



Marshall of Cambridge (Holdings) Limited
Annual Report and Accounts
For the year ended 31 December 2024

Contents

Directors and Company Information	2
Strategic Report	
Strategic review and future developments	3
Business review.....	4
Principal risks and uncertainties.....	6
Section 172 statement.....	7
Stakeholder engagement.....	8
Governance	
Directors' report	12
Statement of directors' responsibilities in respect of the financial statements	15
Financial Statements	
Independent auditors' report	18
Consolidated income statement	22
Consolidated statement of comprehensive income	23
Consolidated balance sheet.....	24
Consolidated statement of changes in equity	25
Consolidated statement of cash flows	26
Notes to the consolidated financial statements	27
Company balance sheet	63
Company statement of changes in equity.....	64
Notes to the Company financial statements	65
Shareholder information.....	76
Forward looking statements.....	77

Directors and Company Information

Directors: Roger Hardy (Executive Chair)
Julie Baddeley
John Crompton
David Heaford
David Mitchard
Justin Read
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 2024.

Strategic review and future developments

Following a strategic review in the summer of 2024, the Group commenced a fundamental shift in its operational and investment focus. This shift saw the Group reaffirm development of its real estate assets as not only a priority, but a primary objective. The Group's major (430-acre) real estate asset, Cambridge East, offers over 20 years of real estate development and investment potential across a continuous site of both local and national significance. The review concluded that all major components of the Group's engineering businesses, which currently occupy Cambridge East and the surrounding land, will vacate no later than 2028. The Group has a long and proud engineering history while each of its engineering focused businesses require ongoing investment to thrive. We took major strides towards our primary objective in 2024 and have continued to progress in 2025. Our results for 2024 reflect this challenging transition.

Following the strategic review, we have progressed with the disposal of two of our businesses in the first half of 2025:

- Fleet Solutions business – sold 31 March 2025 to Trane Technologies, ultimate parent to Thermo King, the business' primary supply partner and manufacturer of temperature controls systems for trucks.
- Advanced Composites – exchanged contracts to sell on 6th May 2025 to a European Group, with completion anticipated in June 2025.

We continue to assess options related to our Land Systems business. Whilst the business has incurred another significant loss, products remain in high demand and the business' order book has strengthened materially.

Our Aerospace business will be strengthened by the forthcoming sale of twelve of the fifteen ex-RAF C-130 aircraft, providing a substantial workload for the next four years, having secured an entry into service contract worth more than £200m in value. While seven of the twelve aircraft have already had centre wing replacements with associated monies to be received by the Group in 2025, a further five aircraft will also have centre wings replaced under this contract.

Meanwhile, our Property business, working closely with both local, regional and national government, has continued to progress our plans for Cambridge East. We anticipate announcing our selected development partner in the second half of 2025, thereafter further accelerating pursuit of a site-wide planning permission.

Business review

2024 was a challenging year for the Group, with a number of the Group's engineering business units facing similar on-going commercial difficulties seen in 2023. As a result, revenue decreased 6.3% for the year to £300.9m, with 2024 as the first year without any HIOS related income. The Group incurred a loss before tax and exceptional items for the year of £(55.5)m. Whilst a loss was anticipated, this was exacerbated by the continued delay to the ex-RAF C-130 fleet sale, together with further significant provisions taken against legacy contracts in our Land Systems business. Exceptional items recognised in 2024, £(67.8)m are further detailed in note 6 to the accounts.

Financial Highlights:

	2024			2023		
	Underlying £m	Exceptional items £m	Statutory £m	Underlying £m	Exceptional items £m	Statutory £m
Revenue	300.9	–	300.9	321.3	–	321.3
Operating (loss)/profit	(60.0)	(68.0)	(128.0)	(6.7)	(2.3)	(9.0)
Share of results of joint ventures	4.4	–	4.4	6.6	–	6.6
Net finance income	0.1	0.2	0.3	4.2	0.1	4.3
(Loss)/profit before tax	(55.5)	(67.8)	(123.3)	4.1	(2.2)	1.9
Tax on (loss)/profit			3.2			(1.3)
(Loss)/profit for the period			(120.1)			0.6
Net cash			31.9			34.9

Net cash as at 31 December 2024 stood at £31.9m, broadly in line with 31 December 2023. The cash decline seen in 2023 lessened into the first half of 2024 as actions were taken to address underlying performance issues. During the second half of 2024, redundancy payments and losses pulled the Group's cash position lower, as the workforce was reduced by over 300 people. In Q4 2024, the disposal of two of our non-core assets, the BP garage site on Newmarket Road and our 50% interest in Marleigh, brought the balance back to £31.9m.

Segmental Performance:

	2024 £m	2023 £m
<u>(Loss)/profit before separately disclosed exceptional items and taxation</u>		
Aerospace – HIOS	–	20.7
Aerospace – non-HIOS	(6.1)	(4.1)
Land Systems	(36.1)	(20.1)
Group Properties (including share of profit in joint ventures)	7.6	18.7
Fleet Solutions	(13.2)	(5.7)
Advanced Composites	3.3	2.0
Skills Academy	(1.3)	(0.4)
Futureworx	(1.8)	(2.0)
Unallocated central costs	(7.9)	(5.0)
<u>(Loss)/profit before separately disclosed exceptional items and taxation</u>	(55.5)	4.1

Within the individual business lines, Aerospace saw greater throughput in C-130 MRO versus 2023, although this was offset by the delayed sale of the ex-RAF C-130s and the associated entry into service MRO contract, which had been budgeted to occur in 2024 and is now expected in 2025. These aspects, together with the absence of HIOS income, led to a loss of £(6.1)m for the Aerospace business.

Land Systems losses deepened to £(36.1)m, with production issues and line stoppages materially affecting the second half of 2024. This has led to further degradation in legacy contract performance, deepening losses in the period. The business did experience improved production rates across some major contracts, with NLSC exceeding production targets and completing delivery at the end of 2024. Gasket also improved production rates and delivery will complete in 2025. However, both DVOW and DALO continue to require significant intervention and Land Systems continues to place significant cash demands on the Group.

Business review continued

Fleet Solutions' performance continued to disappoint, with 2024 showing another significant loss, £(13.2)m, as the business faced ongoing price competition in the market and performance issues linked to the implementation of a new ERP system.

Advanced Composites performed well in 2024 and exceeded both revenue and profit targets, with £3.3m profit for the period.

As announced at last year's AGM, the Group undertook a review of all of its businesses during 2024. Following this review, swift action was taken to close Futureworx and Skills Academy. Both businesses were loss making in 2023 and were not core to the Group's future. We continue to train our own apprentices for our own work, but will no longer train apprentices from other companies.

Key Performance Indicators:

	Year Ended 31 December 2024	Year Ended 31 December 2023
Order Book ¹ £m	621	413
Dividend Ordinary/NVPO (Pence)	nil/nil	4.0p/6.0p
RIDDOR ²	2	5
CO ₂ emissions ³	7,152	6,252

¹ Order book is comprised of all outstanding contracted work as at 31 December. The order book does not include Fleet Solutions, and 2023 has been restated on the same basis. The Fleet Solutions business was sold after the 31 December 2024 balance sheet date.

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 (tCO₂e) from energy use.

The Group's total order book increased during 2024 to £621m at 31 December, compared with £413m at the same point in 2023. New contracts were won in Land Systems in both Europe and Canada.

Roger Hardy
Executive Chair

19 June 2025

Principal risks and uncertainties

The Board and the Audit and Risk Committee oversee risk management and the Group's internal control environment. In addition, the Executive Risk Management Committee (ERMC), chaired by the CFO, meet biannually to review and monitor principal and emerging risks, advising management on current exposures and future strategies.

For 2024, the Board has identified thirteen principal risks, which are largely unchanged from 2023 and can be viewed in our 2023 Annual Report. Contract performance/delivery risk, Group-wide liquidity, and property development risks remain areas of focus. Regularly scheduled contract review meetings are held to assess performance and address issues promptly. Having now signed a four-year service contract, the risk around the sale of C-130s, whilst reduced, remains in focus as approval is sought from US Government ahead of title transfer to the new owner.

Restructuring is a new risk for the Group for 2024, acknowledging structural changes underway, and is managed through providing a clear vision and effective and frequent communication to all key stakeholders, with strategic oversight from the Board.

The property development risk in 2023 included our Marleigh joint venture, which was sold in November 2024. The property risk has been updated for 2024 and now refers solely to the wider property market, regulatory factors impeding potential investors, and funding of the development, with our Cambridge East site as the primary focus.

The remaining nine principal risks, inclusive of geopolitical, cyber security, and business interruption, remain unchanged and continue to be monitored.

Our risk framework ensures robust, consistent, and well-communicated risk management across our operations. We proactively identify, assess, and manage all key risks (both principal and less material), embedding this practice into our Group's culture

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 Ltd, Marshall Land Systems Ltd and Marshall Thermo King Ltd, being large subsidiaries as defined in the Act, also provide Section 172 statements in their 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 50% interest in Marleigh

The Board approved the disposal of the Group's partnership interests in all three phases of the development known as Marleigh, as well as the sale of the freehold land at Newmarket Road, Cambridge which forms Phase 3 of the Marleigh development. Marleigh development began in 2017 with Marshall and Hill Group entering into a joint venture to develop the site. On proceeding with this disposal the Board believes that Hill, the highly experienced and respected house builder, will successfully complete the development. The disposal achieves £68.3m gross receipts payable over three years. The cash proceeds from the sale will be used to reduce net debt and improve liquidity.

Disposal of Fleet Solutions

The Board approved the disposal of the Group's Fleet Solutions business to Trane Technologies ("TT") which occurred post year-end. TT the ultimate parent of Thermo King, are the business' primary supply partner and manufacturer of temperature controls systems for commercial vehicles. TT are an ideal owner for the business, offering vertical integration into the temperature controlled logistics market, together with an international footprint and capability. The disposal completed on 31 March 2025, for a total consideration of £5.8m, of which £1.5m is deferred.

Dividend in the year

When making the decision on the level of ordinary dividend to recommend, while recognising the importance of it to its shareholders, the Board also considered other factors such as liquidity, the ability to borrow and the growth needs of the Group, and other stakeholders such as our banks and customers. With all this in mind, the Board did not approve the payment of a final dividend in respect of the 12 months ended 31 December 2023, nor an interim dividend in respect of the year ended 31 December 2024. The Board has not recommended a final dividend in respect of the 12 months ended 31 December 2024.

Restructuring

During the year, the Board undertook a review of the businesses within the Group and made the decision to close both Futureworx and Skills Academy. In addition to this, a number of non-customer facing roles were identified as redundant as the business sought to reduce operating losses. In making this decision, the Board considered the impact on both employees and the communities in which the Group operates, balanced against the need to focus on core activities and promote the long-term success of the business.

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 shareholders 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, Annual Report and trading statements, 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 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 have to listen and respond to their concerns and, importantly, have a vehicle to capture their suggestions and ideas. All employees, no matter which part of the business they work in, 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, 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 through the levels below to ensure relationships exist at all levels.



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. As we execute on our relocation plans and unlock the potential of Cambridge East, the support of our local communities will be more crucial than ever before. 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

19 June 2025

Governance

Directors' report	12
Statement of directors' responsibilities in respect of the financial statements	15

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 2024.

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 2024 of £(120.1)m (2023: profit after tax £0.6m).

In respect of 2024, no interim dividend was paid on both Ordinary and NVPO shareholdings (2023: 4.0p per share on both Ordinary and NVPO shareholdings) and no priority dividend was paid on the non-voting priority Ordinary ('NVPO') shares (2023: 2.0p per share). The Directors do not recommend a final dividend for the year ended 31 December 2024 (December 2023: £nil).

Preference dividends on the A and B preference shares amounting to £744,000 (2023: £744,000) were paid in the period.

Directors

The following served as directors of the Company during the year ended 31 December 2024 and up to the date of approval of the accounts, except as indicated:

Roger Hardy	(appointed Executive Chair 23 July 2024, following interim Executive Chair appointment 18 March 2024)
Julie Baddeley	
John Crompton	
David Heaford	
David Mitchard	(appointed 21 January 2025)
Justin Read	
Nick Shattock	
Doug Baxter	(resigned 15 February 2024)
James Buxton	(resigned 28 June 2024)
Jonathan Flint	(resigned 20 March 2024)
Kathy Jenkins	(resigned 31 May 2024)

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 2024 and 31 December 2024 were:

	Julie Baddeley
Ordinary Shares of 12.5p each	–
NVPO Shares of 12.5p each	16,000
8% preference A shares of £1 each	–
10% preference B shares of £1 each	–

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 2024 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, the operational challenges faced in 2024 have meant spend has reduced in the year. The total amount of research and development for the year was £2.5m (2023: £3.0m).

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 £1,000 in the year (2023: £102,000).

Political contributions

There were no political donations in the year (2023: £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 Sustainability Policy ensures that the Group has a robust procedure in place for complying with environmental legislation in the UK; operates in an environmentally responsible manner throughout its domestic and international activities in line with the Group's strategy; and delivers on its sustainability programme. The Policy is applicable to all operating companies and subsidiaries in the Group. The larger subsidiaries have ISO14001 certification, however all Group companies have environmental policy statements.

Streamlined Energy and Carbon Reporting (SECR)

Greenhouse gas emissions		
Consumption (kWh)	2024	2023
Scope 1 – use of natural gas, transport, LPG, kerosene and gas	36,559,208	32,409,170
Scope 2 – use of electricity (before REGO)	13,392,334	12,835,208
Total (kWh)	49,951,542	45,244,378
Equivalent tonnes of carbon		
Emissions (tCO ₂ e)	2024	2023
Scope 1 – use of natural gas, transport, LPG, kerosene and gas	7,152	6,225
Scope 2 – use of electricity (after REGO) ¹	–	27
Total (tCO ₂ e)	7,152	6,252
Intensity ratio performance metric	2024	2023
Tonnes of CO ₂ per £m revenue	24.4	20.3

¹ Electricity purchased via REGO* would account for 2,773 tonnes of CO₂e in 2024 (2023: 2,631 tonnes).

* Renewable Electricity Guarantee of Origin (REGO) applied.

Directors' report continued

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.

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 increased by 14.4% during 2024 despite a number of energy efficiency improvements. This increase was a direct result of relocating our Aerostructures and Manufacturing Support departments for operational efficiency purposes, to larger volume buildings, increasing gas consumption, together with the purchase of two Fleet Solutions businesses midway through 2023, impacting our operational diesel mileage.

There was a focus on energy saving projects during 2024, notably a Groupwide energy management plan and the introduction of energy efficiency guidance across the Group. This work also supported the new Energy Saving Opportunity Scheme (ESOS) Energy Action Plan reporting obligation to the Environment Agency. EDF Energy were contracted during October for a new 12-month group-wide electricity contract, sourcing all Marshall electricity against a Renewable Electricity Guarantee of Origin (REGO) supply. This allows for the proportion of electricity purchased via REGO to be discounted from its total greenhouse gas (CO₂e) reporting.

Although not formally reported, business air travel emissions were reduced by 559 CO₂e tonnes during the reporting period, with a saving of nearly 1.6 million air miles when compared with 2023 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, both committed and uncommitted. A detailed explanation is provided in the basis of preparation paragraph, which forms part of Note 1 to the consolidated financial statements, including matters that indicate material uncertainties exist that affect the Group's ability to continue as a going concern. Based on their forecasts, the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, current circumstances faced by the Group present a material uncertainty that cast significant doubt on the Group's ability to continue as a going concern and to continue realising its assets and discharging its liabilities in the normal course of business. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group were unable to continue as a going concern.

Foreign branches

The Group has branches in Norway and 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 19 June 2025. Note 28 to the financial statements provides details of non-adjusting post balance sheet events.

BY ORDER OF THE BOARD



Sarah Moynihan
Group Company Secretary

19 June 2025

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

19 June 2025

Financial Statements

Independent auditors' report	18
Consolidated income statement	22
Consolidated statement of comprehensive income	23
Consolidated balance sheet	24
Consolidated statement of changes in equity	25
Consolidated statement of cash flows	26
Notes to the consolidated financial statements	27
Company balance sheet	63
Company statement of changes in equity	64
Notes to the Company financial statements	65
Shareholder information	76
Forward looking statements	77

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 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 2024 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 and Accounts (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated and Company statement 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.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's and the company's ability to continue as a going concern. The Directors have concluded that over the 12 months from the date of signing these financial statements, after taking into account both the committed and uncommitted bank funding, it remains appropriate to prepare the financial statements on a going concern basis. As part of their assessment, the Directors have also modelled a range of severe but plausible ('SBP') downside scenarios, including a delay to the resale of the UK C-130 fleet which is dependent upon approval from the relevant US authorities and delays in material cash inflows from other asset disposals. There is a degree of uncertainty over approval and timing of these events. Under these downside scenarios, without taking mitigating actions, the Group and Company will not have sufficient resources to continue to meet liabilities as they fall due, and this would result in a breach of banking covenants. The Directors have identified mitigating actions. However, should the Group and the Company not be able to successfully enact these, additional external funding may be needed to retain liquidity and in the event of a breach of covenants waivers would need to be obtained from the lenders. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and the company's ability to

continue as a going concern. The financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern.

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.

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 UK 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 2024 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.

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

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.

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 via posting of journal entries with inappropriate account combinations and / or management bias in accounting estimates and judgements particularly in relation to long-term contracts. Audit procedures performed by the engagement team included:

- Enquiry of and discussions with management and those charged with governance, including reading of the minutes of Board meetings, 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
19 June 2025

Consolidated income statement

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
Revenue	2	300,929	321,298
Cost of sales		(254,075)	(233,340)
Gross profit		46,854	87,958
Administrative expenses		(180,590)	(109,451)
Analysed as:			
Administrative expenses		(112,569)	(107,197)
Separately disclosed exceptional items	6	(68,021)	(2,254)
Gain on revaluation of investment properties	4	55	7,698
Other operating income	3	5,628	4,831
Operating (loss)	4	(128,053)	(8,964)
Share of profit in the year in joint ventures		4,442	6,630
Net finance income including exceptional items	5	305	4,273
(Loss)/profit before taxation		(123,306)	1,939
Analysed as:			
(Loss)/profit before exceptional items		(55,461)	4,080
Separately disclosed exceptional items	6	(67,845)	(2,141)
Tax on (loss)/profit	7	3,225	(1,327)
(Loss)/profit for the financial year		(120,081)	612

Consolidated statement of comprehensive income

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
(Loss)/profit for the financial year		(120,081)	612
Exchange differences on retranslation of subsidiary undertakings		(166)	(51)
Reclassification to profit and loss		(2,503)	427
Fair value gain recognised on cash flow hedges		1,386	3,232
Taxation on cash flow hedges	7c	279	(915)
Actuarial gain recognised on defined benefit pension scheme	27	915	55
Deferred tax charge relating to defined benefit pension scheme	27, 7c	(229)	(14)
Total other comprehensive (expense)/income		(318)	2,734
Total comprehensive (expense)/income		(120,399)	3,346

Consolidated balance sheet

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Intangible assets	10	5,665	21,360
Tangible assets	11	89,027	115,781
Investments	12	2,342	17,521
Total fixed assets		97,034	154,662
Current assets			
Stocks	13	26,986	49,047
Debtors			
Amounts falling due within one year	14	115,402	148,172
Amounts falling due after more than one year	14	6,254	34,386
Cash at bank and in hand		52,199	35,432
Total current assets		200,841	267,037
Creditors: amounts falling due within one year	15	(118,948)	(115,328)
Net current assets		81,893	151,709
Total assets less current liabilities		178,927	306,371
Creditors: amounts falling due after more than one year	16	(3,416)	(17,530)
Provision for liabilities	18	(25,323)	(15,796)
Pension liability	27	—	(1,714)
Net assets		150,188	271,331
Capital and reserves			
Called-up share capital	19	15,785	15,785
Share premium account		611	611
Capital redemption reserve	20	130	130
Cash flow hedge reserve	20	593	1,431
Profit and loss account		133,069	253,374
Total equity		150,188	271,331

The audited financial statements of Marshall of Cambridge (Holdings) Limited on pages 22 to 62 were approved by the Board of Directors on 19 June 2025 and authorised for issue to the shareholders.



D J Heaford
Director

Registered number: 02051460

Consolidated statement of changes in equity

Year ended 31 December 2024

	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 2023	15,785	611	130	(1,313)	256,798	272,011
Profit for the financial year	—	—	—	—	612	612
Other comprehensive income/(expense)	—	—	—	2,744	(10)	2,734
Total comprehensive income for the year	—	—	—	2,744	602	3,346
Equity dividends paid (note 8)	—	—	—	—	(4,026)	(4,026)
At 31 December 2023	15,785	611	130	1,431	253,374	271,331
Profit for the financial year	—	—	—	—	(120,081)	(120,081)
Other comprehensive income/(expense)	—	—	—	(838)	520	(318)
Total comprehensive income for the year	—	—	—	(838)	(119,561)	(120,399)
Equity dividends paid (note 8)	—	—	—	—	(744)	(744)
At 31 December 2024	15,785	611	130	593	133,069	150,188

Consolidated statement of cash flows

Year ended 31 December 2024

	Notes	2024 £000	2023 £000
Operating activities			
Net cash outflow from operating activities	9a	(49,038)	(65,587)
Investing activities			
Income from other investments	5	306	96
Interest received		852	3,673
Payments to acquire intangible assets	10	(2,272)	(6,645)
Payments to acquire tangible assets	11	(6,715)	(18,867)
Payments to acquire fixed asset investments	12	–	(2,808)
Receipts from sales of tangible assets – excluding property		986	198
Receipts from sales of tangible assets – property		15,409	3,919
Receipts from sales of fixed assets investments		1,017	1,079
Receipts from the sale of Investments		38,300	–
Receipts from the sale of subsidiaries		600	–
Acquisition of businesses (including acquisition costs, net of cash acquired)		–	(3,871)
		48,483	(23,226)
Financing activities			
Interest paid		(1,186)	(153)
Stock finance and other interest paid	5	(355)	(306)
Dividends paid to preference shareholders	8	(744)	(744)
Equity dividends paid	8	–	(3,282)
Repayment of obligations under finance leases	17	(71)	(47)
Repayment of overdrafts	17	(246)	(1,742)
Proceeds from loans and borrowings	17	20,000	–
		17,398	(6,274)
Increase/(decrease) in cash and cash equivalents		16,843	(95,087)
Effect of exchange rates on cash and cash equivalents		(76)	(812)
Cash and cash equivalents at beginning of year	9c	35,432	131,331
Cash and cash equivalents at end of year	9c	52,199	35,432

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 2024.

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 19 June 2025. 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 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 26 and in note 9 to the consolidated financial statements.

As at 31 December 2024, the Group reported net current assets of £81,893,000 (2023: £151,709,000). In 2024, the Group had access to a £25,000,000 revolving credit facility, a £10,000,000 trade loan and £15,000,000 and £3,000,000 overdraft facilities. At 31 December 2024 the Group was in breach of one of the covenants of its £25,000,000 revolving credit facility. Within the timescales required to report this breach, a waiver was obtained and the Group continued to have access to this facility. On 5 June 2025 the Group renewed this facility, and as part of this renewal the covenants were renegotiated. Had the renegotiated covenants existed as of 31 December 2024, the Group would not have been in breach of covenants. The renewed facility entered into on 5 June 2025 consists of a renewed £20,000,000 revolving credit facility and an extension to the existing £10,000,000 Trade Loan facility. Access to the £15,000,000 and £3,000,000 overdraft facilities was maintained. The revolving credit facility is a committed facility, repayable in December 2026. The Trade Loan and overdrafts are repayable on demand.

The Directors have considered whether, over a period of at least 12 months from the approval of these financial statements, the Group is able to meet its liabilities as they fall due and is a going concern. The Directors have concluded that after taking into account both the committed and uncommitted bank facilities, 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. However, this is dependent on the Group being able to utilise the uncommitted facilities.

As part of their assessment, the Directors have performed stress tests, including modelling a range of severe but plausible ('SBP') downside scenarios, to understand under which circumstances the business would fully utilise its available funds, including both committed and uncommitted facilities. Under the SBP downside scenarios, without taking mitigating actions, the Group would not have sufficient resources to continue to meet its liabilities as they fall due, and this would result in a breach of banking covenants. The SBP downside scenarios considered a delay to the resale of the UK C-130 fleet for which Marshall is an official partner, and delays in material cash inflows from asset disposals. Under the C-130 arrangement, Marshall has undertaken work in relation to the UK C-130 fleet, with material proceeds expected to flow to Marshall upon their resale by the UK Ministry of Defence. The completion of this resale is dependent upon approval from the relevant US authorities and whilst this is underway, there is a degree of uncertainty over the approval and timing thereof. Similarly the Group has agreed the disposal of Advanced Composites and is awaiting the required approval and consents for this to complete.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

In response to these SBP downside scenarios, the Directors have drawn up mitigating actions available to the Group and Company, focused on the disposal of assets. The Directors have a reasonable expectation that such actions would enable the Group to remain liquid throughout the going concern assessment period. As such, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these mitigating actions are not fully in the control of the Directors and have not been committed as at the date of approval of these financial statements. Were the Group not to be able to successfully enact these mitigations, it may need additional external funding to retain liquidity and in the event of a breach of covenants it would need to obtain waivers from its lenders. These circumstances represent a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern and, therefore, to continue realising assets and discharging liabilities in the normal course of business. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group and Company were unable to continue as a going concern.

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 2024.

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 2024 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 2024 of the subsidiaries listed below:

Marshall ADG Ltd (reg no 10567163)

Marshall Fleet Solutions Ltd (reg no 00563027)

Marshall Specialist Vehicles Ltd (reg no 05976316)

Marshall Cambridge Airport Ltd (formerly Marshall Skills Academy Ltd) (reg no 14813643)

The Cambridge Aero Club Limited (reg no 00454656)

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 similarly appropriate method.
- **Leases:** Rental income from operating leases is recognised on a straight-line basis over the lease term.

1a. Accounting policies continued

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.

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

Tangible fixed assets 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.

Land is not depreciated. 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 properties	20–50 years straight line
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.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

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.
- 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.

Investment in joint ventures

Entities in which the Group holds an interest, and are jointly controlled by the Group and one or more other venturers under a contractual arrangement, are treated as joint ventures. In the consolidated financial statements, joint ventures are accounted for using the equity method. Under the equity method, any unrealised profits as a result of transactions between the joint venturer and the joint venture shall be eliminated to the extent of the venturer's interest in the joint venture.

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.

1a. Accounting policies continued

Long-term debtors

Long-term balances due from joint ventures relate to land transferred to the joint ventures 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.

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 that 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.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

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.

Pensions

The Group operates, for the benefit of its employees, a number of pension schemes, one of which has elements of both defined benefit and defined contribution, while the others are entirely defined contribution. The defined contribution pension schemes are 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 is 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 occur, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss, which is recognised in the consolidated income statement during the period in which it occurs.

The net interest element is 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 is 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) are recognised immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to the consolidated income statement in subsequent periods.

The net defined benefit pension asset or liability in the consolidated balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high-quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and, in the case of quoted securities, is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

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

Marshall of Cambridge (Holdings) Limited is the sponsoring employer of the defined benefit scheme as it has legal responsibility for the scheme. There is 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 has recognised the entire net defined benefit cost and relevant net defined benefit liability of the scheme in its individual financial statements.

1a. Accounting policies continued

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.

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.

Notes to the consolidated financial statements continued

1a. Accounting policies continued

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.

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 2024, 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.

1a. Accounting policies continued

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.

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.

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.

1b. Judgements and key sources of estimation uncertainty

Judgements

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 (2023: £1,914,000). Further details can be found in note 10.

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.

Notes to the consolidated financial statements continued

1b. Judgements and key sources of estimation uncertainty continued

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.

Included within freehold land and buildings, refer to note 11, are costs and net book value of £13,200,000 (2023: £15,200,000), which relate to costs incurred on planning applications submitted and to be submitted.

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 10, are costs and net book value of £nil (2023: £1,961,000), which relate to capitalised research and development costs and a further £nil (2023: £2,040,000) relating to assets under construction/development.

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 the Marleigh joint venture and associated land, multi-year restructuring costs, impairment of the assets within its Fleet Solutions and Land Systems businesses, impairment of intangible assets, present value adjustments related to the deferred receivable on the disposal of land in prior periods and deferred profit on disposal of subsidiaries 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 also 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 until the intended change in use of the land on which the assets are situated. No such limitations have yet been taken into account in relation to assets on the proposed Cambridge East land since this potential development has not reached sufficient maturity in the judgement of the Directors. As the degree of certainty over the timing of the intended change in use of the land increases, the useful life of the related assets will be updated and the depreciation expense adjusted prospectively over the updated remaining useful economic life. This will increase reported depreciation expense and, therefore, reduce operating profit, as well as asset carrying values, in future periods.

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 2024. 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 2024, the fair value of investment properties was £7,321,000 (2023: £14,536,000), refer to note 11.

1b. Judgements and key sources of estimation uncertainty continued

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 2024 was £186,920,000 (2023: £207,527,000), 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 10.

Timing of joint venture cash receipts

Whilst all balances related to the joint ventures were realised during the year, at the end of the prior year the fair value of receivables for land transferred to Hill Marshall LLP, was based on a discounting of cashflows and was dependent on our estimate of cash contributions expected to be received by Hill Marshall LLP from Hill Residential Limited, and the timing of individual property sales from the joint venture entity in future periods. This estimate was based on our current expectation of development progress and the latest available information to guide expectations of revenue when individual properties become available for sale. Details of the joint venture receivables can be found in note 14.

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.

	2024 £000	2023 £000
Revenue		
Aerospace – HIOS	–	57,282
Aerospace – non-HIOS	151,707	131,786
Land Systems	79,192	55,741
Group Properties	6,979	10,136
Fleet Solutions	72,584	66,624
Advanced Composites	15,311	14,156
Skills Academy	2,386	3,384
Futureworx	265	273
Other	707	613
Internal sales	(28,202)	(18,697)
Total	300,929	321,298

Hercules Integrated Operational Support (HIOS) revenues within Aerospace relate to a C-130 contract with the UK Ministry of Defence which ended in 2023.

	2024 £000	2023 £000
(Loss)/profit before taxation		
Aerospace – HIOS	–	20,277
Aerospace – non-HIOS	(13,994)	(5,387)
Land Systems	(75,163)	(20,450)
Group Properties (including share of profit in joint ventures)	20,557	18,765
Fleet Solutions	(32,907)	(5,733)
Advanced Composites	2,234	1,972
Skills Academy	(1,810)	(393)
Futureworx	(6,105)	(1,997)
Unallocated central costs	(16,118)	(5,115)
Total	(123,306)	1,939

	2024 £000	2023 £000
(Loss)/profit before separately disclosed exceptional items and before taxation		
Aerospace – HIOS	–	20,704
Aerospace – non-HIOS	(6,107)	(4,115)
Land Systems	(36,110)	(20,071)
Group Properties (including share of profit in joint ventures)	7,572	18,652
Fleet Solutions	(13,169)	(5,674)
Advanced Composites	3,289	1,972
Skills Academy	(1,261)	(393)
Futureworx	(1,761)	(1,997)
Unallocated central costs	(7,914)	(4,998)
Total	(55,461)	4,080

2. Revenue and profit before tax analysis continued

Geographical areas	Revenue by destination		Revenue by origin	
	2024 £000	2023 £000	2024 £000	2023 £000
UK	135,365	180,946	293,204	307,419
Rest of Europe	62,433	56,568	229	–
North America	62,940	51,309	7,496	13,879
Rest of World	40,191	32,475	–	–
	300,929	321,298	300,929	321,298

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

	2024 £000	2023 £000
Sale of goods	33,276	25,947
Rendering of services	78,785	86,300
Long term contracts	186,920	207,527
Rents received	1,948	1,524
Revenue	300,929	321,298
Interest received	2,457	5,065
Research and development expenditure credit	1,458	744
Other income	4,170	4,087
Total income	309,014	331,194

3. Other operating income

	2024 £000	2023 £000
Research and development expenditure tax credit	1,458	744
Rent receivable	10	57
Deferred land profit	3,666	3,950
Trademark licence income	80	80
Government grants	414	–
	5,628	4,831

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

Notes to the consolidated financial statements continued

4. Operating loss/(profit)

	2024 £000	2023 £000
Operating loss/(profit) is after charging/(crediting):		
Depreciation – tangible assets	10,153	8,582
Amortisation – goodwill and intangible assets	3,375	2,484
Impairment – tangible assets	4,918	–
– goodwill and other intangible assets	14,569	–
– other assets	47,348	–
Operating lease rentals – land and buildings	4,196	4,087
– plant and machinery	1,645	1,618
Net foreign exchange loss	(1)	511
Profit on disposal of Marleigh joint venture and associated land	(13,672)	–
(Profit)/loss on disposal of tangible fixed assets (excluding property)	(137)	215
Research and development – current year expenditure	2,517	3,037
Research and development expenditure credit included in other income	(1,458)	(744)
Gain on revaluation of investment properties ¹	(55)	(7,698)
Deferred consideration on disposals of investments in prior year	(69)	–
Profit on disposal of subsidiaries	(600)	–
Auditors' remuneration – audit of the Parent Company and the Group's consolidated financial statements	720	1,523
– audit of subsidiary undertakings	1,180	927
– pension and legal services	120	266

5. Net finance income/(expense)

	2024 £000	2023 £000
(a) Finance income		
Bank interest receivable	705	1,716
Interest on short term deposits	—	1,519
Interest receivable from joint ventures	590	713
Other interest receivable	181	165
Income from other investments	306	96
Unwind of discounting – related party debtor balances (note 14)	290	429
Unwind of discounting – deferred land debtor balances (note 14)	209	314
Present value adjustment – deferred receivable on land sale	176	113
	2,457	5,065
	2024 £000	2023 £000
(b) Finance expense		
Bank loans and overdrafts – interest and charges	(1,740)	(44)
Other interest expense	(355)	(654)
Interest on defined benefit scheme liabilities	(57)	(94)
	(2,152)	(792)
Net finance income	305	4,273

Notes to the consolidated financial statements continued

6. Separately disclosed exceptional items

	2024 £000	2023 £000
Profit before separately disclosed exceptional items	(55,461)	4,080
Separately disclosed exceptional items:		
Profit on disposal of Marleigh joint venture and associated land ²	13,672	–
Restructuring costs ¹	(15,109)	(2,254)
Impairment of Fleet Solutions assets ²	(18,574)	–
Impairment of Land Systems assets ²	(34,031)	–
Impairment of intangible assets ²	(9,468)	–
Provision for onerous contracts ²	(5,111)	–
Profit on disposal of subsidiary ²	600	–
Total included within administrative expenses	(68,021)	(2,254)
Present value adjustment – deferred receivable on land sale ¹	176	113
Total included within net financial income	176	113
Profit before taxation	(123,306)	1,939

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 incurred after a strategic review of the business during the year. Amounts relate to redundancies and the write off of previously capitalised intangible assets and asset impairments.
- Fleet Solutions and its subsidiaries were disposed by the Group after the period end, refer to note 28, with an impairment of assets to the amounts recoverable.
- Assets contained within the Land Systems business unit have been written down to realisable value.
- Intangible asset impairment relates to the write off of previously capitalised development costs in Land Systems and an abortive ERP implementation in Advanced Composites.
- Provision for onerous contracts relate to multi-year contracts for services which are no longer expected to deliver value to the Group.
- Profit on disposal of a subsidiary relates to contingent consideration received on a subsidiary disposed of in prior years.
- Present value adjustments relate to the deferred receivable on the disposal of land in prior periods.

7. Tax on loss

	2024 £000	2023 £000
a) Analysis of tax charge for the year		
Current tax:		
UK corporation tax charge on the profit for the year	219	356
UK corporation tax adjustment in respect of prior periods	(1,119)	539
Overseas tax on profit for the year	25	13
Overseas tax adjustment in respect of prior periods	6	8
Total current tax	(869)	916
Deferred tax:		
Origination and reversal of timing differences	(4,443)	1,500
Adjustment in respect of prior periods	2,087	(1,089)
Total deferred tax (see note 18b)	(2,356)	411
Total tax charge on (loss)/profit	(3,225)	1,327
	2024 £000	2023 £000
b) Factors affecting the total tax charge for the year		
(Loss)/profit before taxation	(123,306)	1,939
Expected tax (credit)/charge at 25.0% (2023: 23.5%)	(30,827)	456
Effects of:		
Expenses not deductible for tax purposes	16,805	1,178
Losses not provided for	14,819	313
Non-taxable income	(5,153)	(332)
Other items	(206)	—
Difference in rate between corporation tax and deferred tax	—	292
R&D enhanced claims	—	(68)
Taxable capital gains	363	30
Adjustments in respect of prior periods	974	(542)
Total tax charge for the year	(3,225)	1,327
	2024 £000	2023 £000
c) Tax included in the statement of other comprehensive income		
Taxation on cash flow hedges	279	(915)
Deferred tax on actuarial pension gain	(229)	(14)
Tax charge/(credit) included in the statement of other comprehensive income	50	(929)

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% (2023: 23.5%). The Finance Act 2021 increased the UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

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 £17,165,000 (2023: £782,000) 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 2025, the net reversal of deferred tax assets and liabilities are expected to increase the corporation tax charge for the period by £631,000. This is due to the anticipated change of deferred tax on fixed asset timing differences.

Notes to the consolidated financial statements continued

7. Tax on loss continued

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 no current tax expense relating to Pillar Two income taxes as Group companies fell within the transitional Country-by-Country safe harbour for the year ended 31 December 2024.

f) Close company

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

8. Dividends

	2024 £000	2023 £000
Dividends on Ordinary shares:		
£nil per Ordinary share of 12.5p (7 July 2023 – 3.00p)	–	394
£nil per Ordinary share of 12.5p (10 November 2023 – 1.00p)	–	131
	–	525
Dividends on NVPO shares:		
£nil per NVPO share of 12.5p (7 July 2023 – 3.00p)	–	1,378
£nil per NVPO share of 12.5p (10 November 2023 – 3.00p)	–	1,379
	–	2,757
Dividends on preference shares:		
8.00p per A preference share	384	384
10.00p per B preference share	360	360
	744	744
Aggregate dividends declared and paid during the year	744	4,026

9. Notes to the consolidated statement of cash flows

		2024 £000	2023 £000	
a) Reconciliation of (loss)/profit to net cash outflow from operating activities				
Group (loss)/profit before taxation		(123,306)	1,939	
Profit/(loss) on disposal of tangible fixed assets		(129)	215	
Share of profit in the year from joint ventures		(4,442)	(6,630)	
Profit on disposal of investments		(13,741)	–	
Profit on disposal of subsidiaries		(600)	–	
Gain on investment properties at fair value through consolidated income statement		(55)	(7,698)	
Net financial income		(305)	(4,273)	
Foreign exchange movement		215	761	
Depreciation of tangible fixed assets and impairment charges		15,071	8,582	
Amortisation of intangible fixed assets and impairment charges		17,944	2,484	
Research and development expenditure credit		(1,459)	(744)	
Decrease/(increase) in stocks		22,061	(11,715)	
Decrease/(Increase) in debtors		43,927	(17,767)	
Increase/(decrease) in provisions		11,769	(143)	
Decrease in creditors		(18,171)	(27,175)	
Pension funding		(856)	(593)	
UK corporation tax received/(paid)		2,966	(2,902)	
Overseas tax received		73	72	
Net cash outflow from operating activities		(49,038)	(65,587)	
		2024 £000	2023 £000	
b) Reconciliation of net cash flow to movement in net funds				
	Notes			
Increase/(decrease) in cash and cash equivalents		16,767	(96,105)	
Acquisitions – finance leases acquired		–	(383)	
Acquisitions – cash acquired		–	206	
Cash inflow from new loans	17	(20,000)	–	
Repayment of overdrafts	17	246	1,742	
Finance lease payments	17	71	47	
Decrease in net funds		(2,916)	(94,493)	
Net funds at beginning of year		34,850	129,343	
Net funds at end of year		31,934	34,850	
	1 January 2024 £000	Cash movement £000	Foreign exchange £000	31 December 2024 £000
c) Analysis of net funds				
Cash and cash equivalents	35,432	16,843	(76)	52,199
Bank overdrafts	(246)	246	–	–
Finance leases	(336)	71	–	(265)
Short-term loans	–	(20,000)	–	(20,000)
Loans and overdrafts	(582)	(19,683)	–	(20,265)
Net funds	34,850	(2,840)	(76)	31,934

Notes to the consolidated financial statements continued

10. Intangible assets

	Goodwill £000	Software £000	Capitalised Development Costs £000	Intangible assets under construction £000	Total £000
Cost:					
At 1 January 2024	9,287	27,101	1,961	2,040	40,389
Additions	—	665	882	725	2,272
Disposals	—	(93)	—	—	(93)
At 31 December 2024	9,287	27,673	2,843	2,765	42,568
Amortisation and impairment:					
At 1 January 2024	7,373	11,656	—	—	19,029
Provided during the year	—	3,375	—	—	3,375
Impairment	1,914	7,047	2,843	2,765	14,569
Disposals	—	(70)	—	—	(70)
At 31 December 2024	9,287	22,008	2,843	2,765	36,903
Net book value:					
At 31 December 2024	—	5,665	—	—	5,665

Net book value:

At 31 December 2023	1,914	15,445	1,961	2,040	21,360
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Included within software is £21,513,000 (2023: £21,414,000) of cost relating to an ERP system (IFS) that is being implemented across the Group. Once available for use, it will be amortised over seven years. For those subsidiaries where the software is in use, amortisation and impairment of £18,311,000 (2023: £10,496,000) has been charged to date.

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 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.

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.

11. Tangible assets

	Land and buildings				Assets under construction	Total
	Freehold properties £000	Investment properties £000	Short leasehold £000	Plant and machinery £000	£000	£000
Cost or valuation:						
At 1 January 2024	59,021	14,536	5,202	151,687	4,700	235,146
Additions	3,815	—	133	2,497	270	6,715
Disposals	(13,015)	(7,270)	(39)	(11,295)	(49)	(31,668)
Revaluation	—	55	—	—	—	55
Exchange adjustment	—	—	(169)	(241)	—	(410)
At 31 December 2024	49,821	7,321	5,127	142,648	4,921	209,838
Depreciation and impairment:						
At 1 January 2024	22,628	—	1,525	95,166	46	119,365
Provided during the year	1,319	—	830	8,004	—	10,153
Impairment	—	—	—	4,918	—	4,918
Eliminated on disposals	(2,385)	—	—	(11,036)	(46)	(13,467)
Exchange adjustment	—	—	(21)	(137)	—	(158)
At 31 December 2024	21,562	—	2,334	96,915	—	120,811
Net book value:						
At 31 December 2024	28,259	7,321	2,793	45,733	4,921	89,027
Net book value:						
At 31 December 2023	36,393	14,536	3,677	56,521	4,654	115,781

Included within freehold land and buildings are costs and net book value of £13,200,000 (2023: £15,200,000), which relate to costs incurred on planning applications submitted and to be submitted. The recoverable value of the land is expected to be significantly in excess of the current carrying value.

Investment properties included in freehold land and buildings 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.

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 £7,321,000 (2023: £14,536,000). Each year, the Group engages independent valuers to assist in determining fair value. A revaluation surplus of £55,000 (2023: £7,698,000) has been taken to the consolidated income statement.

The historical cost of the investment properties held at valuation in land and buildings is £150,000 (2023: £6,912,000), with accumulated depreciation of £nil (2023: £6,414,000) and a net book value of £150,000 (2023: £498,000).

The net carrying amount of assets held under finance leases included in plant and machinery is £277,000 (2023: £319,000).

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.

Notes to the consolidated financial statements continued

12. Investments

a) Fixed-asset investments

	Joint Ventures £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2024	14,713	2,808	17,521
Additions	4,442	–	4,442
Disposals	(19,155)	–	(19,155)
Distribution	–	(408)	(408)
Fair value increase	–	(58)	(58)
At 31 December 2024	–	2,342	2,342

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.

At 31 December 2024, the investment in joint ventures was £nil (2023: £14,713,000), representing the initial share capital of £20 and the Group's share of cumulative profits.

At 31 December 2024, the joint ventures had capital commitments of £nil (2023: £47,102,000).

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. The investment was acquired from the Marshall Group Executive Pension Plan (the Group's plan that has defined benefit and defined contribution elements, refer to note 27).

13. Stocks

	2024 £000	2023 £000
Raw materials, components and consumables	17,699	32,601
Work in progress	7,156	10,522
Finished goods and goods for resale	2,131	5,924
	26,986	49,047

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 £30,962,000 (2023: £5,131,000).

14. Debtors

	2024 £000	2023 £000
Amounts falling due within one year		
Trade debtors	34,745	40,916
Amounts recoverable on long-term contracts	35,471	66,246
Amounts owed by joint ventures	–	4,750
Derivative financial instruments	1,762	1,881
Corporation tax recoverable	2,313	4,076
Other taxes recoverable	282	786
Convertible loan notes	–	540
Deferred land debtor	21,762	7,407
Other debtors	6,369	5,719
Prepayments and accrued income	12,698	15,851
	115,402	148,172
Amounts falling due after more than one year		
Amounts owed by joint ventures	–	25,856
Derivative financial instruments	451	852
Deferred land debtor	5,803	7,678
	6,254	34,386
	121,656	182,558

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. The total amounts owed by joint ventures are £nil (2023: £30,606,000). Of this balance, amounts falling due after more than one year are £nil (2023: £25,856,000) and comprise £nil (2023: £10,673,000), representing the outstanding fair value of land transferred to Hill Marshall LLP ('LLP1') and £nil (2023: £15,183,000) being costs settled by the Company on behalf of the LLP. Debtors falling due within one year of £nil (2023: £4,750,000) are for costs settled by the Company on behalf of the LLP.

The land value balance transferred to LLP1 attracted interest at a rate of 4.75% as land payments are received by the joint venture entity. The total loans of £nil (2023: £15,183,000) comprise the following two tranches; first, the loan of £nil (2023: £8,262,000) is to cover the costs incurred on behalf of LLP1 attracts interest at a rate of 4.75%; and second, the loan of £nil (2023: £6,921,000) is to cover the costs incurred on behalf of LLP2 also attracts interest at a rate of 4.75% per annum.

The total current and non-current deferred land debtors of £27,565,000 (2023: £15,085,000) represents the fair value of deferred proceeds for the sale of land.

Convertible loan notes are unsecured, non-interest bearing and are repayable in eight equal quarterly instalments from 1 September 2022. Loan notes were fully repaid during the year. Conversion was at the holder's discretion giving notice before each redemption date. If exercised, Loan Notes converted into Preference Shares of an unlisted UK company. Loan notes were held at cash value less any impairment, on the basis it was not been possible to reliably estimate the potential additional value that may arise on conversion.

Notes to the consolidated financial statements continued

15. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Bank loans and overdrafts (note 17)	20,000	246
Finance leases (note 17)	154	156
Payments received on account	30,640	35,176
Trade creditors	16,454	34,663
Derivative financial instruments	582	347
Corporation tax payable	351	1,568
Other taxation and social security	11,510	6,372
Other creditors	1,641	1,661
Deferral of profit on land transfer to joint ventures	–	4,982
Accruals and deferred income	37,616	30,157
	118,948	115,328

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

	2024 £000	2023 £000
Finance leases (note 17)	111	180
Deferral of profit on land transfer to joint ventures	–	13,494
Derivative financial instruments	105	497
Accruals and deferred income:		
– Other employee benefits	–	190
– Other post-employment benefits	3,200	3,169
	3,200	3,359
	3,416	17,530

17. Loans, overdrafts and borrowings

	2024 £000	2023 £000
Overdrafts	–	246
Finance leases	265	336
Loans	20,000	–
Total loans, overdrafts and borrowings	20,265	582
Analysis of changes in loans and borrowings during the year:	2024 £000	2023 £000
At 1 January	582	1,988
Acquisitions – finance leases	–	383
New loans	20,000	–
Overdrafts repaid	(246)	(1,742)
Finance lease payments	(71)	(47)
Total loans, overdrafts and borrowings	20,265	582
Amounts falling due:	2024 £000	2023 £000
Within one year – finance leases	154	156
Within one year – loans and overdrafts	20,000	246
Between two and five years – finance leases	111	180
	20,265	582
Less: included in creditors: amounts falling due within one year	(20,154)	(402)
Amounts falling due after more than one year	111	180

At the year end, the Group had access to a £15,000,000 and a €3,500,000 overdraft facility (2023: £15,000,000 and €3,500,000). At 31 December 2024, there was £nil and £nil (2023: £nil and £246,000) outstanding on these facilities. These facilities are available for general corporate purposes including acquisitions or working capital requirements.

At 31 December 2024 the Group was in breach of one of the covenants of its £25,000,000 revolving credit facility. Within the timescales required to report this breach, a waiver was obtained and the Group continued to have access to this facility. As set out in note 27, the Group renewed this facility post year-end, and as part of this renewal the covenants were renegotiated. Had the renegotiated covenants existed as of 31 December 2024, the Group would not have been in breach of covenants.

Bank loans and overdrafts comprise amounts borrowed from commercial banks. The overdrafts are repayable on demand. Refer to note 28 for details of post-balance sheet changes to the Group's bank and debt facilities.

Notes to the consolidated financial statements continued

18. Provision for liabilities

	2024 £000	2023 £000
Dilapidations and onerous leases	1,100	410
Onerous contracts	21,675	8,284
Land contamination	250	–
Warranty	384	269
Other	85	2,762
	23,494	11,725
Deferred tax (see note 18b)	1,829	4,071
	25,323	15,796

(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 2024	410	8,284	–	269	2,762	11,725
Arising during the year	716	17,622	250	389	–	18,977
Amounts utilised	(26)	(4,231)	–	(274)	(2,677)	(7,208)
At 31 December 2024	1,100	21,675	250	384	85	23,494

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 2032.

Onerous contract

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 expected warranty claims on products sold. It is expected that the warranty costs will be incurred by 30 June 2026.

18. Provision for liabilities continued

(b) Deferred taxation liabilities/(assets)

	2024 £000	2023 £000
Accelerated capital allowances	1,173	1,549
Tax losses carried forward	(3,517)	(3,728)
Rolled over gains	7,001	10,826
Deferred tax on defined benefit pension scheme	–	(428)
Other timing differences	(2,828)	(4,148)
Deferred tax liability	1,829	4,071

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

	2024 £000	2023 £000
At 1 January	4,071	2,572
Charge to the consolidated income statement for the year	(2,356)	411
Acquisitions during the year	–	159
Disposals during the year	164	–
Deferred taxation in other comprehensive income	(50)	929
At 31 December	1,829	4,071

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

	2024 £000	2023 £000
Origination and reversal of timing differences	(4,443)	1,500
Adjustments in respect of prior periods	2,087	(1,089)
	(2,356)	411

The unrecognised deferred tax asset comprises as follows:

	2024 £000	2023 £000
Trading losses	17,165	782

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 2024 these trading losses were £68,121,000 (2023: £3,209,000).

Notes to the consolidated financial statements continued

19. Called-up share capital

	Allotted, called up and fully paid			
	2024	2023	2024	2023
	No. '000	No. '000	£000	£000
Ordinary shares of 12.5p each	13,035	13,133	1,629	1,641
Non-voting priority dividend ordinary NVPO shares of 12.5p each	46,047	45,949	5,756	5,744
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	1,641	1,661	5,744	5,724
Ordinary shares converted to NVPO shares	(12)	(20)	12	20
At 31 December	1,629	1,641	5,756	5,744

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:

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

Rights of Preference shares

- 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.
- 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.
- 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 98,000 (2023: 156,000) Ordinary shares were converted into NVPO shares.

20. 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.

21. Contingent liabilities

Performance guarantees granted by subsidiary undertakings amounted to £9,175,000 (2023: £14,022,000). The Group has access to a £15,000,000 and a €3,500,000 overdraft facility, refer to note 17, (2023: £15,000,000 and a €3,500,000), which contains cross guarantees granted by certain members of the Group.

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. 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. Under the terms of one particular contract, the Group has triggered late delivery charges due to a delay in contract performance. The Group do not believe that the likelihood of economic outflow is probable, nor is it possible to reliably estimate the value or timing of any potential outflow. The Group does not believe that the outcome of this matter will result in any material adverse change in the Group's financial position.

22. Capital commitments

	2024 £000	2023 £000
Contracted but not provided for	444	90

Notes to the consolidated financial statements continued

23. 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.

	2024	2023
	£000	£000
Within 1 year	1,170	1,665
Between 1 and 5 years	1,222	1,771
After 5 years	1,062	1,596
	3,454	5,032

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	
	2024	2023	2024	2023
	£000	£000	£000	£000
Within 1 year	3,273	3,343	1,493	1,142
Between 1 and 5 years	37,542	31,521	2,909	2,107
After 5 years	41,161	49,792	–	–
	81,976	84,656	4,402	3,249

b) Finance leases

The future minimum finance lease payments are as follows:

	2024	2023
	£000	£000
Within 1 year	168	171
Between 1 and 5 years	115	197
Total gross payments	283	368
Less: finance charges	(18)	(32)
	265	336

The finance leases primarily relate to vehicles which are leased from specialist leasing companies. The remaining lease terms are between 3 and 31 months. At the end of the lease terms the group has the option to purchase the assets for a nominal amount.

24. 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 2024 was £1,526,000 (2023: £1,889,000). Changes in the fair value of cash flow hedges recognised in other comprehensive income amounted to a £1,386,000 gain (2023: £3,232,000) and £2,503,000 loss (2023: £427,000 gain) 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 September 2025 and there is no hedge ineffectiveness arising to record in the profit and loss.

	2024 £000	2023 £000
<i>Financial assets at fair value through the Profit and Loss account</i>		
Other investments carried at fair value	2,342	2,808
<i>Financial assets at fair value through Other Comprehensive Income</i>		
Forward foreign exchange contracts – cash flow hedging instruments	2,213	2,733
<i>Financial assets measured at amortised cost</i>		
Trade debtors	34,745	40,916
Convertible loan notes	–	540
Amounts owed by joint ventures	–	30,606
Cash at bank and in hand	52,199	35,432
	86,944	107,494
<i>Financial liabilities at fair value through Other Comprehensive Income</i>		
Forward foreign exchange contracts – cash flow hedging instruments	(687)	(844)
<i>Financial liabilities measured at amortised cost</i>		
Bank loans and overdrafts	(20,000)	(246)
Finance leases	(265)	(336)
Trade creditors	(16,454)	(34,663)
Other creditors	(1,641)	(1,661)
Accruals	(40,816)	(33,516)
	(79,176)	(70,422)

Notes to the consolidated financial statements continued

25. Staff costs and Directors' emoluments

	2024 £000	2023 £000
(a) Group staff costs		
Wages and salaries	122,139	118,564
Social security costs	12,450	12,331
Other pension costs (see note 27)	7,842	7,734
	142,431	138,629

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

	2024 £000	2023 £000
Aerospace	996	1,096
Land Systems	489	477
Fleet Solutions	373	459
Advanced Composites	106	104
Skills Academy	29	31
Futureworx	15	16
Property and head office	73	66
	2,081	2,249

The total number of employees for the Group at 31 December 2024 was 1,946 (31 December 2023: 2,185).

	2024 £000	2023 £000
(b) Remuneration of Parent Company Directors		
Emoluments – continuing	1,061	1,602
– leavers	354	–
Long-term incentive payments* – leavers	–	300
Company contributions to defined contribution pension schemes – continuing	–	70
– leavers	30	–
Compensation for loss of office – leavers	548	–
	1,993	1,972

No Director (December 2023: two Directors) was contributing members of the defined contribution pension scheme.

	2024 £000	2023 £000
Remuneration of highest paid director:		
Emoluments	488	454
Long-term incentive payments*	–	300
Company contributions to defined contribution pension schemes	–	70
	488	824

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 2024 is £1,199,000 (2023: £2,235,000).

26. 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 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 14, resulting in a receivable of £nil (2023: £10,673,000).

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

	Sales to/ (purchases from) £000	Net interest received/ (paid) £000	Amounts receivable £000	Amounts payable £000
2024				
Hill Marshall LLP	—	338	—	—
Hill Marshall (Phase 2) LLP	—	251	—	—
2023				
Hill Marshall LLP	—	438	23,685	—
Hill Marshall (Phase 2) LLP	—	275	6,921	—

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 and in note 14, 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 2024, the Group and Parent Company have not had to make any provision for doubtful debts relating to amounts owed by related parties (2023: £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 2024 was £1,199,000 (2023: £2,235,000).

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.

Notes to the consolidated financial statements continued

27. Pensions and other retirement benefit costs

The Group operates, for the benefit of its employees, three schemes, one of which has elements of both defined benefit and defined contribution, while the other two are entirely 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 has elements of both defined benefit and defined contribution is 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. Resultantly, as at 31 December 2024 the Plan had no assets or liabilities. The total pension cost for the Group for the year, in respect of all defined contribution schemes in the UK, was £7,202,000 (2023: £7,134,000). A further £640,000 (2023: £600,000) was paid into defined contribution schemes overseas. The total defined benefit charge for the Group in respect of the Plan was £74,000 (2023: £97,000) under FRS 102 Chapter 28, of which £17,000 (2023: £3,000) has been charged to operating profit and £57,000 has been expensed (2023: £94,000 credited) to other finance expense.

The Plan was assessed by a qualified independent actuary from Buck Consultants, as at 31 December 2019, using the projected unit method and indicated a funding deficit of £4,999,000. The Parent Company and the Trustees agreed that the Parent Company will remove the deficit over a period of four years, by 31 December 2023. Annual instalments of £1,240,000 commenced in 2020. The contributions of £1,240,000 due to be paid in December 2022 and December 2023 were permitted to be deferred and would only be paid at the request of the Trustees. If the contributions are requested, they will fall due three months after the Trustees' request, but no earlier than the original payment dates of December 2022 and December 2023. The December 2022 contribution was paid in full. With the agreement of the Trustees, contributions of £873,000 was paid during 2024 (2023: £596,000)

The valuation of the defined benefit section of the Plan under FRS 102 Chapter 28 has been based on the actuarial valuation, updated by the actuary from Buck Consultants in order to assess the assets and the liabilities of the scheme as at 31 December 2024. The assets and liabilities shown exclude those relating to defined contribution pensions.

The major assumptions used by the actuary were:	2024	2023
	%	%
Discount rate	5.16	4.54
Retail price inflation rate	3.30	3.06
Consumer price inflation rate	2.92	2.63
Pension increase rate:		
– price inflation, capped at 5.0%	3.17	3.16
– as above, but for those pensions subject to 3.0% floor	3.84	3.50
– as above, but for those pensions subject to 2.7% floor	3.57	3.17
– as above, but for those pensions subject to 8.5% cap	3.31	3.42
– as above, but for those pensions subject to 2.5% cap	2.16	2.50
Life expectancy at 65	2024	2023
	Years	Years
– for male aged 65	23.60	23.50
– for female aged 65	26.30	26.20
– for male aged 45	25.20	25.10
– for female aged 45	27.70	27.60

The inflation assumptions are based on the full Bank of England implied inflation curve. The illustrative spot rate inflation and pension increase assumptions as at 31 December 2024 are based on a 12 year term in order to reflect the duration of the Plan's liabilities which we estimate to be approximately 12 years.

The post-retirement longevity assumption uses 80% of S3PMA/75% of S3PFA base tables, with CMI 2022 table with A=0.5 and 1.5% (2023: 1.5%) per annum and 1.25% (2023: 1.25%) per annum long-term improvement trend for males and females, respectively (rebased to 2016). The disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date.

27. Pensions and other retirement benefit costs continued

Amounts recognised in the consolidated balance sheet are determined as follows:

	2024 £000	2023 £000
Fair value of plan assets at the end of year	–	33,660
Present value of defined benefit obligations at end of year	–	(35,374)
Deficit in the scheme as at 31 December	–	(1,714)
Related deferred tax asset	–	428
Net defined benefit obligation	–	(1,286)

	2024 £000	2023 £000
Reconciliation of defined benefit obligations:		
Present value of obligations at start of year	35,374	34,403
Liabilities extinguished on curtailments	(33,920)	–
Interest cost	1,428	1,583
Actuarial (gain)/loss	(849)	2,108
Benefits paid	(2,033)	(2,720)
Present value of obligations at end of year	–	35,374

	2024 £000	2023 £000
Reconciliation of fair value of assets:		
Fair value plan assets at start of year	33,660	32,135
Interest income on plan assets	1,371	1,489
Return on plan assets in excess of interest income	66	2,163
Contributions by the employer	873	596
Benefits paid	(2,033)	(2,720)
Administration expenses	(17)	(3)
Assets distributed on settlements	(33,920)	–
Fair value of assets at end of year	–	33,660

	2024 £000	2023 £000
Analysis of amount charged against profit		
Administration expenses	17	3
Net interest expense on net defined benefit liability	57	94
Total expense recognised in the consolidated income statement	74	97

	2024 £000	2023 £000
Analysis of amount credited/(charged) against other comprehensive income:		
Remeasurement gain recognised on defined benefit pension scheme	915	55
Deferred tax charge relating to defined benefit pension scheme	(229)	(14)
	686	41

	Value £000	2024 % Total	Value £000	2023 % Total
Breakdown of value of plan assets				
Private corporate debt	–	n/a	–	0.00%
Cash and net current assets	–	n/a	(1,714)	(5.09%)
Insured pensions	–	n/a	35,374	105.09%
Total fair value of plan assets	–	n/a	33,660	100.00%

Notes to the consolidated financial statements continued

27. Pensions and other retirement benefit costs continued

The five year history of experience adjustments is as follows:	December 2024 £000	December 2023 £000	December 2022 £000	March 2022 £000	December 2020 £000
Experience adjustments on scheme assets	66	2,163	(21,562)	1,602	2,401
Experience adjustments on scheme liabilities	25	—	(6)	1,011	(149)
Changes in assumptions	824	(2,108)	14,132	4,863	(5,053)
Adjustment excluding interest in accordance with the limit in FRS102 paragraph 28.22	—	—	4,106	(4,014)	—
Total recognised in other comprehensive income	915	55	(3,330)	3,462	(2,801)
Fair value of scheme assets	—	33,660	32,135	53,366	52,007
Present value of scheme liabilities	—	(35,374)	(34,403)	(49,343)	(56,640)
Surplus not recognised in accordance with FRS102	—	—	—	(4,023)	—
Deficit in the scheme	—	(1,714)	(2,268)	—	(4,633)

Asset volatility – 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. As at 31 December 2024 the Plan had no assets and as a result asset volatility is expected to be nil.

Inflation risk – 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. As at 31 December 2024 the Plan had no assets or liabilities and as a result inflation risk is expected to be nil.

Life expectancy – 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. As a result, as at 31 December 2024 the Plan the plan had no dependency or risk around life expectancy.

28. Post-balance sheet events

On 31 March 2025 the Group sold Marshall Fleet Solutions Limited and its subsidiaries, trading under the name of Marshall Thermo King, to Trane Technologies. The principal activities of Marshall Fleet Solutions is the installation and servicing of temperature controlled transportation equipment.

On 5 June 2025 the Group renewed an existing revolving credit facility for a reduced amount of £20,000,000 and extended its £10,000,000 Trade Loan facility. These are in addition to the £15,000,000 and £3,000,000 overdraft facilities which existed during the year. 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. The Trade Loan facility is available for working capital purposes and accrues interest at SONIA plus a margin of 3.50%. It is repayable on demand and secured by a fixed and floating charge over the Group's assets.

Company balance sheet

as at 31 December 2024

	Notes	2024 £000	2023 £000
Fixed assets			
Intangible assets	7	946	2,377
Tangible assets	8	484	887
Investments	9	47,220	47,756
Total fixed assets		48,650	51,020
Current assets			
Debtors	10	37,396	125,753
Cash at bank and in hand		40,418	15,628
		77,814	141,381
Creditors: amounts falling due within one year	12	(52,777)	(27,278)
Net current assets		25,037	114,103
Total assets less current liabilities		73,687	165,123
Creditors: amounts falling due after more than one year	13	(3,200)	(3,359)
Net assets before provisions and pension liability		70,487	161,764
Provisions	14	(5,112)	–
Pension liability	15	–	(1,714)
Net assets		65,375	160,050
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		48,849	143,524
Total equity		65,375	160,050

The loss for the financial year dealt with in the financial statements of the Parent Company was £94,617,000 (2023: loss £35,346,000).

The Company audited financial statements on pages 63 to 75 were approved by the Board of Directors on 19 June 2025 and authorised for issue.



D J Heaford

Director

Registered number: 02051460

Company statement of changes in equity

Year ended 31 December 2024

	Share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2023	15,785	611	130	182,855	199,381
Loss for the financial year	–	–	–	(35,346)	(35,346)
Other comprehensive income	–	–	–	41	41
Total comprehensive expense for the year	–	–	–	(35,305)	(35,305)
Equity dividends paid (note 5)	–	–	–	(4,026)	(4,026)
At 31 December 2023	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

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 2024.

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 19 June 2025. 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.

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 26 and note 9 to the consolidated financial statements.

As at 31 December 2024, the Company reported net current assets of £25,037,000 (2023: £114,103,000). In 2024, the Company had access to a £25,000,000 revolving credit facility, a £10,000,000 trade loan and £15,000,000 and £3,000,000 overdraft facilities. At 31 December 2024 the Company was in breach of one of the covenants of its £25,000,000 revolving credit facility. Within the timescales required to report this breach, a waiver was obtained and the Company continued to have access to this facility. On 5 June 2025 the Company renewed this facility, and as part of this renewal the covenants were renegotiated. Had the renegotiated covenants existed as of 31 December 2024, the Company would not have been in breach of covenants. The renewed facility entered into on 5 June 2025 consists of a renewed £20,000,000 revolving credit facility and an extension to the existing £10,000,000 Trade Loan facility. Access to the £15,000,000 and £3,000,000 overdraft facilities was maintained. The revolving credit facility is a committed facility, repayable in December 2026. The Trade Loan and overdrafts are repayable on demand.

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 after taking into account both the committed and uncommitted bank facilities, 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. However, this is dependent on the Group and Company being able to utilise the uncommitted facilities.

As part of their assessment, the Directors have performed stress tests, including modelling a range of severe but plausible ('SBP') downside scenarios, to understand under which circumstances the business would fully utilise its available funds, including both committed and uncommitted facilities. Under the SBP downside scenarios, without taking mitigating actions, the Group and Company would not have sufficient resources to continue to meet its liabilities as they fall due, and this would result in a breach of banking covenants. The SBP downside scenarios considered a delay to the resale of the UK C-130 fleet for which Marshall is an official partner, and delays in material cash inflows from asset disposals. Under the C-130 arrangement, Marshall has undertaken work in relation to the UK C-130 fleet, with material proceeds expected to flow to Marshall upon their resale by the UK Ministry of Defence. The completion of this resale is dependent upon approval from the relevant US authorities and whilst this is underway, there is a degree of uncertainty over the approval and timing thereof. Similarly the Group has agreed the disposal of Advanced Composites and is awaiting the required approval and consents for this to complete.

Notes to the Company financial statements

continued

2. Basis of preparation continued

In response to these SBP downside scenarios, the Directors have drawn up mitigating actions available to the Group and Company, focused on the disposal of assets. The Directors have a reasonable expectation that such actions would enable the Group and Company to remain liquid throughout the going concern assessment period. As such, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, these mitigating actions are not fully in the control of the Directors and have not been committed as at the date of approval of these financial statements. Were the Group not to be able to successfully enact these mitigations, it may need additional external funding to retain liquidity and in the event of a breach of covenants it would need to obtain waivers from its lenders. These circumstances represent a material uncertainty that may cast significant doubt on the Group's and Company's ability to continue as a going concern and, therefore, to continue realising assets and discharging liabilities in the normal course of business. These financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Group and Company were unable to continue as a going concern.

Exemptions adopted

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with. The Company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- 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.

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 loss for the financial year in the financial statements of the Parent Company was £94,617,000 (2023 loss: £35,346,000) and other comprehensive income was income of £686,000 (2023: income £41,000).

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 12 of the consolidated financial statements.

3b. Judgements and key sources of estimation uncertainty continued

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 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, 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.

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.

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. Resultantly, as at 31 December 2024 the gross amount of assets that are measured at fair value total £nil (2023: £33,660,000) and gross liabilities are £nil (2023: £35,374,000), resulting in a net liability of £nil (2023: liability £1,714,000).

4. Auditors' remuneration

The auditors' remuneration for audit services was £65,000 (2023: £60,000). The Company also paid £655,000 (2023: £1,463,000) for the audit of the consolidated financial statements of the Group.

5. Equity dividends

	2024 £000	2023 £000
Dividends on Ordinary shares:		
£nil per Ordinary share of 12.5p (7 July 2023: 3.00p)	—	394
£nil per Ordinary share of 12.5p (10 November 2023: 1.00p)	—	131
	—	525
Dividends on NVPO shares:		
£nil per NVPO share of 12.5p (7 July 2023: 3.00p)	—	1,378
£nil per NVPO share of 12.5p (10 November 2023: 3.00p)	—	1,379
	—	2,757
Dividends on preference shares:		
8.00p per A preference share	384	384
10.00p per B preference share	360	360
	744	744
Aggregate dividends declared and paid during the year	744	4,026

Notes to the Company financial statements

continued

6. Staff costs and Directors' emoluments

	2024 £000	2023 £000
(a) Staff costs		
Wages and salaries	10,798	7,891
Social security costs	1,110	1,024
Other pension costs	502	440
	12,410	9,355

The average monthly number of employees during the year was 94 (2023: 88).

(b) Directors' emoluments

Details of the Directors' emoluments are set out in note 25 of the consolidated financial statements.

7. Intangible assets

	Software Total £000
Cost:	
At 1 January 2024	3,338
Additions	59
At 31 December 2024	3,397
Amortisation:	
At 1 January 2024	961
Provided during the year	1,490
At 31 December 2024	2,451
Net book value:	
At 31 December 2024	946
Net book value:	
At 31 December 2023	2,377

8. Tangible assets

	Leasehold improvements £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost:				
At 1 January 2024	52	1,590	66	1,708
Additions	—	105	—	105
Disposals	—	(170)	—	(170)
At 31 December 2024	52	1,525	66	1,643
Depreciation:				
At 1 January 2024	6	749	66	821
Provided during the year	46	367	—	413
Disposals	—	(75)	—	(75)
At 31 December 2024	52	1,041	66	1,159
Net book value:				
At 31 December 2024	—	484	—	484
Net book value:				
At 31 December 2023	46	841	—	887

9. Investments

	Subsidiary undertakings £000	Other investments £000	Total £000
Cost or valuation:			
At 1 January 2024	46,182	2,808	48,990
Distribution	—	(408)	(408)
Fair value movement	—	(58)	(58)
At 31 December 2024	46,182	2,342	48,524
Provision:			
At 1 January 2024	1,234	—	1,234
Impairment	70	—	70
At 31 December 2024	1,304	—	1,304
Net book value:			
At 31 December 2024	44,878	2,342	47,220
Net book value:			
At 31 December 2023	44,948	2,808	47,756

The Company's indirect 50% interest in three joint venture partnerships was held by Marshall Group Properties Limited and disposed of on the 29 of November 2024. The registered address of the joint ventures, Hill Marshall LLP and Hill Marshall (Phase 2) LLP and Hill Marshall (Phase 3) LLP, at disposal was The Power House, Gunpowder Mill, Powdermill Lane, Waltham Abbey, Essex, EN9 1BN.

a) Subsidiary undertakings

The Company's direct investments in subsidiary undertakings at 31 December 2024 are shown below.

	Proportion held %	Nominal value £	Ordinary shares No.	Principal activity	Cost £000
Marshall ADG Ltd*	100%	1.00	14,001,000	Holding company	14,001
Marshall Fleet Solutions Ltd*	100%	1.00	12,000	Holding company	20
Marshall Group Properties Limited	100%		10,000	Farming and property holding	10
Marshall Cambridge Airport Ltd (formerly Marshall Skills Academy Ltd)*	100%	1.00	400,000	Educational 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	—
					46,182

* Subsidiaries for which exemption from audit by virtue of s479A of the Companies Act 2006 has been taken for the year ended 31 December 2024.

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

Notes to the Company financial statements

continued

9. Investments continued

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 Land Systems Limited	100%	Military equipment provider	England and Wales	Cambridge**
Marshall Thermo King Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
Slingsby Holdings Limited	100%	Holding company	England and Wales	Cambridge**
Slingsby Advanced Composites Limited	100%	Composite structures design and manufacture	England and Wales	Cambridge**
Marshall Middle East Limited	100%	Business development activities in the Middle East	England and Wales	Cambridge**
Marshall Canada Holdings Inc	100%	Holding company	Canada	2600 – 1066 West Hastings Street, Vancouver BC V6E 3X1, Canada
Marshall Aerospace Canada, Inc.	100%	Design engineering support	Canada	2600 – 1066 West Hastings Street, Vancouver BC V6E 3X1, Canada
Marshall Land Systems Canada Inc	100%	Military equipment provider	Canada	44 Chipman Hill Suite, 1000 Saint John, NB, E2L 2A9, Canada
Marshall Skills Academy Inc	100%	Educational services	Canada	2600 – 1066 West Hastings Street, Vancouver BC V6E 3X1, Canada
Marshall USA LLC	100%	Business development activities in the USA	USA	1209 Orange Street, Wilmington, New Castle County, Delaware 19801, USA
Marshall Aerospace Netherlands B.V.	100%	Design engineering services	Netherlands	Haagse Schouwweg BM, 2332KG Leiden, Netherlands
Marshall Aerospace and Defence France SAS	100%	Business development activities in France	France	6 place de la Madeleine 75008 Paris
Marshall Norway AS	100%	Business development activities in Norway	Norway	Hangarveien 21, 3241 Sandefjord, Norway
LH No 2 Limited	100%	Holding company	England and Wales	Cambridge**
Michael Ward Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
Peter Staines Refrigeration Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
PSR Bromley Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
PSR Contracts Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
Roadfridge Limited	100%	Commercial vehicle refrigeration unit services	England and Wales	Cambridge**
Aeroacademy Limited	100%	Dormant	England and Wales	Cambridge**
Marshall Specialist Vehicles Ltd*	100%	Dormant	England and Wales	Cambridge**
Marshall Tail Lift Limited	100%	Dormant	England and Wales	Cambridge**
Marshall of Cambridge (Airport Properties) Limited	100%	Dormant	England and Wales	Cambridge**

* Subsidiaries for which exemption from audit by virtue of s479A of the Companies Act 2006 has been taken for the year ended 31 December 2024.

** 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.

9. Investments continued

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.

10. Debtors

	2024 £000	2023 £000
Amounts falling due within one year		
Trade debtors	135	67
Amounts owed by group undertakings	34,562	121,898
Other taxes recoverable	196	—
Convertible loan notes	—	540
Deferred tax asset (note 11)	1,066	2,093
Prepayments and accrued income	1,437	1,155
	37,396	125,753

Amounts owed by group undertakings are unsecured and repayable on demand. Throughout the year ended 31 December 2024, where amounts relate to the Group treasury arrangement, interest is charged at the Bank of England base rate plus 1% (2023: Bank of England base rate plus 1%).

Convertible Loan Notes are unsecured, non-interest bearing and are repayable in eight equal quarterly instalments from 1 September 2022. Conversion is at the holder's discretion, giving notice before each redemption date. If exercised, Loan Notes convert into Preference shares of an unlisted UK company. Loan Notes are held at cash value less any impairment on the basis it has not been possible to reliably estimate the potential additional value that may arise on conversion.

Notes to the Company financial statements

continued

11. Deferred tax asset

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

	2024 £000	2023 £000
At 1 January	2,093	1,698
(Charge)/credit to the Income Statement for the year	(798)	409
Deferred taxation in Other Comprehensive Income	(229)	(14)
At 31 December	1,066	2,093

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

	2024 £000	2023 £000
Accelerated capital allowances	72	(66)
Defined benefit pension scheme	—	428
Other timing differences	994	1,731
	1,066	2,093

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

	2024 £000	2023 £000
Origination and reversal of timing differences	(1,785)	135
Adjustments in respect of prior years	987	274
	(798)	409

The deferred tax asset not recognised comprises as follows

	2024 £000	2023 £000
Trading losses	4,913	324

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 2024 these trading losses were £19,653,000 (2023: £1,295,000).

12. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Loans and overdrafts	20,000	42
Payments received on account	90	105
Trade creditors	2,752	2,244
Amounts owed to group undertakings	25,538	22,283
Taxation and social security	—	503
Accruals and deferred income	4,397	2,101
	52,777	27,278

Amounts owed to group undertakings are unsecured and repayable on demand. No interest was paid on amounts owed to subsidiary undertakings during the year (2023: £nil).

Details in relation to loans and overdrafts can be found in note 17 of the consolidated financial statements, together with details of a breach in covenants and its subsequent waiver.

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

	2024 £000	2023 £000
Accruals and deferred income:		
– Other employee benefits	–	190
– Other post employment benefits	3,200	3,169
	3,200	3,359

14. Provisions

	Onerous contracts £000
At 1 January 2024	–
Arising during the year	5,112
At 31 December 2024	5,112

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.

15. Pension liability

Details of the Company pension schemes are disclosed in note 27 of the consolidated financial statements.

16. Called-up share capital

	Allotted, called up and fully paid			
	2024 No. '000	2023 No. '000	2024 £000	2023 £000
Ordinary shares of 12.5p each	13,035	13,133	1,629	1,641
Non-voting priority dividend ordinary NVPO shares of 12.5p each	46,047	45,949	5,756	5,744
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	1,641	1,661	5,744	5,724
Ordinary shares converted to NVPO shares	(12)	(20)	12	20
At 31 December	1,629	1,641	5,756	5,744

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:

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

Notes to the Company financial statements

continued

16. Called-up share capital continued

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 98,000 (2023: 156,000) 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 14 of the consolidated financial statements, resulting in a receivable of £nil (2023: £10,673,000).

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

	Sales to/ (purchases from) £000	Net interest received/ (paid) £000	Amounts receivable £000	Amounts payable £000
2024				
Hill Marshall LLP	–	338	–	–
Hill Marshall (Phase 2) LLP	–	251	–	–
2023				
Hill Marshall LLP	–	438	23,685	–
Hill Marshall (Phase 2) LLP	–	275	6,921	–

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 14 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 2024, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2023: £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. £48,849,000 (2023: £143,524,000) of the profit and loss reserve is distributable and £nil (2023: £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 2024. A number of these subsidiaries have contingent liabilities included in their financial statements, which are summarised in note 21 of the consolidated financial statements. Some of these subsidiaries have net current liabilities and these total £7,623,000 (2023: £34,214,000) and net liabilities of £nil (2023: £12,232,000).

20. Other financial commitments

The Company leases several vehicles, including service contracts under operating leases. The future aggregate minimum payments under these non-cancellable leases are set out below.

	2024 £000	2023 £000
Within 1 year	–	39
Between 1 and 5 years	–	48
	–	87

21. Post-balance sheet events

On 31 March 2025 the Group sold Marshall Fleet Solutions Limited and its subsidiaries, trading under the name of Marshall Thermo King, to Trane Technologies. The principal activities of Marshall Fleet Solutions is the installation and servicing of temperature controlled transportation equipment.

On 5 June 2025 the Group renewed a £20,000,000 revolving credit facility and extended its £10,000,000 Trade Loan facility. These are in addition to the £15,000,000 and £3,000,000 overdraft facilities which existed during the year. 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. The Trade Loan facility is available for working capital purposes and accrues interest at SONIA plus a margin of 3.50%. It is repayable on demand and secured by a fixed and floating charge over the Group's assets.

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

With effect from 1 February 2023, 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; (vi) renewal of the Company’s and Group’s current customer, supplier and other material agreements; and (vii) 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.



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