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NATS Limited

Annual Report and Accounts
Year ended 31 March 2025

Company Number: 03155567

Docusign Envelope ID: FA749D76-47E6-47CA-B046-E9C6BBF0F30B

Business model and principal activities

The company is a wholly owned subsidiary of NATS Holdings Limited, the ultimate parent undertaking of the NATS group of companies. The NATS group provides air traffic control services through two principal operating subsidiaries: NATS (En Route) plc (NERL) and NATS (Services) Limited (NATS Services). NATS Limited is an intermediate holding company and the sole shareholder of NERL and NATS Services.

NERL is the sole provider of air traffic control (ATC) services to aircraft flying in airspace over the UK and the eastern part of the North Atlantic. It operates under licence from the Secretary of State for Transport and is economically regulated by the Civil Aviation Authority (CAA). It operates from two air traffic control centres, at Swanwick in Hampshire and Prestwick in Ayrshire.

NATS Services operates in contestable markets, servicing both UK and international customers. It provides airport ATC and related engineering services to UK airport operators; engineering support and other services to the UK's Ministry of Defence (MOD); and other UK business such as aeronautical information management, design and data services, consultancy and ATC training. Its international activities focus on providing a similar range of services to the Asia Pacific and Middle East markets and is also targeted to specific international airports and air navigation service providers.

NATS Holdings Limited prepares accounts which consolidate the results and financial position of the company and its subsidiaries. For this reason, the company does not present consolidated accounts.

The company also acts as an employer to employees within the NATS group and incurs these employee expenses, and others, on behalf of its subsidiary companies which it recharges through a set of inter-company agreements.

At completion of the Public Private Partnership transaction on 26 July 2001, transfer schemes hived down the operating assets and liabilities of NATS Limited to NERL and NATS Services. In addition, the company entered into two Management Services Agreements (MSAs) with NERL and NATS Services on 25 July 2001. On 1 October 2009 that set of agreements was amended so that all relevant secondment obligations are now set out in two Inter-company Secondment Agreements (ISAs). These agreements are the basis for the provision by the company of personnel to NERL and NATS Services. In addition, two Inter-company Trading Agreements (as amended on 16 December 2014) are the basis for the provision of central services to NERL and NATS Services. The cost of central services is recharged based on a fair allocation of costs taking into account the most important drivers for the services provided. NERL and NATS Services are responsible for paying to the company an amount equal to the aggregate of all costs incurred by the company in connection with the employment of the personnel together with appropriate staff related costs and expenses and disbursements.

Results and financial position

The company's performance for the year is shown in the income statement on page 15 and reflects the results of the company under the Inter-company Secondment and Trading Agreements explained above. The company reported an operating profit of £nil (2024: £nil).

The company received a dividend of £175.0m from NERL (2024: £1.9m from NATS Services).

The financial position is explained in the balance sheet on page 16. At 31 March 2025 the company had net assets of £251.7m (2024: £253.1m). The company's principal assets are its investments in subsidiaries; amounts receivable from subsidiaries for the recharge of services provided and cash balances. Its principal liabilities include staff-related costs relating to the NATS group's all-employee share scheme, holiday pay provisions, payroll taxes, social security costs and its share of the company's defined benefit pension scheme deficit measured in accordance with IAS 19.

The company provides a defined benefit pension scheme to employees as explained in note 21. The Trustees' last formal valuation at 31 December 2023 reported a funding deficit of £142.7m. The company paid normal and deficit repair contributions totalling £0.7m in the year. The company expects to make contributions of £0.3m during the year

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ending 31 March 2026. NATS' share of deficit recovery contributions is c.4%.

The directors' assessment of going concern is explained in note 3.

Principal risks and uncertainties

The principal risk that NATS Limited faces is a subsidiary being unable to meet its obligations as they fall due, which would cause financial distress to the company. The company's subsidiaries have procedures in place to mitigate against market and financial risk and their financial positions are monitored to ensure these amounts due to the company are recoverable.

A full description of the NATS group's emerging and principal activities, including key risks and uncertainties, is contained in the Strategic report section of the Annual Report and Accounts of NATS Holdings Limited.

Engaging with our stakeholders

As principal employer of staff within the NATS group, the directors' decisions in the year had regard both to its subsidiaries and the company's employees. In so doing, the directors also acted in the interests of the parent company and its ultimate shareholders.

The company's people strategy is to attract, develop and retain the highly skilled and increasingly diverse and inclusive workforce the subsidiaries need to meet the demands of the industry.

Alongside training the next generation of air traffic controllers to ensure operational resilience in the face of expected growth in air traffic volumes (see the Chief Executive's review in the Annual Report and Accounts of NATS Holdings Limited), the directors' priority is the safety and wellbeing of employees to enable subsidiaries to maintain a safe and resilient air traffic control service for their airline and airport customers.

The directors, in collaboration with NERL and NATS Services, ensure appropriate operational working practices focused on mental health and wellbeing and undertake regular communications to staff on business developments. Consultations take place with trades unions on staff pay and benefits and agreements reached on pay settlements recognise the contribution our employees continue to make alongside cost of living pressures.

The company is developing a diverse and inclusive place to work and targeting diversity for all external recruitment. Our people play an essential role in everything we do. We want our employees to feel valued and able to fulfil their potential in a workplace where their contribution is recognised and rewarded. Success is critical for attracting future talent and achieving our ambition to be a Top 25 employer.

In February we conducted a second b-Heard employee opinion survey to track our progress since the 2023 survey which provided a baseline for our strategic objective of being a Top 25 UK employer. As before, the survey was conducted by Best Companies, the employee engagement specialists, who accredited us as one of a very small number of 'Very Good Company to Work For' once again.

Strategy: sustainable aviation

NATS is committed to becoming carbon negative by 2040, and supporting our customers, partners, and suppliers to achieve a net zero aviation industry by 2050. Our climate targets have been independently validated by the Science Based Targets initiative (SBTi) and awarded 'Business Ambition' status – the highest ambition possible.

There are a range of potential physical and transitional impacts to the company from climate change, and these are outlined, along with how we managed these risks in our risk management system, within the Climate-related Financial Disclosures section of the NATS Holdings Annual Report and Accounts.

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Section 172 (1) statement

The directors act in a way that they consider, in good faith, to be most likely to promote the success of the company for the benefit of its parent company and its members as a whole. In doing so the directors have regard, to the long-term success of the business, the way we work with a large number of important stakeholders, and the importance of maintaining high standards of business conduct. The directors also have regard to the impact of the company's operations on the community and the environment.

The Board takes account of the views and interests of a wide range of stakeholders, when making its decisions, and balances different stakeholder perspectives (see below). Inevitably it is not always possible to achieve outcomes which meet the desires of all stakeholders.

How our Board and its committees operate, and the way decisions are reached, including the matters discussed during the year, are set out in the Governance section on pages 4 and 5. Set out below we explain how the directors have regard to section 172(1) in Engaging with our stakeholders.

Our stakeholders	Why are they important to us?	How we engage and have regard to their views in our decisions?
SUBSIDIARIES	We provide personnel and other central services to NERL and NATS Services to enable them to undertake their essential ATC activities.	NERL and NATS Services wish to ensure that we provide the requisite people resources cost effectively. We have regard to these objectives in our decision making and maintain systems which ensure a fair cost allocation.
EMPLOYEES	We act as an employer to employees seconded to NERL and NATS Services. Their ATC service and infrastructure depends on the skill and professionalism of our employees. They make a critical difference to the success of NERL and NATS Services, and our investment in them protects and strengthens the group's safety and business culture. Most of our employees are members of trades unions.	The executive and senior leaders have an open dialogue with trades unions and receive feedback on pay and benefits, a safe and healthy working environment, flexible working, talent development and career opportunities, and a diverse and inclusive culture. The group's CEO and executive communicate regularly to employees via our intranet and to senior leaders in regular virtual meetings. The NATS Board receives a monthly report from the CEO which includes employee relations, diversity and inclusion and other employee matters. The NATS Board collectively seeks opportunities to engage with groups of employees during the year. We operate a Just Safety culture, enabling employees to raise safety matters and we seek feedback on a safety culture survey. We also survey employee wellbeing and maintain a whistleblowing facility. We conduct employee opinion surveys to understand how colleagues feel and where we can improve.
PENSION TRUSTEES	We provide a defined benefit pension to employees hired before April 2009. We wish to ensure that this benefit is provided cost effectively, having regard to prevailing market conditions and demographic factors.	We support Trustees in understanding the financial position and prospects of the company and its subsidiaries in assessing the employer covenant. We monitor the funding position of the scheme and the outcome of formal valuations. We consult with Trustees on their formal valuation and propose contributions to the pension scheme. Trustees consult the company on investment and risk management strategy.
SHAREHOLDERS	We are a wholly owned subsidiary within the NATS group. Our decisions have regard to the group's ultimate shareholders as well as the parent company. These shareholders provide equity investment which finances the NATS group's activities and enables it to invest in the ATC service and infrastructure, for which they expect a return.	The NATS Board meets with the group's ultimate shareholders. The NATS Strategic Partnership Agreement enables shareholders to appoint representatives to the Board. Shareholders wish to see remuneration policies which drive executive management to deliver strong sustainable performance aligned with the interests of key stakeholders.

The Strategic report was approved by the Board of directors on 26 June 2025 and signed by order of the Board by:

Richard Churchill-Coleman, Secretary

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Governance framework

Introduction

NATS Limited (NATS) became part of the NATS group of companies through the Public Private Partnership (PPP) transaction in July 2001. A key element of the NATS group's governance structure is the Strategic Partnership Agreement (SPA) between its main shareholders: the Secretary of State for Transport; The Airline Group Limited (AG); and LHR Airports Limited (LHRA).

The SPA sets out the relative responsibilities of the signatories and, in particular, requires the group and its directors to adhere to the UK Corporate Governance Code so far as reasonably practicable and save to the extent inconsistent with the other provisions of the SPA (see below).

The Board and Directors

Ultimate responsibility for the governance of NATS rests with the Board of NATS Holdings Limited (NHL), which provides strategic direction and leadership and is responsible for ensuring that the NATS group is run safely, efficiently, effectively and legally, with appropriate internal controls to safeguard shareholders' investment and group assets, ensuring it delivers value to shareholders and fulfils its wider role as a provider of critical national infrastructure.

NATS' Board plays an important leadership role in promoting the desired culture of the organisation. Through governance activities in the year it monitored and input to key aspects of culture including:

- the highest governance and ethical standards reflecting the aspirations of the PPP;
- a prominent safety culture through 'Just Culture' reflecting the company's purpose of advancing aviation and keeping the skies safe;
- consultation with customers on service performance, capital investment and plans for NR23;
- a cost efficient, service oriented and commercially smart organisation, requiring best in class performance of its employees and partners; and
- diversity and inclusion and fair treatment of its employees, valuing the contributions of all employees.

As at the date of approval of the accounts, the company's Board comprised two directors, as follows:

Executive Directors

Chief Executive Officer (CEO); and

Chief Financial Officer (CFO).

Non-Executive Directors

There are no statutory Non-Executive Directors or a Chair of NATS however, under the PPP structure the Non-Executive Directors of NATS Holdings Limited have reserved rights and powers in respect of certain aspects of the NATS business and, as such, provide an independent challenge and oversight for the NATS Board's Executive Directors.

Changes to the Directors

From 1 April 2024 to the date of approval of the accounts, there were no changes to the directors of the company.

Access to legal and professional advice

All directors have access to the advice and services of the General Counsel, Richard Churchill-Coleman. If necessary, in furtherance of their duties, directors may take independent professional advice at the group's expense.

Board meetings

The NATS group has nested board meetings with NATS Board meetings taking place as part of the NHL meetings. The NATS Board routinely meets seven times per year in January, March, May, June, July, September and November, and supplements these scheduled meetings with additional meetings as business priorities require. Reports and papers are circulated to Board members in a timely manner in preparation for meetings, and this information is supplemented by any information specifically requested by directors from time to time. The directors also receive monthly management reports and information to enable them to review the company's performance.

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Compliance with the UK Corporate Governance Code

NATS is committed to maintaining the highest standards of corporate governance. The company has applied the principles of the Corporate Governance Code 2018 since 1 April 2020, to the extent considered appropriate by the Board. A number of the principles and provisions in the Code are not relevant to the partnership nature of NATS' ultimate ownership and the principal areas where the company did not comply are summarised below.

Provision 3: Engagement with major shareholders

Within the PPP structure NATS is a wholly owned subsidiary of NATS Holdings Limited. There are no institutional or public shareholders. The Chair of the Board of NHL has regular discussions with shareholders in addition to formal meetings.

Provision 24: Establishment of an Audit Committee

Matters pertaining to the integrity of the company's financial statements, its financial performance and significant judgements contained in them are routinely considered by the NATS Holdings Limited Audit Committee, the parent company of the NATS group of companies. The NATS Holdings Audit Committee also considers the internal financial controls and internal control and risk management systems in place across the group, and matters relating to the external audit of the company. For these reasons the company does not have a separate Audit Committee.

Provision 31: Assessment of company prospects

A statement on the company's prospects is not separately reported in this annual report. The company's prospects are wholly dependent on, and consistent with, the operating subsidiaries on which it depends for its revenue, which is charged for the recovery of its costs, and which are subject to the same principal risks and uncertainties. The board of the company has taken account of the financial position and prospects of its subsidiaries in preparing the financial statements on a going concern basis, reflecting its reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over a period of at least 12 months from the date of their approval.

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Report of the directors

The directors present their report, together with the financial statements and auditor's report, for the year ended 31 March 2025.

Information about the use of financial instruments by the company is given in note 13 to the financial statements.

Dividends

The Board declared a first interim dividend of 62.06 pence per share (totalling £87.5m) in November 2024 and a second interim dividend of 62.06 pence per share (totalling £87.5m) in March 2025. The NATS Employee Sharetrust Limited (NESL), that holds 5% of the share capital of NATS Holdings Limited (NATS' parent company) on trust for employees, waived its right to receiving a dividend in relation to shares that are currently unallocated to employees, equating to £4.0m. As NATS Holdings Limited does not hold a bank account, NATS Limited owed £4.0m to NATS Holdings Limited at 31 March 2025 and this is disclosed in note 14. The Board recommends no final dividend for the year (2024: £nil).

Directors

The directors of the company who served during the year and to the date of this report are set out below:

Alistair Borthwick

Martin Rolfe

None of the directors have any interests in the share capital of the company. Interests of the directors in the ordinary shares of the company's parent undertaking NATS Holdings Limited are explained in those accounts.

None of the directors have, or have had, a material interest in any contract of significance in relation to the company's business.

Directors' indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Employee engagement

The directors are committed to the involvement of employees in the decision-making process through effective leadership at all levels in the organisation, including engagement with the Board. Employees are frequently involved through direct discussions with their managers, cross company working groups and local committees. Regular employee consultations cover a range of topics affecting them, including such matters as corporate performance and business plans. The directors encourage the involvement of employees in the company's performance through the All-Employee Share Ownership Plan.

The directors have regard to the safety, health and well-being of employees (and contract staff). The NATS CEO maintains high visibility with employees through visits to NATS sites, or through virtual engagements where more appropriate, where he talks to them about current business issues and takes questions in an open and straightforward manner. The NATS CEO hosts a quarterly executive open session for the whole organisation which regularly attracts 1,000 attendees and a separate quarterly update for the wider management team. The NATS CEO also hosts a monthly call with his senior leadership team. His weekly written update on the company's intranet has a 75% readership. Such actions enable employees to achieve a common awareness of those factors affecting the performance of the company. An employee engagement survey was conducted in February 2025 and its feedback is shaping improvement plans. Also, employees' views are represented through an open dialogue with Prospect and the Public and Commercial Services Union (PCS), the recognised unions on all matters affecting employees. Formal arrangements for consultation with

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employees exist through a local and company-wide framework agreed with the Trades Unions.

The company's pay policy is explained in the Remuneration Committee report of NATS Holdings' Annual Report and Accounts. It is the company's policy to establish and maintain competitive pay rates which take full account of the different pay markets relevant to its operations. In return, employees are expected to perform to the required standards and to provide the quality and efficiency of service expected by its customers.

The company is an equal opportunities employer. Its policy is designed to ensure that no applicant or employee receives less favourable treatment than any other on the grounds of sex, age, disability, marital status, colour, race, ethnic origin, religious belief or sexual orientation, nor is disadvantaged by conditions or requirements applied to any post which cannot be shown to be fair and reasonable under relevant employment law or codes of practice.

The company is also committed to improving employment opportunities for disabled people. The company will continue to promote policies and practices which provide suitable training and retraining, and development opportunities for disabled employees, including any individuals who become disabled, bearing in mind their particular aptitudes and abilities and the need to maintain a safe working environment.

The company strives to maintain the health, safety and wellbeing of employees through an appropriate culture, well-defined processes and regular monitoring. Line managers are accountable for ensuring health and safety is maintained and responsibility for ensuring compliance with both legal requirements and company policy rests with the Safety and Sustainability Director.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors;*
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

Each person who is a director at the date of approval of these financial statements confirms that:

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- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The directors' considerations in respect of going concern are set out in note 3 to the financial statements.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the company;
- the Strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces; and
- the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the company's position and performance, business model and strategy.

Auditor

EY LLP was appointed as statutory auditor this financial year. At the meeting to approve the financial statements, the Board resolved to re-appoint EY LLP for the year ending 31 March 2026.

Approved by the Board of directors and signed by order of the Board by:



Richard Churchill-Coleman

Secretary

26 June 2025

Registered office

4000 Parkway, Whiteley, Fareham,

Hampshire, PO15 7FL

Registered in England and Wales

Company Number: 03155567

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Independent auditor's report to the members of NATS Limited

Opinion

We have audited the financial statements of NATS Limited for the year ended 31 March 2025 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Cash flow statement and the related notes 1 to 24, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to 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 evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's going concern analysis and conclusion, noting that this is based on the positive liquidity position modelled in the going concern period and the expected reimbursement of payroll costs from its trading subsidiaries, NATS (En Route) plc and NATS Services Limited.
- The directors of NATS Limited have mutual directors with NATS (En Route) plc and NATS Services Limited and ultimately control the flow of economic resources between the entities. In addition, these directors have performed a going concern assessment of NATS (En Route) plc and NATS Services Limited, including performing stress tests, concluding that these entities are going concerns and will therefore continue to use the services of NATS Limited employees.
- As such, we concurred with the conclusion reached by the directors that NATS Limited is a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 June 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls, and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the NATS Holdings Limited Audit Committee
Overstatement of revenue recognition as a result of management override (FY25 Revenue: £568.0m, FY24 Revenue: £520.4m) *Refer to the Accounting policies (pages 18 to 19) and Note 4 of the Financial Statements (page 24).* The risk we identified was that fictitious revenue could be recorded through topside (manual) journal entries.	For all significant revenue balances, we: • Performed walkthroughs for each significant revenue stream to understand the key systems, processes and controls in place. • Completed detailed testing of any topside revenue postings made post-closing of the books as well as any journals identified as higher risk in the general ledger population. We have also used data analytics to support our procedures as detailed below: • Applying a matching algorithm comparing journal entries recorded by the company with actual or suspected fraud scheme characteristics (from our global database) to identify if any fraud matches were identified between NATS Limited data and patterns of journals seen to perpetrate and conceal existing fraud schemes. • Analysing complete populations of general ledger data to identify journal entries that exhibit unique characteristics which can be indicators of management override. Our forensics specialists have supported us in identifying the higher risk journal entries to investigate.	Revenue for the year ended 31 March 2025 has been recognised appropriately in accordance with IFRS 15. As part of our procedures, we noted no indication of deliberate or other manipulation of revenue or management override.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £17.0 million, which is 3% of operating cost. We believe that operating cost provides us with the most appropriate materiality basis based on the expectations of the users of the financial statements.

During the course of our audit, we reassessed initial materiality and concluded that materiality has not changed from original assessment at planning.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £8.5m. We have set performance materiality at this percentage on the basis that this is our first year as auditors of NATS Limited.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.8m, which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and accounts.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and report of the directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or report of the directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

ISAs (UK) require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 2.
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 5;
- Directors' statement on whether it has a reasonable expectation that the company will be able to continue in operation and meets its liabilities set out on page 5;
- Directors' statement on fair, balanced and understandable set out on page 8;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 2;
- The section of the annual report and accounts that describes the review of effectiveness of risk management and internal control systems set out on page 5; and
- The section describing the work of the audit committee set out on page 5.

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Responsibilities of directors

As explained more fully in the directors' responsibilities statement 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. Our procedures include:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the framework (namely UK adopted international accounting standards, the Pensions Act, the Companies Act 2006 and the relevant tax compliance regulations in the jurisdictions in which NATS Limited operates).
- We understood how NATS Limited is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes, internal audit reports and papers provided to the NATS Holdings Limited Audit Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management, internal audit and those charged with governance to understand where it considered there was a susceptibility to fraud. We also considered performance targets and the propensity to influence efforts made by management to manage earnings. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing higher risk journal entries including specific revenue journals in response to our fraud risk, to source documentation or independent confirmation, ensuring appropriate authorisation of transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved reviewing Board minutes to identify non-compliance with such laws and regulations, reviewing reports issued to the NATS Holdings Limited Audit Committee on compliance with regulations, enquiries with legal counsel, management and internal audit, as well as performing journal entry testing, with a focus journal entries indicating large or unusual transactions based on our understanding of the business. In addition, we completed procedures to conclude on the compliance of the disclosures in the Financial Statements and with the requirements of the relevant accounting standards and UK legislation. We also engaged EY forensics specialists to assist with the performance of our risk assessment procedures and journal entry testing.

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Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
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Signature
Ryan Squires (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton
26 June 2025

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Income statement

for the year ended 31 March

	Notes	2025 £m	2024 £m
Revenue	4	568.0	520.4
Staff costs	7	(556.9)	(510.7)
Services and materials		(0.1)	(0.2)
Depreciation, amortisation and impairment		-	(0.1)
Other operating charges		(11.0)	(9.5)
Other operating income		-	0.1
Net operating costs		(568.0)	(520.4)
Operating result	6	-	-
Investment income	8	175.2	2.1
Profit before tax		175.2	2.1
Tax	9	-	(0.3)
Profit for the year attributable to equity shareholders		175.2	1.8

Statement of comprehensive income

for the year ended 31 March

	Notes	2025 £m	2024 £m
Profit for the year after tax		175.2	1.8
Items that will not be reclassified subsequently to profit and loss:			
Actuarial loss on defined benefit pension scheme	21 b	(2.1)	(2.8)
Deferred tax relating to actuarial loss on defined benefit pension scheme	16	0.4	0.5
Current tax relating to actuarial loss on defined benefit pension scheme	9	0.1	0.2
Other comprehensive loss for the year, net of tax		(1.6)	(2.1)
Total comprehensive income/(loss) for the year attributable to equity shareholders		173.6	(0.3)

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Balance sheet
at 31 March

	Notes	2025 £m	2024 £m
Assets			
Non-current assets			
Investments	23	246.5	246.5
Retirement benefit asset	21 b	-	0.5
Trade and other receivables	12	0.7	0.4
Deferred tax asset	16	0.4	-
		247.6	247.4
Current assets			
Trade and other receivables	12	63.5	60.5
Cash and cash equivalents	13	7.6	2.6
		71.1	63.1
Total assets		318.7	310.5
Current liabilities			
Trade and other payables	14	(62.4)	(53.5)
Provisions	15	(0.6)	(1.0)
		(63.0)	(54.5)
Net current assets		8.1	8.6
Non-current liabilities			
Trade and other payables	14	(2.7)	(2.8)
Retirement benefit obligations	21 b	(1.3)	-
Deferred tax liability	16	-	(0.1)
		(4.0)	(2.9)
Total liabilities		(67.0)	(57.4)
Net assets		251.7	253.1
Equity			
Called up share capital	17	141.0	141.0
Other reserves		(50.0)	(50.0)
Retained earnings		160.7	162.1
Total equity		251.7	253.1

The financial statements (Company No. 03155567) were approved by the Board of directors and authorised for issue on 26 June 2025 and signed on its behalf by:

Martin Rolfe
Chief Executive

Alistair Borthwick
Chief Financial Officer

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Statement of changes in equity

for the year ended 31 March

	Equity attributable to equity holders of the company			
	Share capital £m	Other reserves [1] £m	Retained earnings £m	Total £m
At 1 April 2023	141.0	(50.0)	162.4	253.4
Profit for the year	-	-	1.8	1.8
Other comprehensive loss for the year	-	-	(2.1)	(2.1)
Total comprehensive loss for the year	-	-	(0.3)	(0.3)
At 31 March 2024	141.0	(50.0)	162.1	253.1
At 1 April 2024	141.0	(50.0)	162.1	253.1
Profit for the year	-	-	175.2	175.2
Other comprehensive loss for the year	-	-	(1.6)	(1.6)
Total comprehensive income for the year	-	-	173.6	173.6
Dividends paid	-	-	(175.0)	(175.0)
At 31 March 2025	141.0	(50.0)	160.7	251.7

[1] Other reserves arose on the completion of the PPP transaction in July 2001.

Cash flow statement

for the year ended 31 March

	Notes	2025 £m	2024 £m
Net cash generated from/(used in) operating activities	18	0.8	(1.5)
Cash flows from investing activities			
Interest received		0.2	0.2
Investment in subsidiary		-	(1.9)
Dividends received		175.0	1.9
Net cash inflow from investing activities		175.2	0.2
Cash flows from financing activities			
Dividends paid		(171.0)	-
Net cash outflow from financing activities		(171.0)	-
Increase/(decrease) in cash and cash equivalents during the year		5.0	(1.3)
Cash and cash equivalents at 1 April		2.6	3.9
Cash and cash equivalents at 31 March		7.6	2.6

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1. General information

NATS Limited is a private limited company incorporated in England and Wales and domiciled in the United Kingdom and acting under the Companies Act 2006. The address of the registered office is on page 8. The nature of the company's operations and its principal activities are set out in the Report of the directors and in the Strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. Basis of preparation and accounting policies

The financial statements have been prepared in accordance with UK adopted International Accounting Standards, IFRS and IFRIC. The financial information has also been prepared in accordance with IFRSs issued by the International Accounting Standards Board (IASB).

Accounting standards adopted in the year

The company has adopted the requirements of the following amendments to standards in the year, the adoption of these amendments has not had a material impact on the disclosures in the financial statements:

- IAS 1(amendments): *Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants*, effective 1 January 2024 clarifies the criteria that must be met to show a liability as non-current on the balance sheet.
- IFRS 16 (amendments): *Lease Liability in a Sale and Leaseback*, effective 1 January 2024 details how to account for sale and leaseback transactions that include variable lease payments.
- IAS 7 and IFRS 7 (amendments): *Supplier Finance Arrangements*, effective 1 January 2024 requires company's to provide enhanced disclosures for such arrangements.

Future accounting developments

At the date of authorisation of these financial statements, the following amendments which have not been applied in these financial statements were in issue but not yet effective:

- IAS 21 (amendments): *Lack of exchangeability* (effective on or after 1 January 2025).
- IFRS 9 and IFRS 7 (amendments): *Amendments to the Classification and Measurement of Financial Instruments* (effective on or after 1 January 2026).

The company is currently assessing the impact of the new accounting amendments, which are not expected to have a material impact on the financial statements.

- IFRS 18: *Presentation and Disclosures in Financial Statements* (effective on or after 1 January 2027).

This new accounting standard will replace IAS 1 *Presentation of financial statements* and aims to give users of financial statements more transparent and comparable information about an entity's financial performance. It carries over many requirements from IAS1 unchanged. In addition, there are three sets of new requirements relating to the structure of the income statement, management-defined performance measures and the aggregation and disaggregation of financial information. While IFRS 18 will not change recognition criteria or measurement bases, it may have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement. We are currently assessing impacts before developing a more detailed implementation plan.

- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* (effective on or after 1 January 2027).

IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The company is currently assessing the areas of reduced disclosure and the potential impact to readers of these financial statements.

The financial information has been prepared on the historical cost and fair value basis. The principal accounting policies adopted are set out below.

Revenue recognition

Revenue is recognised from the transfer of goods or services at an amount that the company expects to be entitled to in exchange for those goods or services. Revenue is recognised based on the satisfaction of performance obligations, which are characterised by the transfer of control over a product or service to a customer.

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Revenue excludes amounts collected on behalf of third parties.

Revenue is recognised over time in accordance with the Inter-company Secondment and Trading Agreements.

Income from other sources

Rental income from leases is recognised on a straight-line basis over the relevant lease term.

Dividend income is recognised when a shareholder's rights to receive payment has been established.

Interest income is recognised on a time proportion basis using the effective interest method. This is the rate that exactly discounts estimated future cash flows over the expected life of the financial asset to that asset's net carrying amount.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the NATS Executive team, which is considered to be the chief operating decision maker. An operating segment represents a component of NATS Limited that engages in business activities from which it may earn revenues and incur expenses. Operating segment results are reviewed regularly by the NATS Executive team to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Operating profit

Operating profit is stated before investment income, finance costs and taxation.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment in value. The cost of property, plant and equipment includes internal and contracted labour costs directly attributable to bringing the assets into working condition for their intended use. Depreciation is provided on a straight-line basis to write off the cost, less estimated residual value, of property, plant and equipment over their estimated useful lives. Estimated useful lives are determined on an individual asset basis, within the range of:

- Freehold buildings: 10-40 years;
- Leasehold buildings: over the remaining life of the lease to a maximum of 20 years;
- Air traffic control systems: 5-25 years;
- Plant and other equipment: 3-30 years;
- Furniture, fixtures and fittings: 5-15 years;
- Vehicles: 5-10 years.

Freehold land and assets in the course of construction and installation are not depreciated.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

Government grants and other grants

Government grants relating to property, plant and equipment are treated as deferred income and released to the income statement by equal annual instalments over the expected useful economic lives of the related assets.

Grants of a revenue nature are credited to income statement in the period to which they relate.

Share-based payments

The company has applied the requirements of IFRS 2: *Share-Based Payments*.

In 2001, the company established an All-Employee Share Ownership Plan (AESOP) for the benefit of its employees to hold 5% of the share capital of NATS Holdings Limited. The Plan was initially established through the transfer of shares by the Crown Shareholder at the PPP to NATS Employee Sharetrust Limited (NESL) for £nil consideration. Following financial restructuring in March 2003, further shares were transferred to NESL by The Airline Group Limited (AG) for £nil consideration and NESL was gifted cash of £279,264 to acquire additional shares to maintain the Plan's interest at 5% of the share capital of NATS Holdings Limited. The Plan is administered by NESL, a trustee company. The employee ordinary shares may only be owned by employee shareholders and can only be sold to the trust company.

Shares awarded by the Plan are treated as cash-settled liabilities. A liability is recognised for shares awarded over

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the period from award to when the employee becomes unconditionally entitled to the shares and are measured initially at their fair value. At each balance sheet date until the liability is settled, as well as at the date of settlement, the fair value of the liability is re-measured based on independent share valuations with any changes in fair value recognised in profit or loss for the year, within wages and salaries.

In respect of the award schemes, the company provides finance to NESL to enable the trust company to meet its obligations to repurchase vested or eligible shares from employees.

The company's share of the costs of running the employee share trust are charged to the income statement.

Taxation

The tax charge for the period is recognised in the income statement, the statement of comprehensive income or directly in the statement of changes in equity, according to the accounting treatment of the related transaction. The tax charge comprises both current and deferred tax.

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets off against current liabilities and when they relate to taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the income statement for the period.

Retirement benefit costs

The CAA Pension Scheme is a funded defined benefit scheme. The assets of the scheme are held in a separate trustee administered fund. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period.

Remeasurement comprising actuarial gains and losses and return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled.

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Past service cost is recognised immediately, at the earlier of the date the defined benefit scheme is amended or any associated restructuring cost is recognised to the extent that the benefits are already vested.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories, which are reported in aggregate (see note 21):

- current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement.

The retirement benefit obligation recognised in the balance sheet represents the deficit or surplus in the group's defined benefit scheme. Any surplus resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the scheme.

Since 2009, the group and Trustees have introduced a number of pension reforms, as explained in note 21. These include closing the defined benefit scheme to new entrants with effect from 1 April 2009; and establishing a defined contribution scheme for new entrants from 1 April 2009, limiting the rate of increase in pensionable pay and changing the indexation reference rate for future service.

Contributions to the defined contribution pension scheme are expensed as incurred.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of expenditure required to settle the obligation at the balance sheet date; and are discounted to present value where the effect is material.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets are classified as either fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification and subsequent re-measurement depends on the company's business model for managing the financial asset and its cash flow characteristics.

The company has financial assets at amortised cost. The company does not have financial assets at fair value through the profit or loss or at fair value through other comprehensive income. Detailed disclosures are set out in notes 12 to 14.

Financial assets:

Amortised cost

These assets arise principally from the provision of goods and services to customers (such as trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment of financial assets

Equity instruments, including subsidiaries, are assessed at each reporting date to determine whether there was objective evidence of impairment. Impairment losses are recognised in the income statement.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, such provisions are recorded in a separate provision account with the loss being recognised in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each

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reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other highly liquid investments (with a maturity of three months or less) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Financial liabilities are either financial liabilities at fair value through the profit or loss or other financial liabilities.

Fair value through the profit or loss

Financial liabilities at fair value through profit or loss are measured initially at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in the income statement. The net gain or loss recognised in the income statement incorporates any interest paid on the financial liability.

Other financial liabilities: including bank, other borrowings, loan notes and debt securities

Interest-bearing bank loans, other borrowings, loan notes, debt securities and trade and other payables are recorded at the proceeds received, net of direct issue costs. Finance charges, including premia payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

Effective interest method

The effective interest method is a method of calculating amortised cost of a financial asset or financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash flows over the expected life of the financial asset.

Equity

Equity instruments are also classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Investment in subsidiaries

A subsidiary is an entity in which the company has control. The existence and effect of voting rights that are currently exercisable or convertible are considered when assessing whether the company has such power over another entity.

Investment in subsidiaries is carried in the balance sheet at cost less any impairment losses. Consolidated financial statements are not presented by the company for the year ended 31 March 2025 as they are presented by the parent undertaking NATS Holdings Limited.

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3. Critical judgements and key sources of estimation uncertainty

When preparing financial statements management is required to use judgement and make estimates and assumptions that affect the reported amounts of assets and liabilities and revenue and expenses during the reporting period. Actual outcomes in future could differ from these estimates. Information about those judgements, estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are explained below.

Judgements

In the process of applying the company's accounting policies, management has made the following judgement, which has the most significant effect on the amounts recognised in the financial statements:

Retirement benefits (see note 21)

The company accounts for its defined benefit pension scheme such that the net pension scheme position is reported on the balance sheet with actuarial gains and losses being recognised directly in equity through the statement of comprehensive income. At 31 March 2025 the funding position of the scheme reported in the financial statements was a deficit of £1.3m (2024: £0.5m surplus) on liabilities of £125.2m (2024: £137.4m).

A number of key assumptions have been made in calculating the fair value of the company's defined benefit pension scheme which affect the balance sheet position and the company's reserves and income statement. A summary of the main assumptions and sensitivities, are set out in note 21 to the financial statements. Actual outcomes may differ materially from the assumptions used and may result in volatility in the net pension scheme position.

The company recognises an IAS 19 funding surplus as it is satisfied that the practical effect of the trust deed and rules, alongside UK legislation, mean the company has an unconditional right to a refund assuming the gradual settlement of the scheme's liabilities over time until all members have left the scheme. The trustees have no discretion under the trust deed and rules to enhance member benefits in the event of a trustee funding surplus.

Going concern

The company's business activities, together with the factors likely to affect its performance and the financial position of the company, its cash flows and liquidity position are explained in the Strategic report. Note 13 also describes the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The company had net cash balances of £7.6m at the balance sheet date together with formal arrangements with its trading subsidiaries (NATS (En Route) Plc and NATS Services Limited), meaning that payroll costs will be directly reimbursed by them. The directors have assessed the ability of these trading subsidiaries to meet their obligations as they fall due, including performing appropriate stress tests and concluded they are able to do so. This, together with the fact that there are mutual directors between the three companies, means that NATS Limited is well placed to manage its business risks successfully despite the current uncertain economic outlook and is expected to maintain its liquidity position throughout the going concern period.

The directors have formed a judgement that taking into account the financial resources available to the company and the financial position and prospects of the subsidiaries, it has adequate resources to continue to operate until at least 30 June 2026 (the formal going concern position adopted by the Directors) and have therefore adopted the going concern basis in the preparation of the financial statements for the year ended 31 March 2025.

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4. Revenue

An analysis of the company's revenue is provided as follows:

	2025 £m	2024 £m
Services provided to NATS (En Route) plc	448.5	409.6
Services provided to NATS (Services) Limited	119.5	110.8
	568.0	520.4

All revenue is derived from continuing operations. Note 5 summarises the source of revenues by operating segment.

5. Operating segments

For management reporting purposes, the company is currently organised into one business area.

Principal activities are as follows:

The company acts as an employer to staff within the NATS group of companies. The company seconds staff to the two principal operating companies within the group (NERL and NATS Services). It also provides central services to these two companies. The provision of these services is governed by Inter-company Secondment and Trading Agreements between the two operating companies and NATS Limited. In accordance with these agreements, NERL and NATS Services pay fees to NATS Limited for the provision of the company's services.

Segment information about the provision of these services is presented below:

	2025 Total £m	2024 Total £m
Revenue		
Revenue from customers	568.0	520.4
Segmental operating result	-	-
Investment income	175.2	2.1
Profit before tax	175.2	2.1
Tax	-	(0.3)
Profit for the year	175.2	1.8
Balance Sheet		
Segmental assets	318.7	310.5
Segmental liabilities	(67.0)	(57.4)

The company's two customers (NERL and NATS Services) are both located in the UK and all company assets are also located within the UK.

All revenue is derived from the company's two customers (NERL and NATS Services).

6. Operating result for the year

The operating result for the year has been arrived at after charging:

	2025 £m	2024 £m
Auditor's remuneration for audit services (see below)	0.9	0.5
Depreciation of right-of-use assets	-	0.1
Redundancy costs	1.9	2.0

Fees payable to the company's auditor and their associates for audit and non-audit services to the company are not required to be disclosed because the consolidated financial statements are required to disclose such fees on a consolidated basis.

The group incurs redundancy costs in the normal course of business. Redundancy costs include pension augmentation costs.

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7. Staff costs

The company is responsible for employing the staff engaged in the activities carried out by both NERL and NATS Services. Under the terms of the respective Inter-company Secondment Agreements (ISAs) dated 1 October 2009 the services of certain employees are seconded to NERL and NATS Services by the company. NERL and NATS Services are responsible for paying to the company an amount equal to the aggregate of all costs incurred by the company in connection with the employment of the seconded employees (including all taxes and social security and pension costs) together with appropriate staff related costs and expenses and disbursements. The total staff costs incurred by the company for the group were:

a) Staff costs

	2025 £m	2024 £m
Salaries and staff costs, including directors' remuneration, were as follows:		
Wages and salaries	412.2	381.3
Social security costs	50.0	46.0
Share-based payments charges (note 20)	2.7	5.4
Pension costs (note 7b)	92.0	78.0
	556.9	510.7

None of the directors received remuneration for their services to the company. Director's remuneration for services provided to the NATS group are disclosed in the accounts of NATS Holdings Limited, and included in the table above.

The staff costs for the company net of the staff costs for those staff seconded to NERL and NATS Services under the respective ISAs were as follows:

	2025 £m	2024 £m
Salaries and staff costs, including directors' remuneration, were as follows:		
Wages and salaries	5.7	5.2
Social security costs	0.8	0.6
Share-based payments charges	0.1	0.1
Pension costs (note 7b)	1.4	1.1
	8.0	7.0

Wages and salaries include other allowances and holiday pay.

b) Pension costs (note 21)

	2025 £m	2024 £m
Defined benefit pension scheme costs	43.8	39.6
Defined contribution pension scheme costs	48.2	38.4
	92.0	78.0

Staff pension contributions are included within these pension scheme costs as the group operates a salary sacrifice arrangement. Wages and salaries (note 7a) have been shown net of staff pension contributions. The pension costs for the company net of the pension costs for those staff seconded to NERL and NATS Services under the respective ISAs were as follows:

	2025 £m	2024 £m
Defined benefit pension scheme costs	0.4	0.3
Defined contribution pension scheme costs	1.0	0.8
	1.4	1.1

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7. Staff costs (continued)

c) Staff numbers

The monthly average number of employees (including secondments to NERL and NATS Services under the ISAs) was:

	2025 No.	2024 No.
Air traffic controllers	858	1,623
Air traffic service assistants	1,670	611
Engineers	653	803
Others	1,261	1,169
	4,442	4,206
The number of employees (including executive directors) in post at 31 March was:	4,528	4,338

The monthly average number of employees excluding secondments to NERL and NATS Services was:

	No.	No.
Air traffic controllers	1	-
Air traffic service assistants	-	1
Engineers	1	1
Others	63	58
	65	60
The number of employees (including executive directors) in post at 31 March was:	65	65

8. Investment income

	2025 £m	2024 £m
Dividend income from shares in group undertakings	175.0	1.9
Interest on bank deposits	0.2	0.2
	175.2	2.1

9. Tax

	2025 £m	2024 £m
Corporation tax		
Current tax	0.1	0.2
Deferred tax (see note 16)		
Origination and reversal of temporary timing differences	(0.1)	0.1
	-	0.3

Corporation tax is calculated at 25% (2024: 25%) of the estimated assessable profit for the year.

The total tax charge for the year can be reconciled to the profit per the income statement as follows:

	2025 £m	%	2024 £m	%
Profit on ordinary activities before tax	175.2		2.1	
Tax on profit on ordinary activities at standard rate in the UK of 25% (2024: 25%)	43.8	25.0%	0.5	25.0%
Tax effect of dividend income not assessed in determining taxable profit	(43.8)	(25.0%)	(0.5)	(25.0%)
Group relief surrendered	-	-	0.2	9.5%
Other permanent differences	-	-	0.1	4.8%
Tax charge for year at an effective tax rate of 0.0% (2024: 14.3%)	-	-	0.3	14.3%
Deferred tax credit taken directly to equity (see note 16)	(0.4)		(0.5)	

Deferred tax is provided at the prevailing rate of corporation tax expected to apply in the period when the liability is settled or the asset realised.

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9. Tax (continued)

Detailed reconciliation of the current tax charge

The current tax charge for the year can be reconciled to the profit per the income statement as follows:

	2025 £m	%	2024 £m	%
Profit on ordinary activities before tax	175.2		2.1	
	£m	%	£m	%
Tax on profit on ordinary activities at standard rate in the UK of 25% (2024: 25%)	43.8	25.0%	0.5	25.0%
Tax effect of dividend income not assessed in determining taxable profit	(43.8)	(25.0%)	(0.5)	(25.0%)
Group relief surrendered	-	-	0.2	9.5%
Pension contributions paid in excess of charge to income statement	(0.1)	(0.1%)	(0.2)	(9.5%)
Other permanent differences	0.1	0.1%	-	-
Current tax charge for year at an effective tax rate of 0.0% (2024: 0.0%)	-	-	-	-

Total current tax comprises a £0.1m charge to the Income statement (2024: £0.2m) and a £0.1m credit to the Statement of comprehensive income (2024: £0.2m) in relation to contributions to the defined benefit pension scheme.

10. Dividends

	2025 £m	2024 £m
Amounts recognised as dividends to equity shareholders in the year		
First interim dividend of 62.06 pence per share (2024: £nil per share)	87.5	-
Second interim dividend of 62.06 pence per share (2024: £nil per share)	87.5	-
	175.0	-

The first interim dividend totalling £87.5m was approved on 28 November 2024. The second interim dividend totalling £87.5m was approved on 27 March 2025.

11. Property, plant and equipment

The company has assets with an original cost of £1.0m which are fully depreciated (2024: £1.0m). The net book value of property, plant and equipment at 31 March 2025 was £nil (2024: £nil). Depreciation charges amounted to £nil (2024: £nil).

12. Financial and other assets

The company had balances in respect of financial and other assets as follows:

Trade and other receivables

	2025 £m	2024 £m
Non-current		
Other debtors	0.7	0.4
Current		
Other debtors	1.0	2.2
Amounts due from subsidiary undertaking (NATS (En Route) plc)	45.7	43.4
Amounts due from subsidiary undertaking (NATS (Services) Limited)	14.1	12.3
Amounts due from subsidiary undertaking (NATS Services DMCC)	0.4	0.3
Amounts due from subsidiary undertaking (NATS Solutions Limited)	0.5	0.5
Prepayments	1.8	1.8
	63.5	60.5

The company does not have any external customers. Its customers are subsidiaries. No allowance has been made for irrecoverable amounts on the outstanding balances. The company's subsidiaries have procedures in place to mitigate against market and financial risk and their financial positions are monitored to ensure that amounts due to the company are recoverable. The company supplies personnel and central services to its subsidiaries under the Inter-company Secondment and Trading Agreements.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the company. The directors consider that the carrying amount of these assets approximates to their fair value.

Overall, the maximum credit risk for cash and cash equivalents and trade and other receivables, excluding prepayments and VAT would be £69.6m (2024: £61.1m).

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13. Financial instruments

Capital risk management

The company manages its capital to ensure that it is able to continue as a going concern.

The capital structure of the company consists of cash and cash equivalents as disclosed in this note, and equity attributable to shareholders as disclosed in the statement of changes in equity.

Categories of financial instrument

The carrying values of financial instruments by category at 31 March were as follows:

	2025 £m	2024 £m
Financial assets at amortised cost		
Trade and other receivables, excluding prepayments and VAT	62.0	58.5
Cash and cash equivalents	7.6	2.6
	69.6	61.1
Financial liabilities at amortised cost		
Trade and other payables	(50.1)	(42.4)

Trade and other receivables excludes prepayments of £1.8m (2024: £1.8m), and VAT of £0.4m (2024: £0.6m). Financial liabilities at amortised cost includes trade and other payables (excluding taxes and social security liabilities of £15.0m (2024: £13.9m)).

Financial risk management objectives

The NATS group treasury function is mandated by the Board of NATS Holdings Limited to manage financial risks that arise in relation to underlying business needs. The function provides services to the business, co-ordinates access to financial markets and monitors and manages financial risks relating to the operations of the group. The function has clear policies and operating parameters. The Treasury Committee provides oversight and meets three times a year to approve strategy and to monitor compliance with Board policy. The treasury function does not operate as a profit centre and the undertaking of speculative transactions is not permitted. The principal financial risks arising from the company's activities include market risk (including interest rate risk), credit risk and liquidity risk.

Market risk

The company's activities expose it to the financial risk of changes in interest rates on cash deposits. The company is not exposed to interest rate risk on borrowings. It has no material risk as a result of changes in foreign currency exchange rates as it only holds small euro balances to make foreign currency purchases.

Interest rate risk management

The company had no debt at 31 March 2025 (2024: £nil).

Economic interest rate exposure

The company's cash deposits were as follows:

	Cash					
	2025			2024		
Currency	Amount £m	Economic interest rate %	Average maturity days	Amount £m	Economic interest rate %	Average maturity days
Sterling	7.6	4.5	1	2.6	5.1	2

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on floating rate assets and liabilities. The analysis is prepared assuming the amount of assets or liabilities at the balance sheet date were in place for the whole year. A 1% increase or decrease is considered to represent the reasonably possible change in interest rates.

The following table shows the effect of a 1% increase in interest rates on the company's cash deposits on profit for the year and on equity. A positive number represents an increase in profit and equity and a negative number a decrease in profit and equity.

	2025 Impact £m	2024 Impact £m
Cash on deposit (2025: £7.6m, 2024: £2.6m)	0.1	-

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13. Financial instruments (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's exposure to credit risk arises from the risk of default by its fellow subsidiaries and from the risk of a failure of a financial institution in which funds are invested for return or held for trading purposes or with whom derivative contracts are entered into. The risk of loss from default by fellow subsidiaries and the mitigations against this risk are explained in note 12. With regard to funds or contracts held with financial institutions, the company's policy is to transact with counterparties that hold a minimum credit rating as supplied by independent rating agencies, Standard & Poor's, Moody's and Fitch Ratings.

The NATS group policy is to allocate limits to the value of investments, foreign exchange transactions and interest rate hedging transactions that may be entered into with a bank or financial institution and to allocate an aggregate credit risk limit. The limits are based upon the institution's credit rating with Standard & Poor's and Moody's; the Fitch rating is only used if one of these agencies does not provide a rating. Where there is a difference in the rating then the lowest of the ratings is applied.

Currently, the company's cash and cash equivalents take the form of money market fund investments, which are restricted to AAA-rated liquidity funds with same-day access.

Investment limits for each institution are set with reference to their credit ratings.

The following table shows the distribution of the company's deposits at 31 March by credit rating (Standard & Poor's):

	2025			2024		
Rating (Standard & Poor's)	Number of institutions	£m	By credit rating %	Number of institutions	£m	By credit rating %
AAA	1	7.5	98.7	1	2.5	96.2
A+	1	0.1	1.3	1	0.1	3.8
		7.6	100.0		2.6	100.0

Liquidity risk management

The responsibility for liquidity risk management, the risk that the company will have insufficient funds to meet its obligations as they fall due, rests with the Board with oversight provided by the Treasury Committee. The company manages liquidity by maintaining adequate reserves and borrowing facilities by monitoring actual and forecast cash flows and ensuring funding is diversified by source and maturity and available at competitive cost.

Maturity of non-derivative financial liabilities

The following table sets out the remaining contractual maturity of the company's non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to repay. The table includes both interest and principal cash flows.

	Other liabilities	
	2025 £m	2024 £m
Due within one year or less	47.4	39.6
Between one and two years	2.0	1.8
Due between two and five years	0.3	0.4
Due in more than five years	0.4	0.6
	50.1	42.4

Fair values of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

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14. Financial and other liabilities

Trade and other payables

The company had balances in respect of non-interest bearing financial and other liabilities as follows:

	2025 £m	2024 £m
Current		
Trade payables	0.3	0.1
Amounts due to parent company	4.0	-
Other payables	0.4	0.4
Tax and social security	15.0	13.9
Accruals and deferred income	42.7	39.1
	62.4	53.5
Non-current		
Accruals and deferred income	2.7	2.8
	65.1	56.3

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 6 days (2024: 2 days). The directors consider that the carrying amount of the trade payables approximates to their fair values.

The NATS Employee Sharetrust Limited (NESL), that holds 5% of the share capital of NATS Holdings Limited (NATS' parent company) on trust for employees, waived its right to receiving a dividend in relation to shares that are currently unallocated to employees, equating to £4.0m. As NATS Holdings Limited does not hold a bank account, NATS Limited owed £4.0m to NATS Holdings Limited at 31 March 2025 and this is disclosed above.

15. Provisions

	Redundancy £m	Relocation £m	Total £m
At 1 April 2024	0.9	0.1	1.0
Additional provision in the year	2.4	-	2.4
Release of provision in the year	-	(0.1)	(0.1)
Utilisation of provision	(2.7)	-	(2.7)
At 31 March 2025	0.6	-	0.6

	2025 £m	2024 £m
Amounts due for settlement within 12 months	0.6	1.0
Amounts due for settlement after 12 months	-	-
	0.6	1.0

The redundancy provision represents the best estimate of the future cost of redundancy payments to employees that have committed to redundancy terms at 31 March 2025. The ageing of the provision reflects the expected timing of employees leaving the group.

The relocation provision represents the best estimate of the future cost of relocating staff when the site they work at closes and they are relocated to another site. The ageing of the provision reflects the expected timing of the employees' relocation date.

The other provisions represent the best estimate of other liabilities, and include property-related costs. The ageing of the provision reflects the best estimate of when these potential liabilities will fall due.

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16. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the company, and movements thereon during the current and prior reporting periods.

	Retirement benefits £m	Other £m	Total £m
At 1 April 2023	0.6	(0.1)	0.5
Charge to income	-	0.1	0.1
Credit to equity	(0.5)	-	(0.5)
At 31 March 2024	0.1	-	0.1
Credit to income	-	(0.1)	(0.1)
Credit to equity	(0.4)	-	(0.4)
At 31 March 2025	(0.3)	(0.1)	(0.4)

The deferred tax balance in respect of retirement benefits is a result of the defined benefit deficit at 31 March 2025, under IAS 19: *Employee benefits*. The timing of reversal of timing differences relating to the defined benefit scheme is dependent on the scheme's funding position, which is sensitive to financial market conditions and which can be volatile, and the company's contributions to the scheme. Please see note 21 for details of the schedule of contributions, including measures to repair the funding deficit by 31 December 2029.

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	2025 £m	2024 £m
Deferred tax liabilities	-	0.1
Deferred tax assets	(0.4)	-
	(0.4)	0.1

17. Share capital

	Authorised:		Called up, allotted and fully paid:	
	Number of shares	£m	Number of shares	£m
Ordinary shares of £1 each				
At 31 March 2024 and 31 March 2025	150,000,100	150.0	141,000,005	141.0

18. Notes to the cash flow statement

	2025 £m	2024 £m
Operating result from continuing operations	-	-
Adjustments for:		
Depreciation of right-of-use assets	-	0.1
Pension scheme funding	(0.3)	(0.6)
Operating cash flows before movements in working capital	(0.3)	(0.5)
(Increase)/decrease in trade and other receivables	(3.3)	5.5
Increase/(decrease) in trade, other payables and provisions	4.4	(6.5)
Cash generated from/(used in) operations	0.8	(1.5)

Cash and cash equivalents, which are presented as a single class of asset on the face of the balance sheet, comprise cash at bank and short term highly liquid investments with a maturity of three months or less.

19. Financial commitments

Amounts contracted but not provided for in the accounts were £nil (2024: £nil).

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20. Share based payments

The company operates an All-Employee Share Ownership Plan for the benefit of employees to hold 5% of the share capital of NATS Holdings Limited. The plan is administered by NATS Employee Sharetrust Limited. The scheme allows for free shares, dividend shares, partnership shares and matching shares to be awarded to employees. Partnership shares and dividend shares vest at the point of issuance and are cash-settled. The free shares and matching shares have a vesting period of three years from date of award and may be cash-settled from this date. The shares may be forfeited if the employee leaves within three years of the date of the award, depending on conditions of departure.

A liability is recognised for the current fair value of shares in issue at each balance sheet date. Changes in fair value of the liability are charged or credited to the income statement. The number of shares outstanding at the balance sheet date for staff employed by NATS Limited was:

Date of share awards	No. shares awarded to employees	No. employee shares outstanding at 31 March 2025	No. employee shares outstanding at 31 March 2024
Free share awards			
21 September 2001	3,353,742	99,819	120,691
20 October 2003	2,459,000	96,952	114,258
10 September 2004	1,966,000	142,720	168,720
11 January 2008	1,071,840	110,954	130,740
18 September 2009	963,200	124,106	146,506
Partnership shares			
1 March 2011	694,783	107,274	129,100
26 September 2012	714,959	136,191	156,563
30 May 2014	496,738	116,114	135,817
31 October 2016	530,303	155,870	183,643
31 October 2018	635,048	243,001	287,959
1 September 2024	786,124	771,229	-
Matching shares			
1 March 2011	694,783	111,109	129,707
26 September 2012	714,959	138,225	158,154
30 May 2014	496,738	117,286	136,410
31 October 2016	530,303	157,351	184,436
31 October 2018	635,048	249,747	293,670
1 September 2024	786,124	772,035	-
		3,649,983	2,476,374
Dividend shares issued on 28 June 2005	247,017	12,521	14,964
Dividend shares issued on 24 December 2024	202,284	201,496	-
Total employee shares in issue at 31 March		3,864,000	2,491,338

The movement in the number of employee shares outstanding for staff employed by NATS Limited is as follows:

	Movement in the no. of shares during the year ended 31 March 2025	Movement in the no. of shares during the year ended 31 March 2024
Balance at 1 April	2,491,338	3,577,016
Granted during the year	1,774,532	-
Forfeited during the year	(4,779)	-
Exercised during the year	(397,091)	(1,085,678)
Balance at 31 March	3,864,000	2,491,338

These shares are valued every six months by independent valuers using discounted cash flow and income multiple methods of valuation. Valuations are approved by HMRC for a period of six months unless a significant event arises which has a material impact on the share value. As at 31 March 2025 the price of an employee share was valued at £6.05 (2024: £5.45). The liability for the employee shares at 31 March 2025 was £19.6m (2024: £13.6m) and is included in other accruals and deferred income. The income statement includes a cost of £2.7m (2024: £5.4m cost). Payments made to leavers and current employees for the shares they exercised during the year was £2.3m (2024: £4.8m).

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20. Share based payments (continued)

The number of shares outstanding at the balance sheet date for staff employed directly by NATS Limited was:

Date of share awards	No. employee shares outstanding at 31 March 2025	No. employee shares outstanding at 31 March 2024
Free share awards		
21 September 2001	600	600
20 October 2003	2,000	2,000
10 September 2004	2,000	2,000
11 January 2008	2,420	2,420
18 September 2009	2,200	2,200
Partnership shares		
1 March 2011	2,320	2,320
26 September 2012	2,948	2,948
30 May 2014	1,800	1,800
31 October 2016	2,268	2,268
31 October 2018	4,000	4,400
1 September 2024	10,301	-
Matching shares		
1 March 2011	2,400	2,400
26 September 2012	2,948	2,948
30 May 2014	1,800	1,800
31 October 2016	2,268	2,268
31 October 2018	5,091	5,491
1 September 2024	10,301	-
	57,665	37,863
Dividend shares issued on 28 June 2005	187	187
Dividend shares issued on 24 December 2024	3,677	-
Total employee shares in issue at 31 March	61,529	38,050

The movement in the number of employee shares outstanding for staff employed directly by NATS Limited is as follows:

	Movement in the no. of shares during the year ended 31 March 2025	Movement in the no. of shares during the year ended 31 March 2024
Balance at 1 April	38,050	40,198
Granted during the year	24,830	-
Exercised during the year	(951)	(1,524)
Staff transfers between group companies	(400)	(624)
Balance at 31 March	61,529	38,050

The liability on the balance sheet that relates to NATS Limited for the employee shares at 31 March 2025 was £0.3m (2024: £0.2m) and is included in other accruals and deferred income.

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21. Retirement benefit scheme

Defined contribution scheme

The company provides a defined contribution scheme to all qualifying employees who are not members of the defined benefit scheme. The assets of the scheme are held separately from those of the company in funds under the control of a board of Trustees.

The company operates a salary sacrifice arrangement whereby employees sacrifice an element of their salary in favour of contributions to the pension scheme. NATS matches employee contributions to the scheme in a ratio of 2:1, up to a maximum contribution of 18%. For the year ended 31 March 2025 employer contributions of £30.1m (2024: £24.3m), excluding employee salary sacrifice contributions of £18.1m (2024: £14.1m), represented 16.5% of pensionable pay (2024: 16.4%). Employer contributions for staff employed directly by the company of £0.6m (2024: £0.5m), excluding employee salary sacrifice contributions of £0.4m (2024: £0.3m), represented 17.2% of pensionable pay (2024: 16.8%).

The defined contribution scheme had 2,633 members at 31 March 2025 (2024: 2,336), of which 46 were company members (2024: 45).

Defined benefit scheme

The company entered into a deed of adherence with the CAA and the Trustees of the Civil Aviation Authority Pension Scheme (CAAPS) whereby the company was admitted to participate in CAAPS from 1 April 1996. CAAPS is a fully funded defined benefit scheme providing benefits based on final pensionable salaries. At 31 March 2001, the business of NATS was separated from the CAA. As a consequence, NATS became a 'non associated employer' which requires the assets relating to the liabilities of NATS active employees at 31 March 2001 to be separately identified within the CAAPS. CAAPS was divided into two sections to accommodate this, namely the CAA section and the NATS section, and a series of common investment funds was established in which both sections participate for investment purposes. The assets and membership of the scheme prior to transfer were allocated between these sections in accordance with Statutory Instrument 2001 Number 853, Transport act 2000 (Civil Aviation Authority Pension Scheme) Order 2001. The assets of the scheme are held in a separate trustee administered fund. CAAPS is governed by a board of Trustees which is responsible for implementing the funding and investment strategy. The board comprises 6 employer (NATS and CAA) and 6 member-nominated trustees, as well as an independent chair.

During 2009 the company introduced a number of reforms to manage the cost and risk of pensions. The defined benefit pension scheme was closed to new joiners with effect from 31 March 2009. In addition, from 1 January 2009, annual increases in pensionable pay were limited to a maximum increase in the retail price index (RPI) plus 0.5%. A defined contribution scheme was also introduced for new joiners (see above). Finally, pension salary sacrifice arrangements were introduced with effect from 1 April 2009.

During 2013 the company consulted on further pension reforms to mitigate rising pension costs. These included a change to the limit on increases in pensionable pay to a maximum of the consumer price index (CPI) plus 0.25%. In addition, the Trustees consulted members of the scheme on a change to the indexation of future service at CPI, rather than RPI. These reforms were agreed by staff.

Trustees' funding assessment

A Trustees' funding assessment of the NATS section is prepared at least every three years by the pension scheme actuary at the request of the Trustees in order to establish the financial position of the NATS section and to determine the level of contributions to be paid by NATS in the future.

The last Trustees' funding assessment of the NATS' section was carried out at 31 December 2023 and used the projected unit credit method. The assumptions which have the most significant effect on the liabilities assessed at the valuation and hence the contribution requirement are those relating to the rate of return on investments, the rate of increase in salaries, the rate of increase in pensions and life expectancy.

The market value of the NATS' section's assets as at 31 December 2023 was £3,423.8m. For the purpose of the Trustees' funding assessment assets were taken at market value. The shortfall of assets relative to the value of benefits that had accrued to existing members was £142.7m, corresponding to a funding ratio of 96.0%.

The 2023 valuation showed that, based on long-term financial assumptions, the contribution rate required to meet future benefit accrual and expenses was 35.6% of pensionable pay (29.9% employers and 5.7% employees). The employer contribution includes an allowance to cover administration costs, including the Pension Protection Fund (PPF) levy.

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21. Retirement benefit scheme (continued)

Contributions to the pension scheme

The company is an employer to staff in the NATS group. Staff are seconded to NERL and NATS Services under the respective Inter-company Secondment Agreements (ISAs) with these companies (see Strategic Report, page 1). Under the ISAs, the company is obliged to pay all salaries and other benefits (including pension contributions) for the staff. NERL and NATS Services pay fees to the company for the services it provides including those of the staff. The pensions cost reported below shows the costs for both the total staff employed by the company and for the staff who work directly for the company (i.e. excluding staff seconded to NERL and NATS Services).

Following the 2023 valuation, NATS and the Trustees agreed a recovery plan which would see the funding deficit repaid by 31 December 2029. Under the schedule of contributions, normal contributions were paid at 66.2% of pensionable pay until 31 December 2024 and 29.9% thereafter.

The company paid deficit recovery contributions of £27.8m in the 2024 calendar year. From 1 January 2025 to 31 December 2029, deficit recovery contributions have been agreed at £14.2m p.a. increasing annually by 2.37% for each calendar year from 2026 to 2029. However, these contributions were subject to a funding test at 31 December 2024. As the scheme was estimated to be in surplus at that date, the deficit contributions payable from 1 January 2025 to 31 December 2027 have been deferred until 31 January 2028. Should the scheme be in surplus at the next actuarial valuation (on a consistent basis) then these deferred contributions will not be payable. NATS' share of deficit recovery contributions for directly employed staff is c. 4%.

As the employer of all staff in the NATS group, during the year the group paid cash contributions to the scheme of £112.1m (2024: £141.1m). This amount included £8.2m (2024: £8.7m) of wages and salaries sacrificed by employees in return for pension contributions. Excluding the effect of salary sacrifice and past service costs, employer cash contributions were paid at a rate of 71.3% (2024: 85.3%) of pensionable pay. Contributions for staff working directly for NATS Limited were £0.7m (2024: £0.9m). This included salary sacrifice contributions of £46,000 (2024: £49,000).

Contributions to the scheme are funded by NATS Limited's two principal operating subsidiaries: NERL and NSL, in proportion to their pensionable payrolls.

The estimated contributions expected to be paid to the scheme for all staff in the NATS group during the financial year ending 31 March 2026 is £52.1m, including salary sacrifice contributions estimated at £8.2m. Contributions for staff who work directly for NATS Limited are expected to be £0.3m, including salary sacrifice contributions estimated at £0.1m.

Company's accounting valuation under international accounting standards

For the purpose of accounting for the scheme in these financial statements, the company obtains an updated valuation from a qualified independent actuary that is prepared in accordance with IAS 19: *Employee Benefits*.

This valuation differs from the Trustees' funding assessment explained above in a number of critical respects including, for example, differences in timing and frequency as well as in valuation assumptions. The Trustees' last funding assessment was prepared as at 31 December 2023, whereas the company's accounting valuation is prepared annually at 31 March. As a result, at each valuation date, the market conditions on which the assumptions are based will be different. Also, the assumptions adopted for the Trustees' funding assessment are set by the Trustees and include appropriate margins for prudence, whereas those adopted for the company's accounting valuation are prescribed by international accounting standards and reflect best estimates.

If an accounting valuation reveals a surplus at the balance sheet date, this is recognised in full to the extent that it can be realised in full by the company.

An actuarial valuation for IAS 19 purposes was carried out at 31 March 2025 (based on 31 December 2024 membership data). The major assumptions used by the actuary for the purposes of the IAS 19 figures at the relevant year ends are set out in the table and narrative below:

	2025	2024	2023
RPI inflation	2.90%	2.95%	3.05%
CPI inflation	2.65%	2.60%	2.65%
Increase in:			
- salaries	2.65%	2.60%	2.65%
- deferred pensions	2.90%	2.95%	3.05%
- pensions in payment	2.90%	2.95%	3.05%
Discount rate for net interest expense	5.90%	4.90%	4.80%

The mortality assumptions have been drawn from actuarial tables 100% S4PMA light and 98% S4PFA light (2024: 105% S3PMA light and 103% S3PFA light) with future improvements in line with CMI 2023 (2024: CMI 2022) projections for male/female members, subject to a long-term improvement of 1.25% p.a. (2024: 1.5% p.a.) These tables assume that the life expectancy, from age 60, for a male pensioner is 27.7 years and a female pensioner is 29.6 years. Allowance is made for future improvements in longevity, such that based on the average age of the current membership (49), when these members reach retirement, life expectancy from age 60 will have increased for males to 28.5 years and for females to 30.4 years.

The principal risks to the financial performance of the company arising from the scheme are in respect of:

a. asset volatility: for accounting purposes, scheme liabilities are determined using a discount rate set by reference to high quality corporate bond yields. If scheme assets under-perform relative to this yield, this will create a deficit. As explained below, NATS and Trustees have taken and continue to review measures to de-risk the scheme by investing more in assets which better match the liabilities.

b. changes in bond yields: a decrease in the yield on high quality corporate bonds will increase scheme obligations, although this is partly mitigated by an increase in the value of the scheme's holdings of bonds.

c. inflation risk: the scheme's benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities. As discussed further below, the scheme has implemented a liability driven investment programme to partially protect the funding position from changes in inflation. Furthermore, some of the scheme's assets (such as equities) are real in nature and so provide some additional inflation protection, but overall, an increase in inflation will adversely impact on the funding position.

d. life expectancy (mortality): the majority of the scheme's obligations are to provide benefits for the life of a member, so an increase in life expectancy will result in an increase in the scheme's obligations.

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21. Retirement benefit scheme (continued)

Company's accounting valuation under international accounting standards (continued)

Sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption:	Change in assumption:	Impact on scheme liabilities:
Discount rate (bond yields)	Increase/decrease by 0.5%	Decrease by 7.4%/increase by 7.0%
Rate of inflation	Increase/decrease by 0.5%	Increase by 7.3%/decrease by 7.0%
Rate of pensionable salary growth	Increase/decrease by 0.5%	Increase by 1.4%/decrease by 1.3%
Rate of mortality	1 year increase in life expectancy	Increase by 2.7%

Each sensitivity above is based on changing one assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to variations in significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as for calculating the liability recognised on the balance sheet.

a) The pension costs of the total staff employed by NATS Limited were:

Amounts recognised in the consolidated income statement of NATS Holdings Limited, in the staff costs line item, in respect of the defined benefit scheme are as follows:

	2025 £m	2024 £m
Current service cost	(44.8)	(43.6)
Net interest credit	3.8	6.2
Administrative expenses	(2.8)	(2.2)
Components of defined benefit costs recognised within operating profit	(43.8)	(39.6)

Remeasurements recorded in the consolidated statement of comprehensive income of NATS Holdings Limited are as follows:

	2025 £m	2024 £m
Return on plan assets (excluding amounts included in net interest expense)	(467.4)	(315.0)
Actuarial gains and losses arising from changes in financial assumptions	487.5	83.8
Actuarial gains and losses arising from changes in demographic assumptions	(37.2)	56.9
Actuarial gains and losses arising from experience adjustments	(97.1)	27.6
	(114.2)	(146.7)

The amount included in the consolidated balance sheet of NATS Holdings Limited arising from the group's obligations in respect of its defined benefit scheme is as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	(3,082.9)	(3,371.1)
Fair value of scheme assets	3,050.5	3,384.6
(Deficit)/surplus in scheme	(32.4)	13.5

Movements in the present value of the defined benefit obligations were as follows:

	2025 £m	2024 £m
At 1 April	(3,371.1)	(3,486.0)
Current service cost	(44.8)	(43.6)
Interest expense on defined benefit scheme obligations	(161.7)	(163.6)
Actuarial gains and losses arising from changes in financial assumptions	487.5	83.8
Actuarial gains and losses arising from changes in demographic assumptions	(37.2)	56.9
Actuarial gains and losses arising from experience adjustments	(97.1)	27.6
Benefits paid	141.5	153.8
At 31 March	(3,082.9)	(3,371.1)

The average duration of the scheme's liabilities at the end of the year is 15.4 years (2024: 16.9 years). The present value of the defined benefit obligation can be analysed by member group as follows:

	2025 £m	2024 £m
Active members	993.4	1,137.7
Deferred members	252.6	305.7
Pensioners	1,836.9	1,927.7
	3,082.9	3,371.1

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21. Retirement benefit scheme (continued)

Movements in the fair value of scheme assets during the year were as follows:

	2025 £m	2024 £m
At 1 April	3,384.6	3,544.7
Interest income on scheme assets	165.5	169.8
Return on plan assets (excluding amounts included in net interest expense)	(467.4)	(315.0)
Contributions from sponsoring company	112.1	141.1
Benefits paid	(141.5)	(153.8)
Administrative expenses	(2.8)	(2.2)
At 31 March	3,050.5	3,384.6

The major categories of scheme assets were as follows:

	2025 £m	2024 £m
Cash and cash equivalents	235.0	85.3
Equity instruments		
- Emerging markets	75.7	172.7
- Global	692.0	639.7
	767.7	812.4
Bonds		
- Fixed income	488.6	664.8
- Index-linked gilts over 5 years	951.6	1,225.0
	1,440.2	1,889.8
Other investments		
- Property	100.2	123.0
- Hedge funds	263.3	239.4
- Private equity funds	120.7	130.7
- Other	122.5	102.1
	606.7	595.2
Derivatives		
- Futures contracts	0.9	1.9
	3,050.5	3,384.6

The scheme assets do not include any investments in the equity or debt instruments of NATS group companies or any property or other assets used by the group.

Scheme assets of £3,050.5m (2024: £3,384.6m) include equity and debt instruments of £147.2m (2024: £138.8m) with quoted prices in active markets. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of the assets consist of equities, bonds and cash, although the scheme also invests in property and investment (private equity and hedge) funds which are generally illiquid, unquoted assets and trade on a less regular basis. Investments that do not have a quoted market price in an active market, totalling £2,903.3m (2024: £3,245.8m), are measured using their most recent net asset valuations adjusted for cash movements between the latest valuation date and 31 March 2025. Where appropriate, management also take into account movements in external quoted benchmarks in order to determine whether a risk adjustment is required in determining fair value as at 31 March 2025.

NATS and Trustees implemented a liability driven investment (LDI) programme in 2012 in order to hedge the impact of changes in inflation and interest rates on the value of the scheme's obligations, which are sensitive to inflation and movements in yields in the gilt market.

As a result of discussions between NATS and the Trustee the amount of interest rate and inflation hedging has increased over time, starting out at 25% in 2012 with subsequent increases to 50% in 2014 and to 65% in 2018, as measured on the Trustee funding basis. In March 2020, NATS and the Trustee agreed a further increase in the level of inflation and interest rate hedging to 75%, as measured on a long-term funding target basis of gilts + 0.5% p.a and the trades needed to achieve this were carried out between May and August 2020. Swap transactions are executed with carefully scrutinised banks and collateral is provided in the form of index-linked gilts to protect against the unlikely event of default by a counterparty bank.

During 2018, NATS and the Trustees also agreed changes to the asset allocation to make the portfolio more efficient by reducing the overall level of risk whilst continuing to support the valuation assumptions agreed for the 2017 funding valuation and therefore having no impact on the level of contributions payable. This included a reduction in the allocation to equities in favour of a more diversified portfolio with a higher allocation to liquid debts.

Following the LDI events in late 2022, towards the end of 2022 NATS and the Trustees agreed to adjust the level of collateral within the LDI portfolio such that the portfolio could withstand a 3% rise in real interest rates. In addition, the growth portfolio was restructured to include 7-10% of Scheme assets in liquidity funds that would provide an additional collateral margin for the LDI portfolio.

Derivative instruments are used by investment managers to reduce risk or gain exposure to investment classes without the requirement to hold the underlying investment. Trustees monitor derivative positions to ensure that, when combined with the underlying physical position, the aggregate falls within specified investment guidelines.

The actual return on scheme assets for the year ended 31 March 2025 was a loss of £301.9m (2024: £145.2m).

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21. Retirement benefit scheme (continued)

b) The pension costs of the staff who work directly for NATS Limited were:

Amounts recognised in income, in the staff costs line item, in respect of the defined benefit scheme (and reported in these accounts) are as follows:

	2025 £m	2024 £m
Current service cost	(0.3)	(0.3)
Net interest credit	-	0.1
Administrative expenses	(0.1)	(0.1)
Components of defined benefit costs recognised within operating profit	(0.4)	(0.3)

Remeasurements recorded in the statement of comprehensive income are as follows:

	2025 £m	2024 £m
Return on plan assets (excluding amounts included in net interest expense)	(15.5)	(6.5)
Actuarial gains and losses arising from changes in financial assumptions	18.5	1.8
Actuarial gains and losses arising from changes in demographic assumptions	(1.4)	1.3
Actuarial gains and losses arising from experience adjustments	(3.7)	0.6
	(2.1)	(2.8)

The amount included in the balance sheet arising from the company's obligations in respect of its defined benefit scheme is as follows:

	2025 £m	2024 £m
Present value of defined benefit obligations	(125.2)	(137.4)
Fair value of scheme assets	123.9	137.9
(Deficit)/surplus in scheme	(1.3)	0.5

Movements in the present value of the defined benefit obligations were as follows:

	2025 £m	2024 £m
At 1 April	(137.4)	(140.5)
Current service cost	(0.3)	(0.3)
Interest expense on defined benefit scheme obligations	(6.6)	(6.6)
Actuarial gains and losses arising from changes in financial assumptions	18.5	1.8
Actuarial gains and losses arising from changes in demographic assumptions	(1.4)	1.3
Actuarial gains and losses arising from experience adjustments	(3.7)	0.6
Benefits paid	5.7	6.3
At 31 March	(125.2)	(137.4)

The average duration of the scheme's liabilities at the end of the year is 15.4 years (2024: 16.9 years). The present value of the defined benefit obligation can be analysed by member group as follows:

	2025 £m	2024 £m
Active members	10.8	12.6
Deferred members	19.4	25.0
Pensioners	95.0	99.8
	125.2	137.4

Movements in the fair value of scheme assets during the year were as follows:

	2025 £m	2024 £m
At 1 April	137.9	143.2
Interest income on scheme assets	6.6	6.7
Return on plan assets (excluding amounts included in net interest expense)	(15.5)	(6.5)
Contributions from company	0.7	0.9
Benefits paid	(5.7)	(6.3)
Administrative expenses	(0.1)	(0.1)
At 31 March	123.9	137.9

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21. Retirement benefit scheme (continued)

The company's share of the major categories of scheme assets were as follows:

	2025 £m	2024 £m
Cash and cash equivalents	9.7	3.5
Equity instruments		
- Emerging markets	3.1	7.0
- Global	28.1	26.1
	31.2	33.1
Bonds		
- Fixed income	19.8	27.1
- Index-linked gilts over 5 years	38.6	49.9
	58.4	77.0
Other investments		
- Property	4.0	5.0
- Hedge funds	10.7	9.7
- Private equity funds	4.9	5.3
- Other	5.0	4.2
	24.6	24.2
Derivatives		
- Futures contracts	-	0.1
	123.9	137.9

The company's share of the actual return on scheme assets for the year ended 31 March 2025 was a loss of £8.9m (2024: £0.2m gain).

22. Related party transactions

The NATS group has four shareholders - the Crown, The Airline Group Limited (AG), LHR Airports Limited and the NATS Employee Sharetrust Limited.

AG is a consortium of British Airways plc, Deutsche Lufthansa AG, easyJet Airline Company Limited, the Pension Protection Fund, TUI Airways Limited, Virgin Atlantic Airways Limited and USS Sherwood Limited. AG has a 42% stake in NATS Holdings Limited. The directors of NATS Holdings Limited are satisfied that the seven members of AG have not exercised undue influence on the group either acting individually or in concert and therefore the individual transactions with each member of AG have not been disclosed in this set of accounts. All transactions occur on an arms-length basis.

The company did not have any transactions with the shareholders of NATS Holdings Limited.

Transactions with other companies in the NATS group are described in note 4 and amounts due from and to other companies in the NATS group are described in notes 12 and 14.

Remuneration of key management personnel

The remuneration of key management personnel of the company is set out below in aggregate for each of the categories specified in IAS 24: *Related Party Disclosures*. Key management includes the Board of directors of the company and the group's principal subsidiaries and their executive management teams.

	2025 £m	2024 £m
Short term employee benefits	11.4	10.6
Post-employment benefits	0.6	0.4
Termination benefits	0.9	0.1
Share scheme costs	-	0.1
	12.9	11.2

The remuneration of key management personnel incurred directly by NATS Limited was £1.5m (2024: £1.4m).

Directors' remuneration

None of the directors receive any fees or salaries in respect of their services as directors of the company. Details of directors remuneration is provided in the annual report and accounts of NATS Holdings Limited.

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23. Subsidiaries, joint ventures and associates

Name of company	Principal activity	Proportion of ordinary shares and voting rights held	Country of registration	Country of operation
Direct holding:				
NATS (En Route) plc*	En route air traffic	100%	England and Wales	United Kingdom
NATS (Services) Limited*	Airport air traffic services	100%	England and Wales	United Kingdom
Indirect holding:				
NATS Solutions Limited*	Airport and airfield air traffic services	100%	England and Wales	United Kingdom
NATSNav Limited*	Satellite based navigation	100%	England and Wales	United Kingdom
National Air Traffic Services Limited*	Dormant	100%	England and Wales	United Kingdom
NATS Services (Asia Pacific) Pte. Limited *51 Changi Business Park, Central 2, #04-06, The Signature, Singapore 486066*	Airport and ATM consultancy	100%	Singapore	Singapore
NATS (Services) Canada Inc *100 King Street West, Suite 6200, 1 First Canadian Place, Toronto, Ontario, M5X 1B8, Canada*	Digital airport air traffic services	100%	Canada	Canada
NATS Services DMCC *Suite 2206, Mazaya AA1 Building, Mazaya Business Avenue, Jumeirah Lake Tower, Dubai, United Arab Emirates PO Box 392497*	ATM consultancy	100%	UAE	UAE
NATS Services (Hong Kong) Limited *31F Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong*	Airport and ATM consultancy	100%	Hong Kong	Hong Kong
NATS Services (India) LLP** *501 & 502, 5th Floor, Eros Corporate Tower, Nehru Place, New Delhi 110019, India*	Airport and ATM consultancy	100%	India	India
NATS Services LLC (in liquidation) *PO Box 533, Ruwi, PC 112, Muscat, Sultanate of Oman*	ATM consultancy	70%	Oman	Oman
NATS (USA) Inc. *The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware, United States*	Engineering and ATM consultancy	100%	USA	USA
Searidge Technologies Inc *19 Camelot Drive, Nepean, Ontario, K2G 5W6, Canada*	Digital airport air traffic services	100%	Canada	Canada
Aquila Air Traffic Management Services Limited *350 Longwater Avenue, Green Park, Reading, Berkshire, RG2 6GF, United Kingdom*	Asset provision and ATM services to UK MOD	50%	England and Wales	United Kingdom
European Satellite Services Provider SAS *18, Avenue Edouard Belin - BPI 602, 31 401 Toulouse Cedex 9, France*	Satellite based navigation	17%	France	France

* The registered office address is 4000 Parkway, Whiteley, Fareham, Hampshire, PO15 7FL, United Kingdom.
** NATS Services (India) LLP is a limited liability partnership, controlled and owned within the group.

Movement in the carrying value of subsidiaries

The company holds investments directly in NATS (En Route) plc (NERL) and NATS (Services) Limited.

	NATS (En Route) plc £m	NATS (Services) Limited £m	Total £m
Carrying value			
At 1 April 2023	215.9	28.7	244.6
Additional investment in NATS (Services) Limited	-	1.9	1.9
At 31 March 2024 and 31 March 2025	215.9	30.6	246.5

The company purchased 1,900,000 ordinary shares issued by NATS (Services) Limited at par value on 1 November 2023. The proportion of ordinary shares and voting rights held by the company in NATS (Services) Limited remains 100%.

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24. Parent undertaking

The company's ultimate parent undertaking is NATS Holdings Limited, a private company incorporated in Great Britain and registered in England and Wales.

There is no ultimate controlling party of NATS Holdings Limited. Under the shareholders' agreement, The Airline Group Limited and the Crown have similar reserve rights in respect of material decisions affecting the company.

The largest and smallest group in which the results of the company are consolidated is that of which NATS Holdings Limited is the parent company. The consolidated accounts of NATS Holdings Limited can be obtained from the company's secretary, at its registered office, 4000 Parkway, Whiteley, Fareham, Hampshire, PO15 7FL.