabilities

	2025 £000	2024 £000
Dilapidations and onerous leases	6,510	1,100
Onerous contracts	5,600	21,675
Land contamination	–	250
Warranty	291	384
Other	12,463	85
	24,864	23,494
Deferred tax (see note 19b)	29,053	1,829
	53,917	25,323

(a) Provisions excluding deferred tax

	Dilapidations, and onerous leases £000	Onerous contracts £000	Land Contamination £000	Warranty £000	Other £000	Total £000
At 1 January 2025	1,100	21,675	250	384	85	23,494
Arising during the year	5,878	12,812	15	545	12,378	31,628
Amounts utilised	–	(17,745)	–	(335)	–	(18,080)
Disposal	(468)	(11,142)	(265)	(303)	–	(12,178)
At 31 December 2025	**6,510**	**5,600**	**–**	**291**	**12,463**	**24,864**

19. Provision for liabilities continued

Dilapidations and onerous leases

The Group manages its property portfolio carefully and either closes or sells sites that no longer fit with the Group's strategy. When sites are closed or sold, provisions are made for any residual costs or commitments.

The Group operates from several leasehold premises under full repairing leases. The provision recognises that repairs are required to put the buildings back into the state of repair required under the leases. Where property commitments exist at sites that are closed or closing the Group provides for the unavoidable cost of those leases post-closure. The Group expects the remainder of this provision to be fully utilised by 31 December 2026.

Onerous contracts

The provision relates to management's best estimate of the foreseeable losses on customer contracts and multi-year contracts for services which are no longer expected to deliver value to the Group. The provision is expected to be utilised by the end of 2028.

Warranty provision

A provision is recognised for potential warranty claims on products sold. It is expected that the warranty costs will be incurred by 30 June 2027.

Other

The provision relates to remaining brand support payment obligations to Marshall Land Systems. See note 7.

(b) Deferred taxation liabilities/(assets)

	2025 £000	2024 £000
Accelerated capital allowances	(724)	1,173
Tax losses carried forward	(16,303)	(3,517)
Rolled over gains	7,298	7,001
Revaluation gains on properties	40,590	–
Other timing differences	(1,808)	(2,828)
Deferred tax liability	29,053	1,829

The movement in the deferred tax liability during the year comprises as follows:

	2025 £000	2024 £000
At 1 January	1,829	4,071
Charge to the consolidated income statement for the year	(11,706)	(2,356)
Disposals during the year	933	164
Deferred taxation in other comprehensive income/(expense)	37,997	(50)
At 31 December	29,053	1,829

The deferred tax charge in the Consolidated Income Statement for the year comprises as follows:

	2025 £000	2024 £000
Origination and reversal of timing differences	(7,102)	(4,443)
Adjustments in respect of prior periods	(4,604)	2,087
	(11,706)	(2,356)

The unrecognised deferred tax asset comprises as follows:

	2025 £000	2024 £000
Trading losses	2,865	17,165

A deferred tax asset has not been recognised for certain trading losses as the Directors do not expect that they would be utilised against similar taxable profits in the foreseeable future.

At 31 December 2025 these trading losses were £13,165,000 (2024: £68,121,000).

Notes to the consolidated financial statements continued

20. Called-up share capital

	Allotted, called up and fully paid			
	2025 No. '000	2024 No. '000	**2025 £000**	2024 £000
Ordinary shares of 12.5p each	**13,006**	13,035	**1,626**	1,629
Non-voting priority dividend ordinary NVPO shares of 12.5p each	**46,076**	46,047	**5,759**	5,756
8% irredeemable A preference shares £1 each	**4,800**	4,800	**4,800**	4,800
10% irredeemable B preference shares of £1 each	**3,600**	3,600	**3,600**	3,600
	67,482	67,482	**15,785**	15,785

	Ordinary shares at 12.5p each		NVPO shares at 12.5p each	
	£000	£000	**£000**	£000
At 1 January	**1,629**	1,641	**5,756**	5,744
Ordinary shares converted to NVPO shares	**(3)**	(12)	**3**	12
At 31 December	**1,626**	1,629	**5,759**	5,756

Rights of Ordinary shares

There are no restrictions on the distribution of dividends and the repayment of capital.

Rights of Non-Voting Priority dividend Ordinary ('NVPO') shares

NVPO shares rank pari passu with Ordinary shares, except for the following:

i. Holders of NVPO shares are entitled to a priority dividend of 2p in priority to any discretionary dividend payable on the Ordinary shares, together with a dividend per NVPO equal to the amount of any dividend declared on each Ordinary share.

ii. Holders of NVPO shares cannot vote at an AGM.

Rights of Preference shares

i. Holders of preference shares are entitled, in priority, to any discretionary dividend payable on the Ordinary shares and the NVPO shares, to non-cumulative preference dividends of 8p per share in respect of the A preference shares and 10p per share in respect of the B preference shares.

ii. On a return of capital on a winding up, the preference shares carry the right to repayment of capital at par; this right is in priority to the rights of Ordinary and NVPO shareholders.

iii. Holders of preference shares cannot vote at an AGM.

Right of conversion of Ordinary shares

The Ordinary shares have a limited right of conversion into NVPO shares. Any holder of Ordinary shares may, at any time, elect to convert Ordinary shares into NVPO shares. The rate of conversion is one NVPO share for each Ordinary share.

During the year 28,000 (2024: 98,000) Ordinary shares were converted into NVPO shares.

21. Other reserves

Share premium account

The purpose of this reserve is to show the amount subscribed for Marshall of Cambridge (Holdings) Limited's issued share capital in excess of nominal value.

Capital redemption reserve

On 2 October 1991, pursuant to a special resolution, Marshall of Cambridge (Holdings) Limited purchased 130,000 Ordinary shares of £1 each, representing 1.8% of the issued share capital of the Company at that date, for a consideration of £455,000. The purchased shares were then cancelled in accordance with Section 160(4) Companies Act 1985.

This reserve represents the nominal value of these shares.

Cash flow hedge reserve

This reserve is used to record changes in the fair value of financial instruments designated as cash flow hedges.

22. Contingent liabilities

Performance guarantees granted by subsidiary undertakings amounted to £24,118,000 (2024: £9,175,000). The Group has access to a £15,000,000 and a €3,500,000 overdraft facility, refer to note 18, (2024: £15,000,000 and a €3,500,000)), which contains cross guarantees granted by certain members of the Group.

As a large organisation, the Group has a number of contracts with customers to deliver services and products, as well as with its supply chain. From time to time, the Group is involved in disputes and litigation, which have arisen in the course of its normal trading in connection with these contracts. The Group recognises provisions for liabilities when it is more likely than not that a settlement will be required and the value of such a payment can be reliably estimated.

23. Capital commitments

	2025 £000	2024 £000
Contracted but not provided for	**–**	444

Notes to the consolidated financial statements continued

24. Other financial commitments

a) Operating leases

Operating leases – Group as lessor

The Group has entered non-cancellable operating leases, as lessor, on several of its properties included in investment property. The terms of these leases vary. Future minimum lease payments receivable for property under non-cancellable operating leases are as set out below.

	2025 £000	2024 £000
Within 1 year	**1,268**	1,170
Between 1 and 5 years	**2,355**	1,222
After 5 years	**803**	1,062
	4,426	3,454

Operating leases – Group as lessee

The Group leases several properties, equipment and vehicles under operating leases. The future aggregate minimum payments under these non-cancellable leases are set out below.

	Land and buildings		Other	
	2025 £000	2024 £000	2025 £000	2024 £000
Within 1 year	**6,356**	3,273	**201**	1,493
Between 1 and 5 years	**30,391**	37,542	**69**	2,909
After 5 years	**31,404**	41,161	**–**	–
	68,151	81,976	**270**	4,402

b) Finance leases

The future minimum finance lease payments are as follows:

	2025 £000	2024 £000
Within 1 year	**–**	168
Between 1 and 5 years	**–**	115
Total gross payments	**–**	283
Less: finance charges	**–**	(18)
	–	265

The finance leases primarily related to vehicles which were leased from specialist leasing companies.

25. Financial instruments

The Group classifies its financial assets and liabilities under the following categories: fair value through the profit and loss ('FVPL'), fair value through Other Comprehensive Income ('FVOCI'), financial assets at amortised cost and financial liabilities at amortised cost. Details of the fair value valuation methods are disclosed in note 1.

The Group uses derivatives to hedge its foreign currency risk and the fair value of the net derivative asset at 31 December 2025 was £1,059,000 (2024: £1,526,000). Changes in the fair value of cash flow hedges recognised in other comprehensive income amounted to a £2,045,000 gain (2024: £1,386,000) and £1,797,000 loss (2024: £2,503,000) was reclassified from the cash flow hedge reserve to profit and loss. The cash flows from these derivatives are expected to occur on, approximately, a quarterly basis up until May 2027 and there is no hedge ineffectiveness arising to record in the profit and loss.

	2025 £000	2024 £000
Financial assets at fair value through the Profit and Loss account		
Other investments carried at fair value	**1,872**	2,324
Financial assets at fair value through Other Comprehensive Income		
Forward foreign exchange contracts – cash flow hedging instruments	**1,164**	2,213
Financial assets measured at amortised cost		
Trade debtors	**11,622**	34,745
Cash at bank and in hand	**60,129**	52,199
	71,751	86,944
Financial liabilities at fair value through Other Comprehensive Income		
Forward foreign exchange contracts – cash flow hedging instruments	**(105)**	(687)
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	**(20,000)**	(20,000)
Finance leases	**–**	(265)
Trade creditors	**(10,954)**	(16,454)
Other creditors	**(105)**	(1,641)
Accruals	**(20,805)**	(40,816)
	(51,864)	(79,176)

Notes to the consolidated financial statements continued

26. Staff costs and Directors' emoluments

	2025 £000	2024 £000
(a) Group staff costs		
Wages and salaries	**93,497**	122,139
Social security costs	**8,583**	12,450
Other pension costs	**8,562**	7,842
Share-based compensation expense	**113**	–
	110,755	142,431

Other pension costs include only those items included within operating costs. Items reported elsewhere have been excluded.

The average monthly number of employees of the Group during the year was:

	2025 £000	2024 £000
Aerospace	**833**	996
Property and head office	**54**	73
Skills Academy	**–**	29
Futureworx	**–**	15
Land Systems (sold during period)*	**538**	489
Fleet Solutions (sold during period)*	**98**	373
Advanced Composites (sold during period)*	**61**	106
	1,584	2,081

* For disposed entities, average employees are based on the sum of monthly averages, up to the date of disposal, divided by the 12 months of the period.

The total number of employees for the Group at 31 December 2025 was 849 (31 December 2024: 1,946).

		2025 £000	2024 £000
(b) Remuneration of Parent Company Directors			
Emoluments	– continuing	**1,489**	1,061
	– leavers	**98**	354
Company contributions to defined contribution pension schemes	– leavers	**–**	30
Compensation for loss of office	– leavers	**–**	548
		1,587	1,993

No Directors exercised any share options in the year (2024: nil). No Director (December 2024: No Directors) was a contributing member of the defined contribution pension scheme.

	2025 £000	2024 £000
Remuneration of highest paid director:		
Emoluments	**895**	488

The Directors of the Parent Company are the Group's key management personnel defined by FRS 102. Details of their remuneration is disclosed above excluding employers national insurance. The key management personnel expense, inclusive of employers national insurance for the year ended 31 December 2025 is £1,587,000 (2024: £1,199,000).

26. Staff costs and Directors' emoluments continued

Share-based payments

The Company operates an equity-settled share option scheme for certain executive Directors of Marshall of Cambridge (Holdings) Limited. The share option scheme is in place to encourage option holders to take appropriate and timely action to maximise the financial performance and success of the Group. Options are in the NVPO share class of Marshall of Cambridge (Holdings) Limited and are made to eligible participants at the discretion of the Board. As at 31 December 2025 one share grant had been awarded, fully utilising the scheme.

Share Options were issued in April 2025, at the market price of NVPO shares and vest after either certain business objectives are met or after a two year period, whichever is shorter. Options are exercisable over a 5 year period from the vesting date and may lapse if a participant leaves the Group before the options vest. If an option remains unexercised after a period of 5 years from the date of vesting the option will lapse.

Options were granted at the market price of the NVPO shares at grant. The total share-based payment charge recognised during the 12 months ended 31 December 2025 was £113,000 (2024: £nil). The total liabilities arising from share-based payment transactions at the year ended 31 December 2025 was £nil (2024: £nil). A separate reserve has not been created as it is a non-recurring item.

	31 December 2025 No.	**31 December 2025 WAEP***	31 December 2024 No.	31 December 2024 WAEP*
Outstanding as at 1 January	**–**	**–**	–	–
Granted during the year	**750,000**	**170p**	–	–
Exercised during the year	**–**	**–**	–	–
Expired during the year	**–**	**–**	–	–
Forfeited during the ear	**–**	**–**	–	–
Outstanding at 31 December	**750,000**	**170p**	–	–
Exercisable at 31 December	**–**	**–**	–	–

*Weighted average exercise price (WAEP).

Notes to the consolidated financial statements continued

27. Related parties

On 29 November 2024 the Group disposed of its 50% ownership of the joint venture vehicles, Hill Marshall LLP, Hill Marshall (Phase 2) LLP and Hill Marshall (Phase 3) LLP. As of this date these entities ceased to be Related Parties.

The following table shows the aggregate transactions with related parties carried out during the year:

	Sales to/ (purchases from) £000	Net interest received £000	Amounts receivable £000	Amounts payable £000
2025				
Hill Marshall LLP	**–**	**–**	**–**	**–**
Hill Marshall (Phase 2) LLP	**–**	**–**	**–**	**–**
2024				
Hill Marshall LLP	–	338	–	–
Hill Marshall (Phase 2) LLP	–	251	–	–

Terms and conditions of transactions with related parties

Sales and purchases between the Group and its related parties are made at normal market prices. Excluding the LLPs, terms of which are detailed above, outstanding balances with these entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Group and Parent Company have not benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2025, the Group and Parent Company have not had to make any provision for doubtful debts relating to amounts owed by related parties (2024: £nil).

The Directors of the Parent Company are the Group's key management personnel defined by FRS 102. The total key management personnel expense for the year ended 31 December 2025 was £1,587,000 (2024: £1,199,000).

All related party transactions have been conducted on an arms length basis.

In the judgement of the Directors the Group does not have an overall controlling party.

28. Pensions and other retirement benefit costs

The Group operates, for the benefit of its employees, two schemes, a defined contribution scheme for UK employees and a scheme wound up during the year which had elements of both defined benefit and defined contribution. All the schemes are funded by the payment of contributions to trustee-administered funds, which are kept entirely separate from the assets of the Group.

The scheme that had elements of both defined benefit and defined contribution was known as the Marshall Group Executive Pension Plan (the 'Plan'). On 23 December 2024, the Trustees entered into a Deed of Assignment with Aviva Life & Pensions UK Limited (Aviva) to assign the assets and liabilities associated with the Plan to Aviva. The scheme was wound up on 13 June 2025. Resultantly, as at 31 December 2025 the Plan had no assets or liabilities (2024: £nil). The total pension cost for the Group for the year, in respect of all defined contribution schemes in the UK, was £7,664,000 (2024: £7,202,000). A further £898,000 (2024: £640,000) was paid into defined contribution schemes overseas. The total defined benefit charge for the Group in respect of the Plan was £nil (2024: £74,000) under FRS 102 Chapter 28, of which £nil (2024: £17,000) has been charged to operating profit and £nil (2024: £57,000) has been expensed to other finance expense.

29. Post-balance sheet events

On 2 June 2026 the Group sold, for £200,000,000, all of its freehold land, comprising the Cambridge Airport site and surrounding items to Hill Commercial Investments Limited and Homes and Communities Agency (trading as Homes England). At the same time the Group entered into a 3 year lease back for the Cambridge Airport site with the same parties. The term of the lease expires 30 June 2029.

On 2 June 2026 the Group cancelled its revolving credit facility and overdraft facilities with its funders.

Company balance sheet

as at 31 December 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Intangible assets	7	**632**	946
Tangible assets	8	**400**	484
Investments	9	**62,721**	47,220
Total fixed assets		**63,753**	48,650
Current assets			
Debtors			
Amounts falling due within one year	10	**34,543**	37,396
Amounts falling due after more than one year	10	**1,000**	–
Cash at bank and in hand		**58,836**	40,418
		94,379	77,814
Creditors: amounts falling due within one year	12	**(63,587)**	(52,777)
Net current assets		**30,792**	25,037
Total assets less current liabilities		**94,545**	73,687
Creditors: amounts falling due after more than one year	13	**(3,213)**	(3,200)
Net assets before provisions and pension liability		**91,332**	70,487
Provisions for liabilities	14	**(16,353)**	(5,112)
Net assets		**74,979**	65,375
Capital and reserves			
Called-up share capital	16	**15,785**	15,785
Share premium account		**611**	611
Capital redemption reserve	18	**130**	130
Profit and loss account		**58,453**	48,849
Total equity		**74,979**	65,375

The profit for the financial year dealt with in the financial statements of the Parent Company was £10,235,000 (2024: loss £94,617,000).

The Company audited financial statements on pages 61 to 71 were approved by the Board of Directors on 22 June 2026 and signed on its behalf by:

D J Heaford
Director

Registered number: 02051460

Company statement of changes in equity

Year ended 31 December 2025

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2024	15,785	611	130	143,524	160,050
Loss for the financial year	–	–	–	(94,617)	(94,617)
Other comprehensive income	–	–	–	686	686
Total comprehensive expense for the year	–	–	–	(93,931)	(93,931)
Equity dividends paid (note 5)	–	–	–	(744)	(744)
At 31 December 2024	15,785	611	130	48,849	65,375
Profit for the financial year	–	–	–	10,235	10,235
Share-based compensation expense	–	–	–	113	113
Equity dividends paid (note 5)	–	–	–	(744)	(744)
At 31 December 2025	**15,785**	**611**	**130**	**58,453**	**74,979**

Notes to the Company financial statements

1. Statement of compliance

Marshall of Cambridge (Holdings) Limited ('the Company') is a private company limited by shares incorporated in England, United Kingdom under the Companies Act 2006. The registered office is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

The Company's financial statements have been prepared in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as it applies to the financial statements of the Company for the year ended 31 December 2025.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. Basis of preparation

The audited consolidated financial statements of Marshall of Cambridge (Holdings) Limited were authorised for issue by the Board of Directors on 22 June 2026. The consolidated financial statements have been prepared in accordance with applicable accounting standards. They are presented in sterling and are rounded to the nearest £'000. The consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1b to the consolidated financial statements.

Going concern

The company participates in the group treasury arrangements of Marshall of Cambridge (Holdings) Limited ("MCH"). Under this arrangement, it has access to and shares banking arrangements and facilities with the subsidiary undertakings.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are described within the Group Strategic Report on pages 3 to 9. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on page 28 and note 10 to the consolidated financial statements.

The Directors have considered whether, over a period of at least 12 months from the approval of these financial statements, the Group and the Company is able to meet its liabilities as they fall due and is a going concern. The Directors have concluded that the Group and Company can continue to operate and settle obligations as they fall due for a period of no less than 12 months from the date of signing of the financial statements. Accordingly, they believe that it remains appropriate to prepare the financial statements on a going concern basis.

As at 31 December 2025, the Company reported net current assets of £30,792,000 (2024: £25,037,000).

As part of their assessment, the Directors have performed a stress test, including modelling a range of severe but plausible scenarios, to understand what would need to happen for the business to fully utilise its available funds. Having assessed the results of this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements.

Exemptions adopted

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. The Company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework, remaining compliant with each relevant standard:

a. The requirements of Section 7, Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).

b. The requirements for certain financial instrument disclosures.

c. The requirements of Section 26, Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23.

d. The requirements of Section 33, Related Party Disclosures paragraph 33.7.

Notes to the Company financial statements
continued

2. Basis of preparation continued

Company loss

As permitted under section 408 of the Companies Act 2006, the Company has elected to neither present a Company Income Statement nor a Company Statement of Comprehensive Income. The profit for the financial year in the financial statements of the Parent Company was £10,235,000 (2024 loss: £94,617,000) and other comprehensive income was £nil (2024: income £686,000).

3a. Accounting policies

Except where disclosed otherwise in this note, the accounting policies adopted in the preparation of the Company financial statements are consistent with those applied when preparing the consolidated financial statements. Details of the Group's policies are disclosed in note 1a of the notes of the consolidated financial statements.

Investments

In the Parent Company financial statements, investments in subsidiaries are valued at cost less impairment.

Foreign currencies

Parent Company

Transactions in foreign currencies are initially recorded in functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

3b. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The Directors have determined that there are no judgements that require disclosure in the financial statements and have identified the following estimates.

Other investments

Please refer to note 13 of the consolidated financial statements.

Impairment of subsidiary investments

Where there are indicators of impairment of investments, the Company compares the carrying value of the asset with its recoverable amount, represented by the higher of its value in use and net realisable value. The key judgements relate to management's assessment of whether indicators of impairment are present.

Pensions

The Company operates, for the benefit of its employees, two schemes, a defined contribution scheme for UK employees and a scheme wound up during the year which had elements of both defined benefit and defined contribution. The Trustees of the defined benefit pension scheme entered into a Deed of Assignment with Aviva Life & Pensions UK Limited (Aviva) to assign the assets and liabilities associated with the Plan to Aviva. The scheme was wound up on 13 June 2025. Resultantly, as at 31 December 2025 the Plan had no assets or liabilities (2024: £nil).

Historically, the liability recognised in the balance sheet in respect of the Marshall of Cambridge (Holdings) Limited Group's retirement benefit obligations represents the liability of the Group's defined benefit pension after deduction of the fair value of related assets. The scheme liability is derived by estimating the ultimate cost of benefits payable by the scheme and reflecting the discounted value of the proportion accrued by the year end in the balance sheet. In order to arrive at these estimates, a number of key financial and non-financial assumptions are made by management, changes to which could have a material impact upon the net deficit and the net cost recognised in the Income Statement.

The principal assumptions relate to the rate of inflation, mortality and the discount rate. Over the longer term, rates of inflation can vary significantly.

The overall benefit payable by the scheme will also depend upon the length of time that members of the scheme live, the longer they remain alive and the higher the cost of the pension benefits to be met by the scheme. Assumptions are made regarding the expected lifetime of the scheme members based upon recent national experience. However, given the advancement in medical science, it is uncertain whether these assumptions will prove to be accurate in practice.

3b. Judgements and key sources of estimation uncertainty continued

The rate used to discount the resulting cash flows is equivalent to the market yield at the balance sheet date on AA-rated corporate bonds with a similar duration to the scheme liabilities. This rate is potentially subject to significant variation. The net cost recognised in the Income Statement is also affected by the return on the scheme's assets.

4. Auditors' remuneration

The auditors' remuneration for audit services was £65,000 (2024: £65,000). The Company also paid £1,031,000 (2024: £655,000) for the audit of the consolidated financial statements of the Group.

5. Equity dividends

Dividends on Ordinary shares of 12.5p were £nil (2024: £nil).

	2025 £000	2024 £000
Dividends on preference shares:		
8.00p per A preference share	**384**	384
10.00p per B preference share	**360**	360
Aggregate dividends declared and paid during the year	**744**	744

6. Staff costs and Directors' emoluments

	2025 £000	2024 £000
(a) Staff costs		
Wages and salaries	**8,174**	10,798
Social security costs	**1,150**	1,110
Other pension costs	**418**	502
Share-based compensation expense	**113**	–
	9,855	12,410

The average monthly number of employees during the year was 48 (2024: 94).

(b) Directors' emoluments
Details of the Directors' emoluments are set out in note 26 of the consolidated financial statements.

7. Intangible assets

	Software Total £000
Cost:	
At 1 January 2025	3,397
Additions	–
At 31 December 2025	**3,397**
Amortisation:	
At 1 January 2025	2,451
Provided during the year	314
At 31 December 2025	**2,765**
Net book value:	
At 31 December 2025	**632**
Net book value:	
At 31 December 2024	946

Notes to the Company financial statements
continued

8. Tangible assets

	Leasehold improvements £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost:				
At 1 January 2025	52	1,525	66	1,643
Disposals	–	65	(66)	(1)
At 31 December 2025	**52**	**1,590**	**–**	**1,642**
Depreciation:				
At 1 January 2025	52	1,041	66	1,159
Provided during the year	–	84	–	84
Disposals	–	65	(66)	(1)
At 31 December 2025	**52**	**1,190**	**–**	**1,242**
Net book value:				
At 31 December 2025	**–**	**400**	**–**	**400**
Net book value:				
At 31 December 2024	–	484	–	484

9. Investments

	Subsidiary undertakings £000	Other investments £000	Total £000
Cost or valuation:			
At 1 January 2025	46,182	2,342	48,524
Additions	15,971	–	15,971
Disposals	(20)	–	(20)
Distribution	–	(384)	(384)
Fair value movement	–	(86)	(86)
At 31 December 2025	**62,133**	**1,872**	**64,005**
Provision:			
At 1 January 2025	1,304	–	1,304
Disposals	(20)	–	(20)
At 31 December 2025	**1,284**	**–**	**1,284**
Net book value:			
At 31 December 2025	**60,849**	**1,872**	**62,721**
Net book value:			
At 31 December 2024	44,878	2,342	47,220

9. Investments continued

a) Subsidiary undertakings

The Company's direct investments in subsidiary undertakings at 31 December 2025 are shown below.

	Proportion held %	Nominal value £	Ordinary shares No.	Principal activity	Cost £000
Marshall ADG Ltd*	100%	1.00	1	Holding company	29,972
Marshall Group Properties Limited	100%	1.00	10,000	Farming and property holding	10
Marshall Cambridge Airport Ltd* (formerly Marshall Skills Academy Ltd)	100%	1.00	400,000	Airport services	400
MGPH Limited	100%	1.00	30,500,000	Property holding and rental	31,734
The Cambridge Aero Club Limited*	100%	1.00	5,000	Flying instruction & aircraft charter	17
Marshall of Cambridge (Engineering) Limited	100%	1.00	100	Dormant	–
					62.133

* Subsidiaries for which exemption from audit by virtue of s479A of the Companies Act 2006 has been taken for the year ended 31 December 2025.

The registered office for the subsidiaries listed above is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

Other indirect wholly owned subsidiary undertakings are detailed below:

Name of Undertaking	Proportion held %	Principal activity	Country of incorporation	Registered office
Marshall of Cambridge Aerospace Limited	100%	Aerospace engineering	England and Wales	Cambridge**
Marshall Middle East Limited	100%	Business development activities in the Middle East	England and Wales	Cambridge**
Marshall USA LLC	100%	Business development activities in the USA	USA	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA
Marshall Aerospace and Defence France SAS	100%	Business development activities in France	France	6 place de la Madeleine 75008 Paris
Aeroacademy Limited	100%	Dormant	England and Wales	Cambridge**
Marshall of Cambridge (Airport Properties) Limited	100%	Dormant	England and Wales	Cambridge**

** The registered office for these companies is Control Building The Airport, Newmarket Road, Cambridge, England, CB5 8RX.

All of the above subsidiaries are included in the consolidated financial statements.

b) Other investments

Other investments represent a holding in a managed fund that predominantly invests in floating rate senior secured loans issued by middle market companies located in developed countries in Europe. These are carried at fair value.

Notes to the Company financial statements
continued

10. Debtors

	2025 £000	2024 £000
Amounts falling due within one year		
Trade debtors	**1,044**	135
Amounts owed by group undertakings	**15,957**	34,562
Other taxes recoverable	**440**	196
Deferred tax asset (note 11)	**14,318**	1,066
Prepayments and accrued income	**2,784**	1,437
	34,543	37,396
Amounts falling due after more than one year		
Deferred consideration	**1,000**	–
	35,543	37,396

Amounts owed by group undertakings are unsecured and repayable on demand. Throughout the year ended 31 December 2025, where amounts relate to the Group treasury arrangement, interest is charged at a fixed rate of 4% (2024: Bank of England base rate plus 1%).

11. Deferred tax asset

The movement in the deferred tax asset during the year was:

	2025 £000	2024 £000
At 1 January	**1,066**	2,093
Credit/(charge) to the Income Statement for the year	**13,252**	(798)
Deferred taxation in Other Comprehensive Income	**–**	(229)
At 31 December	**14,318**	1,066

The deferred tax asset provided in the financial statements comprised as follows:

	2025 £000	2024 £000
Accelerated capital allowances	**7**	72
Other timing differences	**14,311**	994
	14,318	1,066

The deferred tax credit in the Income Statement comprised as follows:

	2025 £000	2024 £000
Origination and reversal of timing differences	**7,010**	(1,785)
Adjustments in respect of prior years	**6,242**	987
	13,252	(798)

The deferred tax asset not recognised comprised as follows:

	2025 £000	2024 £000
Trading losses	**324**	4,913

A deferred tax asset has not been recognised for certain trading losses as the Directors do not expect that they would be utilised against similar taxable profits in the foreseeable future.

At 31 December 2025 these trading losses were £1,295,000 (2024: £19,653,000).

12. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Bank Loans and overdrafts	**20,000**	20,000
Payments received on account	**61**	90
Trade creditors	**3,746**	2,752
Amounts owed to group undertakings	**36,484**	25,538
Accruals and deferred income	**3,296**	4,397
	63,587	52,777

Amounts owed to group undertakings are unsecured and repayable on demand. No interest was paid on amounts owed to subsidiary undertakings during the year (2024: £nil).

Details in relation to loans and overdrafts can be found in note 18 of the consolidated financial statements.

13. Creditors: amounts falling due after more than one year

	2025 £000	2024 £000
Accruals and deferred income:		
– Other post employment benefits	**3,213**	3,200

14. Provisions for liabilities

	Onerous contracts £000	Other £000	Total £000
At 1 January 2025	5,112	–	5,112
Arising during the year	4,784	12,378	17,162
Amounts Utilised	(5,921)	–	(5,921)
At 31 December 2025	**3,975**	**12,378**	**16,353**

Onerous contract

The provision relates to multi-year contracts for services which are no longer expected to deliver value to the Company. The provision is expected to be utilised by the end of 2028.

Other

The provision relates to remaining brand support payment obligations to Marshall Land Systems. See note note 7 of the consolidated financial statements.

15. Pension liability

Details of the Company pension schemes are disclosed in note 28 of the consolidated financial statements.

Notes to the Company financial statements

continued

16. Called-up share capital

	Allotted, called up and fully paid			
	2025 No. '000	2024 No. '000	**2025 £000**	2024 £000
Ordinary shares of 12.5p each	**13,006**	13,035	**1,626**	1,629
Non-voting priority dividend ordinary NVPO shares of 12.5p each	**46,076**	46,047	**5,759**	5,756
8% irredeemable A preference shares £1 each	**4,800**	4,800	**4,800**	4,800
10% irredeemable B preference shares of £1 each	**3,600**	3,600	**3,600**	3,600
	67,482	67,482	**15,785**	15,785

	Ordinary shares at 12.5p each		NVPO shares at 12.5p each	
	£000	£000	**£000**	£000
At 1 January	**1,629**	1,641	**5,756**	5,744
Ordinary shares converted to NVPO shares	**(3)**	(12)	**3**	12
At 31 December	**1,626**	1,629	**5,759**	5,756

Rights of Ordinary shares

There are no restrictions on the distribution of dividends and the repayment of capital.

Rights of Non-Voting Priority dividend Ordinary ('NVPO') shares

NVPO shares rank pari passu with Ordinary shares except for the following:

i. Holders of NVPO shares are entitled to a priority dividend of 2p in priority to any discretionary dividend payable on the Ordinary shares, together with a dividend per NVPO equal to the amount of any dividend declared on each Ordinary share.

ii. Holders of NVPO shares cannot vote at an AGM.

Rights of Preference shares

i. Holders of preference shares are entitled, in priority, to any discretionary dividend payable on the Ordinary shares and the NVPO shares, to non-cumulative preference dividends of 8p per share in respect of the A preference shares and 10p per share in respect of the B preference shares.

ii. On a return of capital on a winding up, the preference shares carry the right to repayment of capital at par; this right is in priority to the rights of Ordinary and NVPO shareholders.

iii. Holders of preference shares cannot vote at an AGM.

Right of conversion of Ordinary shares

The Ordinary shares have a limited right of conversion into NVPO shares. Any holder of Ordinary shares may, at any time, elect to convert Ordinary shares into NVPO shares. The rate of conversion is one NVPO share for each Ordinary share.

During the year 28,000 (2024: 98,000) Ordinary shares were converted into NVPO shares.

17. Related parties

The Company had an indirect 50% ownership in each of the joint venture vehicles, Hill Marshall LLP ('LLP1') and Hill Marshall (Phase 2) LLP ('LLP2'), which were created to enable Phase 1 and 2 of the Marleigh (formerly Wing) development, up until 29 November 2024, at which point its joint venture interests were disposed.

The amounts receivable in the table below include amounts receivable from the transfer of land to LLP1 and LLP2, discounted as long-term debt, as described in note 15 of the consolidated financial statements, resulting in a receivable of £nil (2024: £nil).

The following table shows the aggregate transactions with related parties carried out during the year:

	Sales to/ (purchases from) £000	Net interest received £000	Amounts receivable £000	Amounts payable £000
2025				
Hill Marshall LLP	**–**	**–**	**–**	**–**
Hill Marshall (Phase 2) LLP	**–**	**–**	**–**	**–**
2024				
Hill Marshall LLP	–	338	–	–
Hill Marshall (Phase 2) LLP	–	251	–	–

Terms and conditions of transactions with related parties

Sales and purchases between the Company and its related parties are made at normal market prices. Excluding the LLPs, terms of which are detailed above and in note 15 of the consolidated financial statements, outstanding balances with these entities are unsecured, interest free and cash settlement is expected within 60 days of invoice. The Company has not benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2025, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2024: £nil).

The Directors of the Company are the Company's key management personnel defined by FRS 102.

In the judgement of the Directors the Group does not have an overall controlling party.

18. Reserves

Profit and loss account

The profit and loss reserve represents the cumulative profit or losses, net of dividends paid and other adjustments. £58,453,000 (2024: £48,849,000) of the profit and loss reserve is distributable and £nil (2024: £nil) is non-distributable.

Capital redemption reserve

On 2 October 1991, pursuant to a special resolution, Marshall of Cambridge (Holdings) Limited purchased 130,000 Ordinary shares of £1 each, representing 1.8% of the issued share capital of the Company at that date, for a consideration of £455,000. The purchased shares were then cancelled in accordance with Section 106(4) of the Companies Act 1985.

19. Contingent liabilities

The Company's subsidiaries' year end is 31 December, and the Company issued letters of support to some of its subsidiaries for the year ended 31 December 2025. A number of these subsidiaries have contingent liabilities included in their financial statements, which are summarised in note 22 of the consolidated financial statements. As at 31 December 2025, no subsidiaries had a net current liability (2024: one subsidiary with £7,623,000) and no subsidiary had a net liability (2024: £nil).

20. Post-balance sheet events

On 2 June 2026 the Group sold, for £200,000,000 all of it freehold land, comprising the Cambridge Airport site and surrounding items to Hill Commercial Investments Limited and Homes and Communities Agency (Trading as Homes England). At the same time the Group entered into a 3 year lease back for the Cambridge Airport site with the same parties. The term of the lease expires 30 June 2029.

On 2 June 2026 the Group cancelled its revolving credit facility and overdraft facilities with its funders.

Shareholder information

Registered office and trading address

Marshall of Cambridge (Holdings) Limited
Control Building The Airport
Newmarket Road
Cambridge, England
CB5 8RX

Registration details

Registered in England and Wales
Company Number 02051460

Group Company Secretary

Sarah Moynihan

Report and Accounts

Copies of the Annual Report and Accounts will be published on the Group website marshallgroup.com. Printed copies can be requested by writing to the Company Secretary at the registered office or direct by email to the enquiry email address, **investor@marcamb.co.uk**.

Share dealing

The Company's NVPO shares have been admitted to trading on Asset Match's online platform. Asset Match, a firm authorised and regulated by the Financial Conduct Authority, operates an electronic off-market dealing facility running periodic auctions. Shareholders wishing to trade NVPO shares on Asset Match must do so through a UK stockbroker. Asset Match operates an open auction system where volumes of bids and offers at different prices are displayed on its website together with the closing date of the auction. At the end of each auction period, Asset Match passes this information through a non-discretionary algorithm that determines a 'market-derived' share price based on supply and demand and allocates transactions accordingly. Bids and offers may be made and withdrawn at any time before the closing date of each auction. More details can be found at **assetmatch.com**.

Shareholder queries

The Company's share register is maintained by Equiniti, which is, primarily, responsible for updating the share register, issuing new share certificates and for dividend payments. Equiniti offers a Shareview service for shareholders to manage their shareholding online. More details on how to contact Equiniti and use this service can be found on the Group website.

Forward looking statements

Certain information set forth in this Annual Report and Accounts contains "forward-looking information", including "future-oriented financial information" and "financial outlook", under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, the information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company and Group; (ii) completion of, and the use of proceeds from, the sale of the shares being offered hereunder; (iii) the expected development of the Company's and Group's business, projects, and joint ventures; (iv) execution of the Company's and Group's vision and growth strategy, including with respect to future M&A activity and global growth; (v) sources and availability of third-party financing for the Company's and Group's projects; (vi) completion of the Company's and Group's projects that are currently underway, in development or otherwise under consideration; (vii) renewal of the Company's and Group's current customer, supplier and other material agreements; and (viii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this Annual Report and Accounts are based upon what management of the Company and Group believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company and Group undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

MARSHALL

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