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NATSNav Limited

Annual Report and Accounts
Year ended 31 March 2025

Company Number: 04164590

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

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.

Business model and principal activities

The company is a holding company with a 16.67% shareholding in European Satellite Services Provider SAS (ESSP), a French private limited company. It also provides services to ESSP. The objective of ESSP is to continue to be the certified service provider for the European Geostationary Navigation Overlay Service (EGNOS), the European satellite-based augmentation to the global positioning system for aviation under the Single European Sky regulations. The directors are satisfied that the carrying value of the company's investment in ESSP is appropriate.

In July 2022 the ESSP entered into a new service provision contract with the European Union Agency for the Space Programme (EUSPA). The contract continues to June 2032. NATSNav provides satellite monitoring infrastructure services to ESSP. The company has no employees.

A full description of the NATS group's principal activities and business review is contained in the accounts of NATS Holdings Limited.

Going concern and subsequent events

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

Results and dividends

The results for the year are shown in the statement of comprehensive income on page 7. The Board recommends no final dividend for the year (2024: £nil).

Directors and their interests

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

Guy Adams (retired 31 March 2025)

Alistair Borthwick

Martin Rolfe

None of the directors had any interests in the share capital of the company. Interests of the directors in the ordinary shares of the company's ultimate 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' liabilities and 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.

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

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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:

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

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

The Directors' report has been prepared in accordance with the special provisions relating to small companies within s415a of the Companies Act 2006 and the small companies exemption from preparing a Strategic report within s414b of the Companies Act 2006 has been taken.

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 annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the

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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: 04164590

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATSNav Limited

Opinion

We have audited the financial statements of NATSNav Limited for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 16, 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 and IFRSs issued by the International Accounting Standards Board (IASB).

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 IFRSs issued by the International Accounting Standards Board (IASB) 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, 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.

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 the 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.

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.

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.

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Other information (continued)

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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

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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 UK adopted international accounting standards, IFRSs issued by the International Accounting Standards Board (IASB), the Companies Act 2006 and the relevant direct and indirect tax compliance regulations in the United Kingdom.
- We understood how NATSNav Limited is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of Board minutes.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management 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 them. Our response to the risk of Management override included testing higher risk journal entries 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, enquiries with legal counsel and management, as well as performing journal entry testing, with a focus on 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.

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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Ryan Squires (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton

Date: 26 June 2025

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Statement of comprehensive income

for the year ended 31 March

	Notes	2025 £	2024 £
Revenue	5	86,606	76,499
Operating costs			
Other operating charges - external charges		(36,916)	(35,200)
Other operating charges - fellow subsidiary		(86,606)	(76,499)
	4	(123,522)	(111,699)
Operating loss		(36,916)	(35,200)
Investment income	6	575,929	513,686
Profit before tax		539,013	478,486
Tax	7	-	-
Profit for the year		539,013	478,486
Other comprehensive income for the year		-	-
Total comprehensive income for the year		539,013	478,486

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Balance sheet

at 31 March

	Notes	2025 £	2024 £
Non-current assets			
Investments	14	134,548	134,548
		134,548	134,548
Current assets			
Trade and other receivables	8	24,881	24,615
Cash and cash equivalents	13	2,232,775	1,696,176
		2,257,656	1,720,791
Total assets		2,392,204	1,855,339
Current liabilities			
Trade and other payables	9	(24,576)	(26,724)
		(24,576)	(26,724)
Net current assets		2,233,080	1,694,067
Total liabilities		(24,576)	(26,724)
Net assets		2,367,628	1,828,615
Equity			
Called up share capital	10	1	1
Retained earnings		2,367,627	1,828,614
Total equity		2,367,628	1,828,615

The financial statements (Company No. 04164590) were approved by the Board of directors and authorised for issue on 26 June 2025 and signed on their 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

	Share capital £	Retained earnings £	Total £
At 1 April 2023	1	1,350,128	1,350,129
Profit for the year	-	478,486	478,486
At 31 March 2024	1	1,828,614	1,828,615
At 1 April 2024	1	1,828,614	1,828,615
Profit for the year	-	539,013	539,013
At 31 March 2025	1	2,367,627	2,367,628

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Cash flow statement

for the year ended 31 March

	Notes	2025 £	2024 £
Cash outflow from operations	11	(39,330)	(135,607)
Tax paid		-	(1,966)
Net cash used by operating activities		(39,330)	(137,573)
Cash flows from investing activities			
Interest received		14,936	12,445
Dividends received from investments		560,993	501,241
Net cash inflow from investing activities		575,929	513,686
Increase in cash and cash equivalents during the year		536,599	376,113
Cash and cash equivalents at 1 April		1,696,176	1,320,063
Cash and cash equivalents at 31 March		2,232,775	1,696,176

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1. General information

NATSNav 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 3. The nature of the company's operations and its principal activities are set out in the Report of the directors.

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 on the going concern basis, as explained in note 3, and 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).
- 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.
- 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 company is currently assessing the impact of the new accounting amendments, which are not expected to have a material impact on the 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. Revenue excludes amounts collected on behalf of third parties.

Revenue from services provided to ESSP

Revenue from services provided to ESSP has a consistent pattern of delivery over the life of the contract. Revenue for these services is recognised over time.

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Income from other sources

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

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

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the NATS Executive team, who is considered to be the chief operating decision maker. An operating segment is a component of NATSNav 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.

The operations of the company all take place within one operating segment and as such there is no segmental information presented in the notes to the financial statements.

Operating profit

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

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.

Taxation

The tax expense represents the sum of the tax currently payable 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.

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Investments

The investment is accounted for as an associate at cost with an annual review for impairment. The company does not prepare consolidated financial statements. The associate is equity accounted within the accounts of NATS Holdings Limited, the ultimate parent company accounts.

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 8, 9 and 13.

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

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 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 3 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.

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.

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3. Critical judgements and key sources of estimation uncertainty

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 Report of the directors. 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 cash balances of £2,232,775 and net current assets of £2,233,080 at the balance sheet date. The directors have formed a judgement that taking into account the financial resources available to the company, it has adequate resources to continue to operate for a period of at least twelve months from the date of approval of the financial statements which, for going concern purposes the directors consider to be to 30 June 2026, 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. Operating costs

a. Directors' remuneration

The Report of the directors on page 1 includes details of the directors of the company. None of these directors received any fees in the year or in the prior year for their services as directors of this company.

b. Staff costs

The company has no employees.

c. Auditor's remuneration

The auditor's remuneration is borne by another group company. Fees payable to the company's auditor and their associates for 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.

d. Other operating external charges

Other operating external charges of £36,916 relates to £36,313 of foreign exchange (2024: £34,597) and £603 of bank charges (2024: £603).

e. Other operating income

Other operating income is £nil (2024: £nil).

5. Revenue

Revenue of £86,606 (2024: £76,499) is recognised over time, for satellite monitoring infrastructure services provided to the European Satellite Services Provider SAS (ESSP). ESSP is based in France.

6. Investment income

	2025 £	2024 £
Interest receivable	14,936	12,445
Dividends from investments	560,993	501,241
	575,929	513,686

7. Tax

	2025 £	2024 £
Corporation tax		
Current tax	-	-
Deferred tax		
Origination and reversal of temporary timing differences	-	-
	-	-

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

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7. Tax (continued)

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

	2025 £	2024 £
Profit on ordinary activities before tax	539,013	478,486
Tax on profit on ordinary activities at standard rate in the UK of 25% (2024: 25%)	134,753	119,622
Dividend income	(140,248)	(125,310)
Group relief surrender	5,495	5,688
Total tax charge for the year	-	-

Detailed reconciliation of the current tax charge

	2025 £	2024 £
Profit on ordinary activities before tax	539,013	478,486
Tax on profit on ordinary activities at standard rate in the UK of 25% (2024: 25%)	134,753	119,622
Dividend income	(140,248)	(125,310)
Group relief surrender	5,495	5,688
Current tax charge for the year	-	-

8. Financial and other assets

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

	2025 £	2024 £
Trade and other receivables		
Receivable from customers (gross)	20,785	20,605
Other debtors	4,096	4,010
	24,881	24,615

The company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. In order to measure the expected credit losses, the credit risk characteristics of trade receivables have been considered and a matrix based on the days past due used to summarise historic loss patterns. Receivables in respect of customers are provided for where there is an identified loss event, such as administration, receivership or liquidation or where there is evidence of a reduction in the recoverability of the cash flows.

At 31 March 2025, the lifetime expected loss provision for trade receivables is £nil (2024: £nil).

All balances are non-interest bearing.

Receivables from customers is fully attributable to NATSNav's single customer, European Satellite Services Provider SAS.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

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8. Financial and other assets (continued)

Cash and cash equivalents

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

Overall, the maximum credit risk for the items discussed above (excluding recoverable VAT) would be £2,253,560 (2024: £1,716,781).

9. Financial and other liabilities

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

	2025	2024
	£	£
Trade and other payables		
Amounts due to parent company	517	4,473
Amounts due to other group undertakings (NATS (En Route) plc)	24,059	22,251
	24,576	26,724

NATSNav's fellow subsidiaries of NATS Limited, NATS (En Route) plc and the parent company, NATS (Services) Limited provide services to NATSNav to fulfil the obligations against the EGNOS contract with European Satellite Services Provider SAS.

10. Called up share capital

	2025	2024
	£	£
Authorised		
1 ordinary share of £1	1	1
Called up and allotted		
1 ordinary share of £1	1	1

11. Notes to the cash flow statement

	2025	2024
	£	£
Operating loss from continuing operations	(36,916)	(35,200)
Increase in trade and other receivables	(266)	(7,255)
Decrease in trade and other payables	-	(117)
Decrease in amounts due to other group companies	(2,148)	(93,035)
Cash outflow from operations	(39,330)	(135,607)

12. Related party transactions

During the year or in the prior year there were no material transactions or amounts owed or arising with any of the directors or members of their close family. Transactions with other group undertakings are described in note 9 above. Transactions with European Satellite Services Provider SAS are disclosed within note 5 and note 8 above.

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

Categories of financial instruments

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

	2025	2024
	£	£
Financial assets at amortised cost		
Trade and other receivables, excluding VAT	20,785	20,605
Cash and cash equivalents	2,232,775	1,696,176
	2,253,560	1,716,781
Financial liabilities at amortised cost		
Trade and other payables	(24,576)	(26,724)

Trade and other receivables excludes VAT of £4,096 (2024: £4,010). Financial liabilities at amortised cost includes amounts owed to group undertakings.

Financial risk management objectives

The NATS group's 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 company. The function has clear policies and operating parameters. The Treasury Committee provides oversight and meets at least 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 risk arising from NATSNav's activities include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Interest rate risk management

The company had no debt at 31 March 2025 (2024: £nil). However, the company maintains cash deposits.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on cash deposits. The analysis is prepared assuming the amount of cash deposits at the balance sheet date were in place for the whole year. A 1% increase or decrease is considered to represent a 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	2024 Impact
	£	£
Cash and cash equivalents (2025: £2,232,775, 2024: £1,696,176)	22,328	16,962

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13. Financial instruments (continued)

Foreign currency risk management

The company's principal exposure to foreign currency transaction risk is in relation to its transactions with European Satellite Services Provider SAS (ESSP). The company earned revenue from ESSP in euros and maintains a euro denominated bank account. The carrying amount of the company's foreign currency denominated monetary assets and liabilities at 31 March was as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	£	£	£	£
Euro	2,139,215	1,619,069	-	-

Foreign currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase or decrease in the value of sterling against the euro. 10% is the sensitivity rate that represents the reasonably possible change in the sterling euro exchange rate in a financial year. The sensitivity analysis includes all euro cash balances, trade receivables and trade payables and adjusts their translation at the period end for a 10% strengthening of sterling. A positive number below indicates an increase in profit and equity and a negative number a reduction in profit and equity. There would be an equal and opposite impact on profit and equity if sterling devalues by 10% against the euro.

	2025 Impact	2024 Impact
	£	£
Euro	(213,922)	(161,907)

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 customers on settlement of trade receivables and from the risk of a failure of a financial institution in which funds are invested for return or held for trading purposes. The risk of loss from default by the customer is mitigated through comprehensive credit checks and credit control procedures being enforced. 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.

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):

Rating (Standard & Poor's)	Number of institutions	2025 £	By credit rating %	Number of institutions	2024 £	By credit rating %
A+	1	2,232,775	100	1	1,696,176	100
		2,232,775	100		1,696,176	100

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. The company has no borrowing facilities.

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13. Financial instruments (continued)

Maturity of 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.

	2025 Other liabilities £	2024 Other liabilities £
Due within one year or less or on demand	24,576	26,724

Fair value 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 their fair values.

14. Investments

	2025 £	2024 £
Investment in European Satellite Services Provider SAS	134,548	134,548

During the year ended 31 March 2009 the company acquired a 16.67% shareholding in European Satellite Services Provider SAS, a French private limited company.

15. Parent undertaking

The company's immediate parent undertaking is NATS (Services) Limited and the ultimate parent undertaking is NATS Holdings Limited. Both are private companies 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 into which the accounts of the company are consolidated is that of NATS Holdings Limited. 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.

16. Events after the reporting period

There were no events after the report period.