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COMPANY REGISTRATION NUMBER 10567163

# Marshall ADG Ltd

# REPORT AND FINANCIAL STATEMENTS

## 31 DECEMBER 2021

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# Marshall ADG Ltd

## REPORT AND FINANCIAL STATEMENTS

## YEAR ENDED 31 DECEMBER 2021

**CONTENTS** **PAGE**


| | |
|---|---|
| Officers | 2 |
| The directors' report | 3 |
| Statement of director's responsibilities | 5 |
| Statement of financial position | 6 |
| Notes to the financial statements | 7 |

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# MARSHALL ADG LTD

## OFFICERS

## YEAR ENDED 31 DECEMBER 2021

| | |
|---|---|
| **Board of directors** | S. V. Cummins<br>K. H. Jenkins<br>D. J. Baxter |
| **Company secretary** | S. J. Moynihan |
| **Registered office** | Airport House<br>The Airport<br>Cambridge<br>CB5 8RY |

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# Marshall ADG Ltd

## THE DIRECTORS' REPORT

## YEAR ENDED 31 DECEMBER 2021

The directors of Marshall ADG Ltd (the "Company") present their Report and Financial Statements of the Company for the year ended 31 December 2021. In preparing this report, the directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

### RESULTS AND DIVIDENDS

The company did not trade during the year. The directors do not recommend the payment of a dividend (2020: £nil).

### PRINCIPAL ACTIVITIES

The company was an investment holding company during the year. The directors expect the company to continue with this activity for the foreseeable future.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year and to the date of this report were:

| | |
|---|---|
| M.G. Banfield | (resigned 3 June 2021) |
| D. J. Baxter | (appointed 23 September 2022) |
| S.V. Cummins | (appointed 3 June 2021) |
| R.D. Cutting | (resigned 3 June 2021) |
| D.S. Eldridge | (resigned 3 June 2021) |
| M.W.L. Follows | (resigned 3 June 2021) |
| R.W. Humphries | (resigned 3 June 2021) |
| K. H. Jenkins | (appointed 3 June 2021) |
| G.J.S. Moynehan | (resigned 3 June 2021) |
| C.J. Walton | (appointed 1 May 2021, resigned 3 June 2021) |
| D.S. Wilkinson | (resigned 3 June 2021) |
| A.P. Wood | (resigned 3 June 2021) |

In accordance with the Articles of Association, K. H. Jenkins retires by rotation and D. J. Baxter on first appointment and, being eligible, offer themselves for re-election.

During the year, S. V. Cummins and K. H. Jenkins were also directors of Marshall of Cambridge (Holdings) Limited, the ultimate parent undertaking. Their interest in the share capital of that company are disclosed in that company's financial statements. Some of the other directors detailed above were also directors of other subsidiary undertakings of the ultimate parent undertaking. No other directors hold an interest in the share capital of the Company or of any other group company during the period.

None of the directors holding office at 31 December 2021 had notified a beneficial interest in any contract to which the company or other group undertakings were a party during the financial year.

### DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The ultimate parent company purchased and maintained a directors' and officers' liability insurance policy throughout the period. Although a director's defence costs may be met, neither the parent company's indemnity nor insurance provides cover in the event that he is proved to have acted fraudulently or dishonestly.

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# Marshall ADG Ltd

## THE DIRECTORS' REPORT *(continued)*

## YEAR ENDED 31 DECEMBER 2021

**GOING CONCERN**

The company could participate in the group treasury arrangements of Marshall of Cambridge (Holdings) Limited (MCH), the Company's immediate and ultimate parent undertaking. Under this arrangement, it would have access to and share banking arrangements and facilities with MCH and fellow group undertakings.

The directors have considered whether the company is able to meet its liabilities as they fall due and is a going concern. In addition to considering the company's forecast cash flows for the foreseeable future, the directors have also made enquiries of the MCH directors, given its guarantee to and participation in group banking arrangements. MCH directors have prepared a formal group going concern assessment, including the impact of certain reasonably possible adverse scenarios, which concludes the group is forecast to be able to meet its liabilities as they fall due for the relevant going concern period.

The MCH directors' assessment includes c£202m cash receipt, received in May 2022, following MCH selling its interest in Marshall Motor Holdings plc.

On this basis, the directors of the company have concluded that no material uncertainty exists that may cast significant doubt about the ability of MCH group to continue as going concern for at least 12 months from the approval of these financial statements.

Signed by order of the board of directors

DocuSigned by:

Kathy Jenkins

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K. H. Jenkins
Director

Approved by the directors on 28 September 2022

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# Marshall ADG Ltd

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

## YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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# Marshall ADG Ltd

## STATEMENT OF FINANCIAL POSITION

## AT 31 DECEMBER 2021

| | Notes | 2021 £000 | 2020 £000 |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Investments | 4 | 14,000 | 14,000 |
| **CURRENT ASSETS** | | | |
| Amounts owed by parent undertaking | 5 | 1 | 1 |
| **NET CURRENT ASSETS** | | 14,001 | 14,001 |
| **CAPITAL AND RESERVES** | | | |
| Called up share capital | 6 | 14,001 | 14,001 |
| **SHAREHOLDER'S FUNDS** | | 14,001 | 14,001 |

**Statements:**

a) The directors are satisfied that the company was entitled to exemption from audit of the financial statements for the year ended 31 December 2021 by virtue of Section 477 of the Companies Act 2006 relating to small companies, and no member or members have requested an audit pursuant to Section 476 of the Companies Act 2006.

b) The directors acknowledge their responsibility for:
   a. ensuring the company keeps accounting records in accordance with Section 386; and
   b. preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and its profit and loss for the financial period in accordance with the requirements of Section 393, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

c) These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the directors and authorised for issue 28 September 2022 and are signed on their behalf by:

DocuSigned by:
Kathy Jenkins
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K. H. Jenkins
Director

Company Registration Number: 10567163

The notes on pages 7 to 10 form part of the Report and Financial Statements.

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# Marshall ADG Ltd

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 31 DECEMBER 2021

### 1. Accounting Policies

**(a) Statement of Compliance**
Marshall ADG Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Airport House, The Airport, Cambridge, CB5 8RY.

The company's financial statements have been prepared in compliance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as it applies to the financial statements of the company for the year ended 31 December 2021.

**(b) Basis of Preparation**
The financial statements of the company were authorised for issue on 28 September 2022 by the Board of Directors. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company.

**(c) Going Concern**
The company could participate in the group treasury arrangements of Marshall of Cambridge (Holdings) Limited (MCH), the Company's immediate and ultimate parent undertaking. Under this arrangement, it would have access to and share banking arrangements and facilities with MCH and fellow group undertakings.

The directors have considered whether the company is able to meet its liabilities as they fall due and is a going concern. In addition to considering the company's forecast cash flows for the foreseeable future, the directors have also made enquiries of the MCH directors, given its guarantee to and participation in group banking arrangements. MCH directors have prepared a formal group going concern assessment, including the impact of certain reasonably possible adverse scenarios, which concludes the group is forecast to be able to meet its liabilities as they fall due for the relevant going concern period.

The MCH directors' assessment includes c£202m cash receipt, received in May 2022, following MCH selling its interest in Marshall Motor Holdings plc.

On this basis, the directors of the company have concluded that no material uncertainty exists that may cast significant doubt about the ability of MCH group to continue as going concern for at least 12 months from the approval of these financial statements.

**(d) Consolidation**
In accordance with section 400 of the Companies Act 2006 consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Marshall of Cambridge (Holdings) Limited, the ultimate parent company of the group, which is registered in England and Wales, for which consolidated financial statements are publicly available. These financial statements therefore present information about the company alone and not about its group.

**(e) Investments**
Fixed asset investments are stated at cost less provision for diminution in value.

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# Marshall ADG Ltd

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## YEAR ENDED 31 DECEMBER 2021

### 1. Accounting Policies *(continued*

**(f) Exemptions For Qualifying Entities Under FRS 102**
FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
(c) The requirements of Section 11, paragraphs 11.39 to 11.48A and Section 12, paragraphs 12.26 to 12.29A;
(d) The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
(e) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

**(g) 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.

As the company is a holding company, the directors have determined that there are no significant judgements that require disclosure in the financial statements. However, the nature of estimation means that actual outcomes could differ from the estimates.

The following is the company's key source of estimation uncertainty:

*Impairment of 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. Value in use is based on a discounted cash flow model, and is therefore sensitive to the discount rate used as well as the expected future cash flows and extrapolated growth rate. Net realisable value is estimated as fair value less costs to sell, based on available data from sales transactions for similar assets.

**(h) Profit and Loss Account**
The Company received no income and incurred no expenditure and therefore made neither profit nor loss.

### 2. Directors' Emoluments

No emoluments were payable to the directors for their qualifying services to the company during either the current or preceding years.

The directors do not believe that it is practicable to apportion the total remuneration between their qualifying services as directors of the Company and their qualifying services as directors of either the ultimate parent undertaking or fellow subsidiary undertakings. The total remuneration of S.V. Cummins is disclosed within the financial statements of the immediate parent undertaking. Where required, the total remuneration of all other directors is disclosed in the financial statements of fellow subsidiary undertakings.

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# Marshall ADG Ltd

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## YEAR ENDED 31 DECEMBER 2021

### 3. Employees

The company had no employees during either the current or preceding years.

### 4. Investments

| | Shares in subsidiary undertakings £000 |
|---|---|
| **Cost or Valuation** | |
| At 1 January 2021 | 14,000 |
| Addition | - |
| At 31 December 2021 | 14,000 |
| **Amounts provided** | |
| At 1 January and 31 December 2021 | - |
| **Net Book Value** | |
| **At 31 December 2021** | 14,000 |
| At 31 December 2020 | 14,000 |

At 31 December 2021, the company held 100% of the share capital of the following companies:

| Company | Country of registration or incorporation | Shares held Class | % |
|---|---|---|---|
| Marshall Land Systems Limited | England and Wales | Ordinary | 100 |
| Marshall of Cambridge Aerospace Limited | England and Wales | Ordinary | 100 |

Marshall Land Systems Limited is a military equipment provider, focused on providing operational capability for the UK Ministry of Defence and other international governments. For the year to 31 December 2021, Marshall Land Systems Limited made a post-tax loss of £4,893,980 (2020: profit of £1,830,046) and held capital and reserves of £9,686,356 at the year end (2020: £11,192,249).

Marshall of Cambridge Aerospace Limited's principal activity is aerospace engineering. For the year to 31 December 2021, Marshall of Cambridge Aerospace Limited made a post-tax loss of £5,255,000 (2020: profit of £7,307,000) and held capital and reserves of £24,064,000 at the year end (2020: £30,333,000).

The registered office address for both of the subsidiary undertakings is Airport House, The Airport, Cambridge CB5 8RY.

DocuSign Envelope ID: A476204E-C04D-4673-9C44-1D0754441D01

# Marshall ADG Ltd

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

## YEAR ENDED 31 DECEMBER 2021

### 5. Debtors

| | 2021<br>£000 | 2020<br>£000 |
|---|---|---|
| Amounts owed by group undertakings | 1 | 1 |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand

### 6. Share Capital

**Allotted, called up and fully paid:**

| | 2021<br>£000 | 2020<br>£000 |
|---|---|---|
| 14,001,000 Ordinary shares of £1 each | 14,001 | 14,001 |

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

### 7. Reserves

Profit and loss account records all current and prior period retained profits and losses.

### 8. Related Party Transactions

The company has taken advantage of the exemption in FRS 102 Section 33 Related Party Disclosures paragraph 33.7 not to disclose transactions with fellow subsidiary undertakings of the Marshall of Cambridge (Holdings) Limited group.

### 9. Ultimate Parent Undertaking and Controlling Party

The ultimate and immediate parent undertaking and controlling party is Marshall of Cambridge (Holdings) Limited.

The parent undertaking of the smallest and the largest group of undertakings for which consolidated financial statements are prepared and of which the company is a member is Marshall of Cambridge (Holdings) Limited, registered in England and Wales, and this is therefore considered to be the ultimate parent undertaking and also the ultimate controlling party. Copies of these consolidated financial statements can be obtained from Marshall of Cambridge (Holdings) Limited, Airport House, The Airport, Cambridge, CB5 8RY.