2020

Marshall

A company driven by purpose.

Interim Report & Accounts

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Headlines

for the six months ended 30th June, 2020

- Revenue of £1.05bn (2019 - £1.35bn)
- Statutory loss before tax of £19.2m (2019 – profit of £16.4m)
- Underlying loss before tax of £15.5m (2019 – profit of £19.2m – see note 4)
- Interim dividend at 1p per Ordinary share and 3p per Non-Voting Priority Ordinary share (NVPO) paid on 10th July 2020
- Wyton and Cranfield remain on the shortlist of possible sites for the relocation of Marshall Aerospace and Defence Group (MADG)
- MADG signs C-130 modification and support contracts with the Austrian and Cameroon Air Forces and completes depth maintenance and paintwork for the US Navy Blue Angels display team's support aircraft
- MADG delivers the 200th shelter to the Dutch Armed Forces as part of the DVOW contract for 1,500 shelters
- The Marleigh sales and marketing suite opened on 21st March 2020
- Resolution to grant planning permission received for the Land North of Cherry Hinton
- Marshall Motor Holdings plc (MMH) reports an encouraging sales performance since re-opening their dealerships on 1st June 2020
- The Core Group, excluding MMH, agrees revised covenants with its lenders for 12 months from 1st April 2020
- On 29th July, MMH agreed with its lenders to extend the expiry date of its existing £120m facility from June 2021 to January 2023

Executive Chairman's Introduction

It is only a year since Sir Michael passed away and the way the world has changed in so short a time is astounding. I am sure he would be incredibly proud of the way our teams within the business have responded to the circumstances we have faced in all areas of our operations. Marshall of Cambridge is a family company with family values, which have been clearly demonstrated through these most challenging of times.

I would, therefore, like to take this opportunity to begin by thanking our people, customers, suppliers and partners for their efforts and support as we continue to battle against the consequences of the COVID-19 pandemic. I would also like to thank our shareholders for their patience and kind words throughout this period and I hope you have found the regular updates reassuring and helpful.

COVID-19 is having a significantly adverse impact on our trading performance and our early modelling highlighted that we would breach the financial covenants contained within our debt facilities. As a result of this, on the 4th June the Core Group, excluding MMH, completed an agreement with our lenders to reset the covenants within our Revolving Credit Facility for the twelve-month period from 1st April. We are grateful for the excellent support we have received from Barclays and HSBC, which enables us to continue to focus on our core strategy. MMH's treasury is independent of the Core Group and on 29th July 2020, they agreed with their lenders to extend the expiry date on their current £120m facility from June 2021 to January 2023.

We were delighted that, with the support of our bankers, we were able to pay a 2020 interim dividend of 1p per share for both Ordinary and NVPO shares and pay the priority dividend of 2p on the NVPO shares on 10th July. There remains significant uncertainty in our trading environment, including the impact of any second wave that may materialise. At this stage, therefore, it is too early to give any assurances about future dividend payments. The Board understands the importance of these payments to our shareholders, however, and reviews the situation at each meeting.

The Cambridge Airport site has been put forward for development as part of the next Local Plan from 2030. The process for creating the Local Plan has slowed down, but we still expect the local councils to start publishing details of all the land options submitted for consideration later this year, although the Local Plan itself is not likely to be adopted for several years. In January 2020, we announced that, due to the difficulty in reconciling our needs and those of the Imperial War Museum, regulators and local authorities, Duxford had been removed from the list of possible relocation sites for MADG, leaving Wyton and Cranfield still under consideration. Again, the pandemic has affected progress in the determination of a preferred site, so we don't expect to have any definitive news until next year, although work has progressed on both options.

Since 1909, the Group has risen to numerous challenges. Throughout that time, customers and our communities have relied on us to respond to their needs. As such, in response to the onset of the COVID-19 pandemic we have:

- Manufactured 3D printed parts, designed and developed to meet PPE demand;
- Supported the development of the extraordinary Exovent negative pressure ventilator;
- Provided 10,000 free face masks to care homes;
- Provided free meals, through the Cambridge catering team, to our local community;
- Supported CargoLogicAir, enabling delivery of PPE and vital NHS equipment;
- Provided support to fleets of temperature-controlled vehicles, essential to distribution of food and medical supplies, taking over 20,000 service calls during lockdown;
- Maintained aircraft availability to respond to the global humanitarian crisis; and
- Ensured 62 MMH workshops were open to provide essential services to key workers during lockdown.

As One Company united by a common purpose and culture, committed to serving our customers and the community, we are proud of our response to the pandemic. The Board remains confident that the business can manage the situation with resilience and agility and continue to pursue the Group's strategic aspirations as the crisis eases.

As we have done throughout the lockdown period, we will continue to keep stakeholders updated periodically on our progress, especially in relation to any future dividend payments.

I look forward to as many of you as possible joining us for our digital Annual General Meeting on 23rd September 2020.

Alex Dorrian
Executive Chairman
18th August, 2020

Operating Review

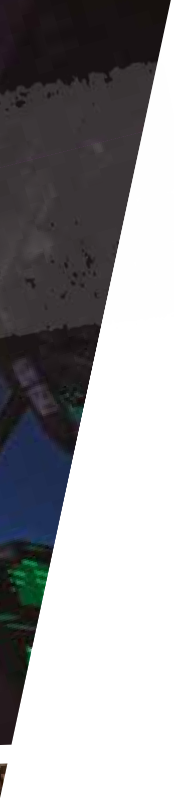
Aerospace and Defence

Despite some disruption to workforce availability, Military Aerospace performance continues to be sustained, achieving results in the first half of 2020 which were close to pre-pandemic aspirations. We were unable to agree commercial terms with Boeing for the E7 conversion production contract, which was disappointing, however, we are nearing completion of the Hangar 16 refurbishment project and remain confident that the growing C-130 order book will ensure that the capacity is fully utilised. Our international footprint for modification, support, training and maintenance on the C-130 continues to expand and during this year we have added Cameroon and the United States Marine Corps as customers.

Our complex engineering project, Global 6000 aircraft integration, is close to completion with the second aircraft ready to be ferried to the customer's base for final acceptance. As a result of a High Court ruling against the UK Government in 2019, however, we have experienced delays in obtaining the necessary export licence, which we are delighted to confirm will be granted soon. The Major Projects business unit will now be re-aligned to ensure MADG can leverage our experience, capture and launch long-term, full-platform support contracts, and develop our missions' systems capability.

In May 2020, Land Systems delivered the 200th container to the Dutch Defence Material Organisation under the DVOW contract, on time, despite the challenges of COVID-19. Similarly, Aerostructures has performed ahead of expectations, as has the Advanced Composites business. With a significant customer base in civil aerospace, Aeropeople has been the business most affected by COVID-19. With the negative impact on the civil sector likely to be present for several years, a rescaling in operations will be implemented during the second half of 2020.

The overall MADG order book stood at £763m at the end of the period. Excluding the long-term contract for the UK C-130 fleet, the order book was just over £550m, a slight decrease from the year end position as several procurement projects stalled during the lockdown period. The pipeline of opportunities continues to be significant, however, despite the progress made in many of the divisions, the impact of COVID-19 on the underlying result is significant.



Property

The Marleigh sales and marketing suite opened on 21st March but then had to close a few days later as lockdown commenced. Capability for online viewing and reservations was implemented swiftly, enabling a handful of properties to be reserved by customers whilst in lockdown. The suite re-opened on an appointment only basis on 1st June and has enjoyed a good level of activity since. Construction on-site was also suspended for a period of six weeks. Subject to any future lockdown, there remains an expectation that the first homes will be occupied by the end of the year.

During May, the resolution to grant planning approval for the other major development, Land North of Cherry Hinton, was granted by Cambridge's Joint Development Control Committee. The Group has collaborated with the adjoining landowner and their appointed land promoter, to secure planning for a development of 1,200 homes, approximately 700 of which will be on Marshall land. As well as increasing much-needed housing stock to Cambridge, the development will provide essential facilities to the community in the form of new primary and secondary schools, a community centre, open spaces, footpaths and cycle paths. Full outline planning permission is expected to be secured imminently on completion of the s106 legal agreement.

Ventures

Marshall Motor Holdings plc (MMH) published its interim results on 18th August 2020, highlighting the severe impact the lockdown period has had on revenues and profitability. MMH continued to outperform the market in the period up to the end of March and since the restart of operations at the beginning of June, year-on-year sales comparatives have been very encouraging. MMH has also implemented several cost management and cash preservation actions whilst the market conditions and prospects are so uncertain.

Given the considerable disruption caused by the pandemic and the ongoing retail environment, MMH remains very cautious regarding the outlook for the remainder of the year. Full details of MMH's interim results can be found on its website at www.mmhplc.com/investors/results-centre.

Marshall Fleet Solutions (MFS) has been relaunched as the premier supplier and employer within the sector and was restructured at the start of the year into five regional centres to provide a more focused customer experience. The business has performed better than pre-pandemic expectations during the first half of 2020, demonstrating an agile response to reduced demand in the hospitality sector, by finding alternative revenue streams. Sales of new units in the usually busy second half of the year will be restricted due to capacity limitations in the trailer manufacturing industry, which came out of lockdown with cautious expectations.

Martlet Capital, our fund investing in early stage technology companies, has continued to support the Cambridge's start-up community, often investing alongside the Government's Future Fund. Along with several follow-on investments, at the half-year point, the fund has invested in five new companies.

Financials

Group revenue for the period was £1.05bn (2019 - £1.35bn), with a statutory loss before tax for the period of £19.2m (2019 – profit of £16.4m). After adjusting for separately disclosed exceptional items, as highlighted in note 4, the underlying loss was £15.5m for the first six months of 2020, compared with a profit of £19.2m for the same period in 2019. The segmental analysis of revenue and operating losses and profits is shown in note 3, which highlights the impact the pandemic has had on all areas of the Group.

The Group ended the half year with consolidated net cash of £25.7m (December 2019 closing net debt was £24.9m). Cash generation in the period was due to the fall in working capital within MMH arising because of the lower trading levels. This benefit is expected to unwind as trading returns to more normal levels.

Risks and Uncertainties

The Group's performance over the remaining six months of the financial year may be impacted materially by several potential risks and uncertainties which could influence the actual results. These include: the impact of further global, national, or local lockdowns, a further decline in the general economic environment, budgetary pressures on UK and overseas military customers which might lead to a reduction in orders, the yet unknown impact of Brexit and any significant delay and/or cost escalation in our most complex engineering project.

The Chancellor of the Exchequer announced in July that the Comprehensive Spending Review had recommenced following the project's suspension in March. The review, the first since 2015, will set resource budgets for the years to 2023/24 and capital budgets for the years to 2024/25. Alongside this, the Prime Minister has committed to hold the largest review of the UK's foreign, defence, security and development policy since the end of the Cold War. This Integrated Review will cover all aspects of the UK's place in the world, including the capabilities of the Armed Forces. With both Reviews expected to be published towards the end of 2020, any potential impact on the Group's activities and longer-term performance is not yet known.

During April 2020, following the start of the COVID-19 lockdown, and in preparation for approving the Annual Report for the year ended 31st December 2019, the Directors carried out an additional detailed and thorough review of the Group's going concern, viability and principal risks, including scenario modelling and analysis. The Directors do not consider that the underlying principal risks and uncertainties have materially changed since the publication of the 2019 Annual Report.

Alex Dorrian
Executive Chairman
18th August, 2020

Sean Cummins
Chief Financial Officer
18th August, 2020

Consolidated Income Statement

for the six months ended 30th June, 2020

	Notes	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
GROUP REVENUE	3	**1,048,327**	1,345,922	2,637,961
Cost of sales		**(891,530)**	(1,174,725)	(2,253,813)
GROSS PROFIT		**156,797**	171,197	384,148
Net operating expenses		**(189,349)**	(151,439)	(348,174)
Government grants		**16,893**	-	-
Other income		**-**	-	1,176
GROUP OPERATING (LOSS) / PROFIT	3,5	**(15,659)**	19,758	37,150
Net finance charges	6	**(3,553)**	(3,285)	(6,413)
(LOSS) / PROFIT BEFORE TAXATION		**(19,212)**	16,473	30,737
Analysed as:				
Underlying (loss) / profit before tax		**(15,461)**	19,151	35,159
Separately disclosed exceptional items	4	**(3,751)**	(2,678)	(4,422)
Tax charge on (loss) / profit		**(253)**	(3,861)	(6,655)
(LOSS) / PROFIT AFTER TAXATION		**(19,465)**	12,612	24,082
Attributable to:				
Owners of the parent		**(14,560)**	9,073	18,905
Non-controlling interests	8	**(4,905)**	3,539	5,177
		(19,465)	12,612	24,082
BASIC AND DILUTED (LOSS) / EARNINGS PER ORDINARY SHARE		**(24.6)p**	14.7 p	30.7p
UNDERLYING (LOSS) / EARNINGS PER ORDINARY SHARE		**(18.4)p**	17.9 p	35.0p

Consolidated Statement of Comprehensive Income

for the six months ended 30th June, 2020

	Notes	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
(Loss) / profit after taxation		**(19,465)**	12,612	24,082
Exchange differences on re-translation of subsidiary		**-**	-	(5)
Fair value (loss) / gain on cash flow hedges		**(10,797)**	-	6,093
Taxation on cash flow hedges		**1,959**	-	(1,037)
Actuarial gain / (loss) on defined benefit pension scheme	10	**-**	-	(79)
Deferred tax relating to defined benefit pension scheme		**-**	-	14
Total other comprehensive (expense) / income		**(8,838)**	**-**	**4,986**
Total comprehensive (expense) / income		**(28,303)**	12,612	29,068
Total comprehensive (expense) / income attributable to:				
Owners of the parent		**(23,398)**	9,073	23,891
Non-controlling interests		**(4,905)**	3,539	5,177
		(28,303)	12,612	29,068

Consolidated Balance Sheet

at 30th June, 2020

	Notes	2020 (unaudited) £'000	2019 (unaudited) £'000	31st December 2019 (audited) £'000
FIXED ASSETS				
Intangible assets		**97,740**	96,612	98,957
Tangible assets		**274,076**	251,729	271,663
Investments		**9,125**	6,193	7,864
TOTAL FIXED ASSETS		**380,941**	354,534	378,484
CURRENT ASSETS				
Stocks		**428,916**	404,246	490,609
Debtors - Amounts falling due within one year		**234,940**	244,791	172,634
- Amounts falling due after more than one year		**30,959**	29,375	30,026
Cash at bank and in hand	9	**40,332**	11,938	11,573
		735,147	690,350	704,842
CREDITORS: amounts falling due within one year				
Bank loans and overdrafts	9	**(9,953)**	(18,735)	(31,492)
Other creditors		**(799,668)**	(700,842)	(711,181)
		(809,621)	(719,577)	(742,673)
NET CURRENT LIABILITIES		**(74,474)**	(29,227)	(37,831)
TOTAL ASSETS LESS CURRENT LIABILITIES		**306,467**	325,307	340,653
CREDITORS: amounts falling due after more than one year				
Bank loans and overdrafts	9	**(4,703)**	(5,505)	(5,024)
Other creditors		**(25,649)**	(21,048)	(25,074)
		(30,352)	(26,553)	(30,098)
PROVISION FOR LIABILITIES		**(20,511)**	(20,438)	(27,117)
NET ASSETS BEFORE PENSION LIABILITY		**255,604**	278,316	283,438
PENSION LIABILITY	10	**(2,934)**	(9,809)	(2,985)
NET ASSETS		**252,670**	**268,507**	**280,453**
CAPITAL AND RESERVES				
Called up share capital		**15,785**	15,785	15,785
Share premium account		**611**	611	611
Capital redemption reserve		**130**	130	130
Cashflow hedge reserve		**(4,997)**	(1,215)	3,841
Profit and loss account		**174,322**	182,258	188,555
SHAREHOLDERS' FUNDS		**185,851**	197,569	208,922
Non-controlling interests	8	**66,819**	70,938	71,531
TOTAL CAPITAL EMPLOYED		**252,670**	**268,507**	**280,453**

Consolidated Statement of Changes in Equity

for the six months ended 30th June, 2020

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Sub Total £'000	Non-controlling interests £'000	Total £'000
Balance at 31st December, 2019		15,785	611	130	3,841	188,555	208,922	71,531	280,453
Loss for the period		-	-	-	-	(14,560)	(14,560)	(4,905)	(19,465)
Other comprehensive expense		-	-	-	(8,838)	-	(8,838)	-	(8,838)
Total comprehensive expense for the period		-	-	-	(8,838)	(14,560)	(23,398)	(4,905)	(28,303)
Change in interest in subsidiaries net assets	8	-	-	-	-	327	327	193	520
Balance at 30th June, 2020		**15,785**	**611**	**130**	**(4,997)**	**174,322**	**185,851**	**66,819**	**252,670**

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Sub Total £'000	Non-controlling interests £'000	Total £'000
Balance at 31st December, 2018		15,785	611	130	(1,215)	173,557	188,868	69,174	258,042
Total comprehensive profit for the period		-	-	-	-	9,073	9,073	3,539	12,612
Equity dividends paid	7	-	-	-	-	(372)	(372)	-	(372)
Equity dividends to third parties	8	-	-	-	-	-	-	(1,775)	(1,775)
Balance at 30th June, 2019		**15,785**	**611**	**130**	**(1,215)**	**182,258**	**197,569**	**70,938**	**268,507**

Consolidated Statement of Cash Flows

for the six months ended 30th June, 2020

	Notes	**2020 (unaudited) £'000**	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES		**65,975**	26,909	65,925
INVESTING ACTIVITIES				
Interest received		**264**	51	124
Payments to acquire fixed assets and investments		**(14,614)**	(22,093)	(47,610)
Receipts from sales of fixed assets and investments		**2,916**	1,220	1,977
Acquisition of businesses		**-**	(5,582)	(28,232)
Net cash outflow from investing activities		**(11,434)**	(26,404)	(73,741)
FINANCING ACTIVITIES				
Bank and stock finance interest paid		**(3,922)**	(3,452)	(7,240)
Dividends paid to preference shareholders	7	**-**	(372)	(744)
Equity dividends paid	7	**-**	-	(3,269)
Dividends paid to non-controlling interests	8	**-**	(1,775)	(2,567)
Proceeds from borrowings		**43,461**	25,000	28,000
Repayment of borrowings		**(65,321)**	(20,160)	(6,781)
Settlement of exercised share awards		**-**	(708)	(708)
Net cash (outflow) / inflow from financing activities		**(25,782)**	(1,467)	6,691
INCREASE / (DECREASE) IN CASH AT BANK AND IN HAND		**28,759**	(962)	(1,125)
CASH BALANCE AT START OF PERIOD		**11,573**	12,900	12,900
Effect of exchange rates on cash and cash resources		**-**	-	(202)
Increase / (decrease) in cash and cash equivalents		**28,759**	(962)	(1,125)
CASH BALANCE AT CLOSE OF PERIOD		**40,332**	11,938	11,573

Notes to the Interim Report and Accounts

1) Accounting Policies

The Group has applied the same accounting policies and methods of computation in its Interim Report and Accounts as in its 2019 Annual Report and Accounts.

(a) Basis of Preparation

These unaudited statements have been prepared in compliance with applicable UK accounting standards.

(b) Going Concern

The Directors have adopted the going concern basis in preparing the financial statements. In forming this opinion, the Board has made significant judgements about the forecast cash requirements of the business given the uncertainty of the duration and impact of the COVID-19 pandemic. Having assessed a combination of scenarios the directors have a reasonable expectation the Group will continue in operational existence for at least the next 12 months from the date of approval of the Interim Report and Accounts.

2) Significant Events and Transactions

The World Health Organisation declared the new coronavirus, known as COVID-19, a global health emergency on 30th January 2020. Since then, the Group has experienced significant disruption to its operations in the following respects:

- Availability of employees in the workplace, through government restrictions;
- The closure of many retail locations due to the government mandating that 'non-essential' businesses cease normal operations for a period;
- Disruption to the supply of inventory from major suppliers;
- Decreased demand for certain products because of government guidelines and delays in procurement processes; and
- Significant uncertainty concerning government lockdown restriction, social distancing requirements and the long-term effects of the pandemic on the demand for the Group's products and services.

The significant events and transactions which have occurred since 31st December 2019 and relate to the effects of the global pandemic on the Group's Interim Report and Accounts for the six months ended 30th June 2020 are summarised as follows:

(a) Decrease in sales and cash flows, including impairment of goodwill

As disclosed in note 3, MMH has experienced significant reductions in revenue since the pandemic's effects became widespread. The Group considered this as an indicator of impairment and, therefore, determined the recoverable amount for all MMH's cash generating units. The recoverable amount is the higher of fair value less costs of disposal and value-in-use. Value-in-use was higher in all cases due to the nature of the assets included in the carrying amount of cash generating units.

As there is significant headroom in respect of the carrying value of intangible assets, no impairment charge has been recorded.

Impairment testing is dependent on estimates and judgements, particularly as they relate to the forecasting of future cash flows, the discount rates selected and expected long-term growth rates. Should these forecasts not be achieved, or circumstances dictate that estimates and judgements require review, impairment charges may be required in the future.

(b) Government grants

Included in the Consolidated Income Statement is £16.9m of government grants obtained through the Government's Coronavirus Job Retention Scheme, relating to supporting the payroll of the Group's employees.

(c) Financing

The Core Group and MMH operate separate treasury arrangements, each having its own facilities with lenders.

The Core Group must comply with certain loan covenants in respect of minimum debt service coverage ratios, which are tested quarterly based on a ratio of: (i) earnings before interest, taxes, depreciation and amortisation; and (ii) net borrowings. On 4th June 2020 the Core Group agreed with its lenders to reset loan covenants for the four quarterly testing periods commencing 1st April 2020. As such, the Core Group has not breached any of its banking covenants.

At 30th June 2020, MMH had £120m of committed but undrawn facilities made available under a facility agreement due to expire in June 2021. On 29th July 2020 these facilities were extended to January 2023. Under the terms of the extension the covenant test due at 30th June was waived.

Neither the Core Group, nor MMH has made use of any borrowing under the Government's COVID-19 related loan schemes.

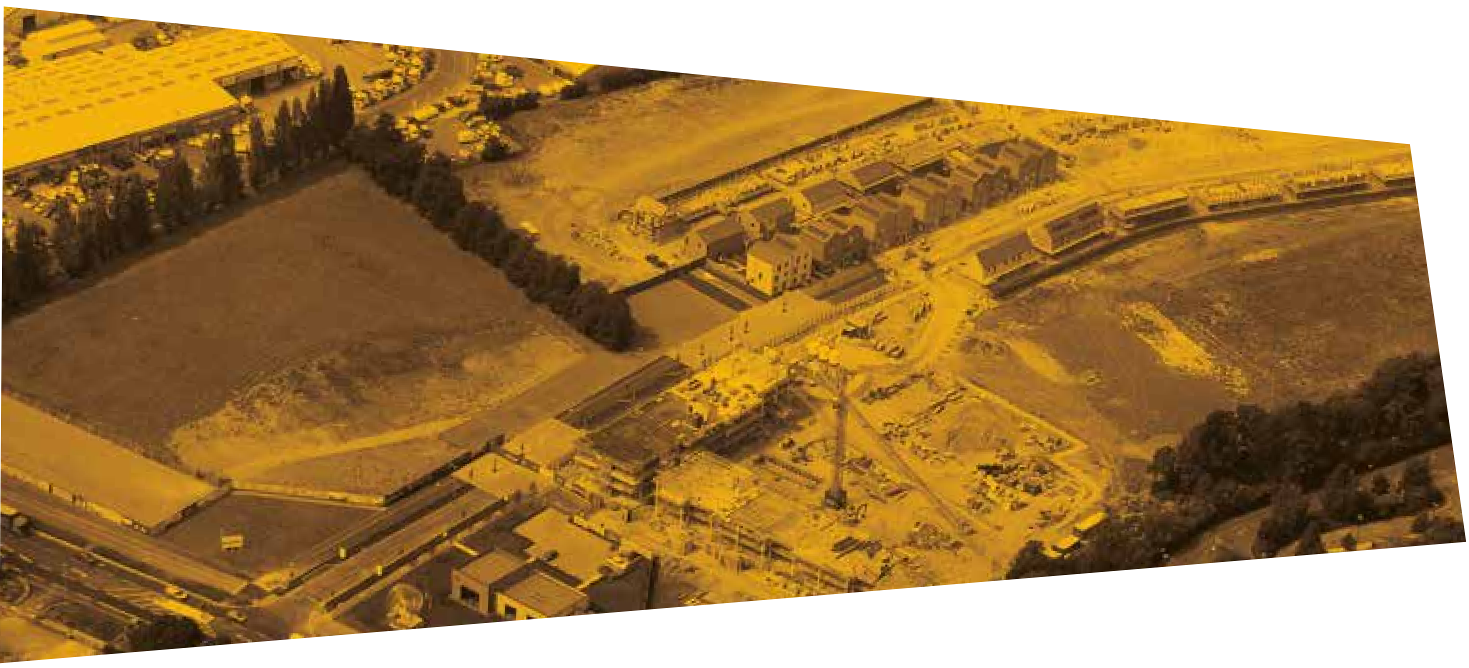
3) Segmental Analysis

Revenue

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Aerospace and defence	**132,851**	137,961	307,585
Property	**3,266**	3,794	7,775
Ventures			
Motor retail	**895,332**	1,183,267	2,276,129
Fleet Solutions	**19,680**	23,233	52,966
Consolidation adjustments	**(2,802)**	(2,333)	(6,494)
Total	**1,048,327**	1,345,922	2,637,961

Operating (loss) / profit

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Aerospace and defence	**(249)**	6,238	17,901
Property	**1,519**	1,384	2,868
Ventures			
Motor retail	**(7,773)**	16,829	24,584
Fleet Solutions	**(214)**	(738)	(1,413)
Unallocated central costs	**(8,942)**	(3,955)	(6,790)
Total	**(15,659)**	19,758	37,150



4) Separately Disclosed Exceptional Items

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Amortisation of goodwill and franchise agreements	**(1,500)**	(1,926)	(3,682)
Impairment of tangible fixed assets	**-**	-	(708)
Release of provision for losses on complex programme *	**-**	-	1,776
Restructuring costs	**(533)**	(170)	(1,736)
Airport relocation and development project	**-**	(405)	-
Items directly attributed to the COVID-19 pandemic	**(3,281)**	-	-
Profit / (loss) on disposal of tangible fixed assets	**1,563**	(177)	(72)
Separately disclosed exceptional items	**(3,751)**	(2,678)	(4,422)

* Included within revenue in the Consolidated Income Statement. Other items are included within net operating expenses.

5) Operating (Loss) / Profit

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Operating (loss) / profit is after charging / (crediting):			
Depreciation of tangible fixed assets	**9,366**	8,816	17,129
Amortisation of goodwill and intangible assets	**1,736**	1,926	4,127
(Profit) / loss on disposal of property	**(1,563)**	105	97
Loss on disposal of investment property	**-**	72	72
Loss on disposal of other tangible fixed assets	**-**	-	229
Gain on revaluation of investment properties	**-**	-	(581)
Loss / (gain) in fair value of investments	**272**	-	(868)
Gain on disposal of investments	**-**	-	(236)

6) Net Finance Charges

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Bank interest receivable	**(264)**	(33)	(101)
Interest receivable from joint ventures	**(56)**	(35)	(73)
Other interest receivable	**-**	-	(23)
Unwind of discounting	**(628)**	(599)	(1,213)
Bank loans and overdrafts - interest and charges	**727**	433	1,279
Interest payable to joint ventures	**279**	204	482
Stock financing charges and other interest	**3,195**	3,015	5,961
Interest on defined benefit scheme liabilities	**300**	300	101
Net finance charges	**3,553**	3,285	6,413

7) Dividends

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
Dividends on Ordinary shares			
In respect of 2018 - Final of 3.00p per share	**-**	-	415
In respect of 2019 - Interim of 1.00p per share	**-**	-	138
	-	-	553
Dividends on NVPO shares			
In respect of 2018 - Final of 3.00p per share	**-**	-	1,358
In respect of 2019 - Interim of 3.00p per share	**-**	-	1,358
	-	-	2,716
Dividends on preference shares			
A preference shares (2019 - 4.00p / 8.00p)	**-**	192	384
B preference shares (2019 - 5.00p / 10.00p)	**-**	180	360
	-	372	744
Aggregate dividends declared and paid	**-**	372	4,013

No final dividend has been declared in respect of 2019. An interim dividend in respect of 2020 of 1.00p per Ordinary share and 3.00p per NVPO share, amounting to £1,496,000 was paid on 10th July, 2020. Preference dividend of 8.00p per A preference share and 10.00p per B preference share, amounting to £744,000 was also paid on 10th July, 2020.

8) Non-controlling Interests

	2020 (unaudited) £'000	2019 (unaudited) £'000	Full Year 2019 (audited) £'000
At 1st January	**71,531**	69,174	69,174
Non-controlling interests (loss) / profit after taxation	**(4,905)**	3,539	5,177
Equity dividends paid to third parties	**-**	(1,775)	(2,567)
Change in parent company's interests	**193**	-	(253)
At end of period	**66,819**	70,938	71,531
Group's interest in net assets of Marshall Motor Holdings plc	**62.8%**	62.8%	62.8%

9) Net Debt Reconciliation

	2020 (unaudited) £'000	2019 (unaudited) £'000	31st December 2019 (audited) £'000
Cash at bank and in hand	**40,332**	11,938	11,573
Bank loans and overdrafts due in less than one year	**(9,953)**	(18,735)	(31,492)
Bank loans and overdrafts due in more than one year	**(4,703)**	(5,505)	(5,024)
Net cash / (debt) at end of period	**25,676**	(12,302)	(24,943)

10) Pensions

The valuation of the defined benefit section of the Marshall Group Executive Pension Plan under FRS102 has been based on the actuarial valuation, performed by Buck Consultants, as at 31st December 2019.

11) Events After the Reporting Period

On 10th July 2020, Marshall Motor Holdings acquired the trade and assets of a Volkswagen dealership in Aylesbury for cash consideration of £2.9m. This acquisition is part of the Group's stated strategy to grow with existing brand partners in new geographic territories by adding further sites in excellent locations.


Blue Angels

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Marshall

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