Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

NATS Solutions Limited

Annual Report and Accounts
Year ended 31 March 2026

Company Number: 09150697

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

Report of the directors

The directors present their report, together with the financial statements and auditor's report, for the year ended 31 March 2026.

Business model and principal activities

The company is a wholly owned subsidiary of NATS (Services) Limited (NATS Services), which is a wholly owned subsidiary within the NATS group of companies. The NATS group provides air traffic control services through two principal operating subsidiaries: NATS (En Route) plc and NATS Services.

The company acts as employer and incurs staff expenses, and other costs, on behalf of NATS Services which it recharges through an Inter-company Agreement (ICA).

NATS Services is 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.

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

Going concern

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

Results and dividends

The company's performance for the year is shown in the statement of comprehensive income on page 7 and reflects the results of the company under the ICA explained above. The company reported an operating profit of £nil (2025: £nil). The Board recommends that no dividend be paid.

Directors

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

Alistair Borthwick (resigned 31/12/2025)

Gary Franklin (appointed 01/01/2026)

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 has, or has had, a material interest in any contract of significance in relation to the company's business.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law 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:

- 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.

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

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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.

Auditor

At the meeting to approve the financial statements, the Board resolved to re-appoint EY LLP for the year ending 31 March 2027.

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



Richard Churchill-Coleman
Secretary
25 June 2026

Registered office

4000 Parkway, Whiteley, Fareham, Hampshire, PO15 7FL

Registered in England and Wales

Company Number: 09150697

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATS Solutions Limited

Opinion

We have audited the financial statements of NATS Solutions Limited for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 19, 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 2026 and of its loss 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 2027.

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.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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 2 to 3, 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.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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 NATS Solutions 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. We also engaged EY forensics specialists to assist with journal entry testing.
- 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.

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.

Signed by:
Ryan M Squires
D787F914EC1A4B4...

Ryan Squires (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton
Date: 25 June 2026

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

Statement of comprehensive income

for the year ended 31 March

	Notes	2026 £	2025 £
Revenue	4	15,345,431	17,183,076
Staff costs	7(a)	(15,303,516)	(16,400,372)
Services and materials		(19)	(137)
Other operating charges		(41,896)	(782,567)
Net operating costs		(15,345,431)	(17,183,076)
Operating result	6	-	-
Result before tax		-	-
Tax	8	(5,977)	(165)
Loss for the year after tax		(5,977)	(165)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(5,977)	(165)

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

Balance sheet

at 31 March

	Notes	2026 £	2025 £
Non-current assets			
Deferred tax	14	-	459
Current assets			
Trade and other receivables	9	1,151,893	1,282,405
Total assets		1,151,893	1,282,864
Current liabilities			
Trade and other payables	11	(1,157,431)	(1,287,319)
Current tax liabilities		(2,200)	(624)
		(1,159,631)	(1,287,943)
Net current liabilities		(7,738)	(5,538)
Non-current liabilities			
Deferred tax	14	(3,318)	-
Total liabilities		(1,162,949)	(1,287,943)
Net liabilities		(11,056)	(5,079)
Equity			
Called up share capital	12	100	100
Deficit on retained earnings		(11,156)	(5,179)
Equity shareholder's deficit		(11,056)	(5,079)

The financial statements (Company No. 09150697) were approved by the Board of directors and authorised for issue on 25 June 2026 and signed on its behalf by:



Martin Rolfe
Chief Executive



Gary Franklin
Chief Financial Officer

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

Statement of changes in equity

for the year ended 31 March

	Share capital £	Deficit on retained earnings £	Total £
At 1 April 2024	100	(5,014)	(4,914)
Loss for the year	-	(165)	(165)
At 31 March 2025	100	(5,179)	(5,079)
At 1 April 2025	100	(5,179)	(5,079)
Loss for the year	-	(5,977)	(5,977)
At 31 March 2026	100	(11,156)	(11,056)

Cash flow statement

No cash flow statement has been presented for the year ended 31 March 2026 or for the prior year because the company does not have a bank account and its income and expenses have been settled by fellow subsidiary entities. A reconciliation of operating profit to net cash flow from operating activities is provided in note 13.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

1. General information

NATS Solutions 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 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 21 (amendments): *Lack of exchangeability* (effective on or after 1 January 2025) adds requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. The company does not undertake transactions in jurisdictions affected by this amendment.

Future accounting developments

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

- IFRS 9 and IFRS 7 (amendments): *Amendments to the Classification and Measurement of Financial Instruments* (effective on or after 1 January 2026).
- IFRS 9 and IFRS 7 (amendments): Contracts Referencing Nature-dependent Electricity (effective on or after 1 January 2026).
- IFRS 18: *Presentation and Disclosures in Financial Statements* (effective on or after 1 January 2027).
- IFRS 19: *Subsidiaries without Public Accountability: Disclosures* (effective on or after 1 January 2027).
- IFRS 20: *Regulatory Assets and Regulatory Liabilities* (effective on or after 1 January 2029).

IFRS 18 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 IAS 1 unchanged. In addition, there are three 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 will have an impact on presenting information in the financial statements, in particular the income statement and to a lesser extent the cash flow statement.

The company has prepared a transition plan and is on track to report its first IFRS 18 compliant annual financial statements.

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.

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 represents a component of NATS Solutions 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.

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 result

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

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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 is recognised over time in accordance with the Inter-company Agreement.

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.

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 company provides a defined contribution scheme to all qualifying employees. The assets of the scheme are held in a separate trustee administered fund. Contributions are expensed as incurred.

The company also participates in a multi-employer defined benefit scheme, which is accounted for as a defined contribution scheme as explained in note 16.

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 9, 10 and 11.

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

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

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.

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.

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 10 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 has formal arrangements with NATS Services on the recovery of costs. As a result, the directors believe that the company is well placed to manage its business risks successfully despite the uncertain current economic outlook.

The company has received notification from its parent company that it is willing to continue to provide ongoing financial support to enable the company to trade and meet all liabilities known or reasonably foreseeable as at 31 March 2026 as they fall due, which the directors have modelled for going concern purposes to 30 June 2027, being not less than 12 months from the date of approval of the financial statements. As a result, the directors believe that the company is well placed to manage its business risks successfully.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

4. Revenue

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

	2026 £	2025 £
Services provided to NATS (Services) Limited	15,345,431	17,183,076

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

5. Operating segments

The company is organised into one business area. Its principal activity is to act as employer and incurs staff expenses and other costs, on behalf of its parent company, NATS (Services) Limited.

The provision of these services is governed by an Inter-company Agreement (ICA). In accordance with the ICA, NATS (Services) Limited pays fees to NATS Solutions Limited for the provision of the company's services.

Geographical segments

The company's sole customer, NATS (Services) Limited is located in the UK and all company assets are also located within the UK.

6. Operating result for the year

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

	2026 £	2025 £
Auditor's remuneration for audit services (see below)	20,000	22,000

The auditor's remuneration is borne by another group company. Fees payable to the company's auditor for audit services to the company for the year ended 31 March 2026 are £20,000 (2025: £22,000).

7. Staff costs

a) Staff costs

	2026 £	2025 £
Salaries and staff costs, were as follows:		
Wages and salaries	11,411,162	12,414,304
Employee share scheme (credits)/costs (note 15)	(28,800)	35,236
Social security costs	1,570,508	1,463,760
Pension costs (note 7b)	2,350,646	2,487,072
	15,303,516	16,400,372

Wages and salaries includes other allowances and holiday pay.

The employee share scheme credits arose due to staff transferred to another group company in the year and the release of the associated accruals.

Staff pension contributions are included within these pension scheme costs as the company operates a salary sacrifice arrangement. Wages and salaries have been shown net of staff pension contributions.

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.

b) Pension costs (see note 16)

	2026 £	2025 £
Defined benefit scheme	90,042	79,809
Defined contribution scheme	2,260,604	2,407,263
	2,350,646	2,487,072

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

7. Staff costs (continued)

c) Staff numbers

The monthly average number of employees was:	2026 No.	2025 No.
Air traffic controllers	79	91
Air traffic service assistants	39	41
Engineers	11	10
Others	8	10
	137	152

8. Tax

	2026 £	2025 £
Corporation tax		
Current tax	2,200	624
Deferred tax (note 14)		
Origination and reversal of temporary timing differences	3,777	(459)
Tax charge on result on ordinary activities	5,977	165

Corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit for the year.

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

	2026 £	2025 £
Result before tax	-	-
Tax on result at standard rate in the UK of 25% (2025: 25%)	-	-
Employee share scheme: timing differences over vesting period of shares[1]	4,180	8,809
Employee share scheme: impact of changes in the share price[2]	2,928	-
Employee share scheme: impact of new shares issued	(30,166)	(8,644)
Employee share scheme: staff transfers between group companies	29,035	-
Tax charge for the year	5,977	165

Detailed reconciliation of the current tax charge

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

	2026 £	2025 £
Result before tax	-	-
Tax on result at standard rate in the UK of 25% (2025: 25%)	-	-
Employee share scheme: timing differences over vesting period of shares[1]	10,525	8,809
Employee share scheme: impact of changes in the share price[2]	2,928	-
Employee share scheme: impact of new shares issued	(30,166)	(33,510)
Employee share scheme: staff transfers between group companies	29,035	-
Other short term temporary differences	(10,122)	25,325
Current tax charge for year	2,200	624

[1] Under UK HMRC regulations, the cost of employee shares is deductible when shares are awarded to employees.

[2] Under UK HMRC regulations, costs (or credits) which arise from changes in the market value of employee shares are not deductible (or chargeable) for UK tax purposes.

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

9. Financial and other assets

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

Trade and other receivables

	2026	2025
	£	£
Current		
Other debtors	408	12,893
Intercompany receivables (including unpaid share capital of £100)	1,151,485	1,269,512
	1,151,893	1,282,405

The company's sole customer is its immediate parent company, NATS (Services) Limited. No allowance has been made for irrecoverable amounts on balances due from NATS (Services) Limited. The NATS group has procedures in place to mitigate against market and financial risk and its financial position is monitored to ensure that amounts due to the company are recoverable.

Overall, the maximum credit risk for the items discussed above (excluding VAT) is £1,151,509 (2025: £1,281,759).

10. Financial instruments

Capital risk management

The company manages its capital to meet its contractual obligations, provide returns to shareholders and ensure that it is able to continue as a going concern.

The capital structure of the company consists of access to parent company financial support and equity attributable to shareholders as disclosed in this note and the statement of changes in equity.

Categories of financial instrument

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

	2026	2025
	£	£
Financial assets at amortised cost		
Trade and other receivables, excluding VAT	1,151,509	1,281,759
Financial liabilities at amortised cost		
Trade and other payables	(842,414)	(869,406)

Trade and other receivables excludes VAT of £384 (2025: £646). Financial liabilities at amortised cost includes trade and other payables (excluding taxes and social security).

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

10. Financial instruments (continued)

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 risks arising from the company's activities include market risk, credit risk and liquidity risk. The company had no debt at 31 March 2026.

Market risk

The company is not exposed to interest rate risk on borrowings. It is also not exposed to currency risk as it does not undertake any transactions in foreign currencies.

Interest rate risk management

The company had no debt at 31 March 2026.

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 parent company 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 the parent company and the mitigations against this risk are explained in note 9. The company does not operate a bank account or hold funds or contracts with financial institutions.

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 relies on its parent company to provide liquidity to enable the company to meet its obligations as they fall due. The parent company manages liquidity by maintaining sufficient cash to fund working capital requirements and new business development opportunities in line with targets approved by the Board. The company had no borrowings at the balance sheet date.

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.

	2026 Other liabilities £	2025 Other liabilities £
Due within one year	(842,414)	(869,406)

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 their fair values.

11. Financial and other liabilities

Trade and other payables

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

	2026 £	2025 £
Current		
Other payables	10,847	9,801
Tax and social security	315,017	417,913
Intercompany amounts payable to NATS Limited	544,085	515,020
Accruals	287,482	344,585
	1,157,431	1,287,319

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

12. Share capital

	Authorised:		Called up and allotted:	
	Number of shares	£	Number of shares	£
At 31 March 2026 and 31 March 2025: Ordinary shares of £1 each	100	100	100	100

13. Notes to the cash flow statement

	2026 £	2025 £
Operating result from continuing operations	-	-
Operating cash flows before movements in working capital	-	-
Decrease/(increase) in trade and other receivables	129,888	(145,967)
(Decrease)/increase in trade, other payables and provisions	(129,888)	145,967
Cash generated from operations	-	-

14. 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.

	Employee Benefits £m
At 1 April 2024	-
Credit to income	459
At 31 March 2025	459
At 1 April 2025	459
Charge to income	(3,777)
At 31 March 2026	(3,318)

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

15. Share based payments

The company's parent 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. The plan was extended in the year to enable staff employed by the company to participate.

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 was:

	No. employee shares outstanding at 31 March 2026	No. employee shares outstanding at 31 March 2025
Date of share awards		
Partnership shares		
1 September 2024	9,837	20,752
1 September 2025	10,027	-
Matching shares		
1 September 2024	9,837	20,752
1 September 2025	10,027	-
	39,728	41,504
Dividend shares issued on 24 December 2024	788	1,910
Dividend shares issued on 23 April 2025	781	-
Dividend shares issued on 25 October 2025	1,253	-
Total employee shares in issue at 31 March	42,550	43,414

The movement in the number of employee shares outstanding is as follows:

	Movement in the no. of shares during the year ended 31 March 2026	Movement in the no. of shares during the year ended 31 March 2025
Balance at 1 April	43,414	-
Granted during the year	23,666	43,414
Forfeited during the year	(776)	-
Exercised during the year	(1,802)	-
Staff transfers between group companies	(21,952)	-
Balance at 31 March	42,550	43,414

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 2026 the price of an employee share was valued at £6.10 (2025: £6.05). The liability for the employee shares at 31 March 2026 was £6,437 (2025: £161,518). The liability comprises the number of shares in issue, at the current price, less cash held by the NATS Employee Sharetrust Limited and is included in amounts due to parent company. The income statement includes a credit of £28,800 (2025: £35,236 cost). Payments made to leavers and current employees for the shares they exercised during the year was £7,487 (2025: £nil).

Docusign Envelope ID: ABFDF439-606E-8807-8346-3294500DBED1

16. Retirement benefit scheme

a. Defined contribution scheme

The company provides a defined contribution scheme to all qualifying employees. 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. The scheme operates a number of contribution structures. For the year ended 31 March 2026 employer contributions of £1,159,976 (2025: £1,198,253), excluding salary sacrifice contributions of £1,100,628 (2025: £1,209,010), represented 12.0% of pensionable salaries (2025: 12.0%).

The defined contribution scheme had 133 members at 31 March 2026 (2025: 142).

b. Defined benefit scheme

In addition, the company participates as an admitted body in the Protected Civil Service Pension Scheme (PCSPS) section for five employees, which arose following the award of an airfield air traffic control contract. The PCSPS is a multi-employer defined benefit pension scheme for which there is insufficient information to allow defined benefit accounting to be applied. As a result, under IAS 19, the scheme is accounted for as a defined contribution scheme. NATS Solutions is required to pay contributions at a rate determined from time to time following a formal actuarial valuation of the scheme. The resulting contribution rate is not employer specific. The PCSPS is an unfunded scheme. Pension benefits are met by the public sector. Accordingly the company does not bear the risk of a deficit in the event that the scheme is wound up or on termination of the company's contract. The company expects to make employer contributions of c£82,000 during the next financial year, including employee salary sacrifice contributions of c£13,000 The company is an insignificant participant in the scheme which has in excess of 100,000 members.

17. Related party transactions

During the 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 companies in the NATS group are described in note 4 and amounts due to and from other companies in the NATS group are described in notes 9 and 11.

18. Parent undertaking

The company's immediate parent company 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 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.

19. Events after the reporting period

There were no events after the reporting period.