GNS Midco 1 Limited

Report and Financial Statements

31 December 2015

Directors

M Cauter (resigned 31st August 2015)
P Stanley (appointed 5th January 2015)
K Abernethy (appointed 1st September 2015)
M Robinson (resigned 2nd January 2015)
G Kirkwood (resigned 27th January 2015

Secretary

M Cauter (resigned 31st August 2015)

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Lloyds Bank
City Branch
Bailey Drive
Gillingham Business Park
Kent ME8 0LS

Solicitors

Travers Smith LLP
10 Snow Hill,
London EC1A 2AL

Registered Office

17 Elm Road
West Chirton
North Shields
Tyne & Wear NE29 8SE

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Principal activity and review of the business

The company's principal activity during the year continued to be to provide funding for a series of acquisitions in the Marine Navigation sector.

Loan notes which were issued to fund acquisitions are listed on the Channel Islands Securities exchange in Jersey.

Accrued loan note interest due to Phoenix Equity Partners Limited (the controlling party of the parent undertaking, Global Navigation Solutions Holdings Limited) was cancelled in 2014 to a value of £4,159,870. In 2015 there was no cancellation of interest hence there is a charge to the P&L for these same loan notes to a value of £4,452,984 in addition to other loan notes held by the company.

Management has reviewed the key performance indicators during the year and is satisfied with the results.

	2015	*2014*
	£	*£*
Interest payable on loan notes	(4,871,776)	(206,307)
Loss after taxation	(4,875,526)	(225,469)
Equity shareholder (deficit)/funds	(4,317,800)	549,583
Number of acquisitions in year	–	–

The future outlook is discussed in the Directors' Report.

Principal risks and uncertainties

The company's ability to repay the loan notes is dependent upon the cash generating companies within the group, therefore the risks the company faces are considered to be the same as that of the group.

The group has a policy in place to evaluate risks. The principle risks facing the group are broadly grouped as: competitive and financial risks which include price, credit, liquidity and cash flow risks.

Competitive risks

Competition from both national and international distributors and agents as well as the increasing digitalisation of the sector potentially gives the group risk.

Exposure to price, credit, liquidity and cash flow risk

Annual price increases from the manufacturer are normal in the business and will affect all distributors of the product. The group passes on the price increase to the customer as do all of its competitors.

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the company, as and when they fall due.

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by management.

The group monitors its liquidity risk and maintains a mixture of long-term and short-term debt finance that is designed to ensure that it has sufficient available funds for operations and planned expansions. It monitors its liquidity risk and maintains a level of cash and equivalents that is deemed adequate by the Board to finance the group's operations and to mitigate the effects of fluctuations in cash flows. As explained below the directors rely on the ongoing support of the parent.

Strategic report

Principal risks and uncertainties (continued)

Exposure to price, credit, liquidity and cash flow risk (continued)

The group aims to mitigate these risks by having in place risk management policies that identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Going concern

The company balance sheet shows net liabilities. The directors are relying on the ongoing support of the parent undertaking to meet its liabilities as they fall due. Accordingly the directors have prepared the financial statements on a going concern basis.

By order of the Board

Paul Stanley
Director
Date: 21/9/16

Registered No. 08226852

Directors' report

The directors present their report for the year ended 31 December 2015.

Results and dividends

The loss for the year after taxation amounted to £4,875,526 (2014 – loss of £225,469). The directors do not recommend a final dividend (2014 – £nil).

Future developments

As part of a group of companies whose parent undertaking is Global Navigation Solutions Holdings Limited, the company is part of the group structure to fund acquisitions in the marine services sector and hold loan notes for the investment in these acquisitions. The group will continue to look at investment opportunities together with organic growth and aims to deliver shareholder value within a period of 3-5 years.

Directors

The directors who served the company during the year were as follows:

M Cauter	(resigned 31st August 2015)
P Stanley	(appointed 5th January 2015)
K Abernethy	(appointed 1st September 2015)
M Robinson	(resigned 2nd January 2015)
G Kirkwood	(resigned 27th January 2015

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Matters included in the Strategic Report

Under section 414 of Companies Act 2006 all matters not disclosed in the Directors' Report have been included in the Strategic Report.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

Paul Stanley
Director
Date: 21/9/16

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'*. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent auditors' report

to the members of GNS Midco 1 Limited

We have audited the financial statements of GNS Midco 1 Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of GNS Midco 1 Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Ernst & Young LLP

Keith M Jess (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 30 September 2016

Profit and loss account

for the year ended 31 December 2015

	Notes	*2015* £	*2014* £
Administrative expenses		(3,750)	(19,162)
Operating loss	2	(3,750)	(19,162)
Interest payable and similar charges	4	(4,871,776)	(206,307)
Loss on ordinary activities before taxation		(4,875,526)	(225,469)
Tax charge	5	–	–
Loss for the financial year	12	(4,875,526)	(225,469)

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2015

There is no comprehensive income or loss other than the loss attributable to the shareholders of the company of £4,875,526 in the year ended 31 December 2015 (2014 – loss of £225,469).

Statement of changes in equity

for the year ended 31 December 2015

	Share capital	*Share premium*	*Profit and loss account*	*Total*
	£	£	£	£
At 1 January 2014	7,361	728,721	(4,186,500)	(3,450,418)
Capital contribution	–	–	4,225,470	4,225,470
Loss for the year	–	–	(225,469)	(225,469)
At 1 January 2015	7,361	728,721	(186,499)	549,583
Capital contribution	–	–	8,143	8,143
Loss for the year	–	–	(4,875,526)	(4,875,526)
At 31 December 2015	7,361	728,721	(5,053,882)	(4,317,800)

Share capital
Share capital represents the nominal value of shares that has been issued.

Share premium
Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

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

Registered number: 08226852

Balance sheet

at 31 December 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	6	736,082	736,082
Current assets			
Debtors	7	39,883,517	38,781,353
Current liabilities			
Creditors	8	(13,501)	(84,884)
Net current assets		39,870,016	38,696,469
Creditors: amounts falling due after more than one year	9	(44,923,898)	(38,882,968)
Net (liabilities)/assets		(4,317,800)	549,583
Capital and reserves			
Called up share capital	11	7,361	7,361
Share premium	13	728,721	728,721
Profit and loss account	12	(5,053,882)	(186,499)
Shareholders' (deficit)/funds		(4,317,800)	549,583

By order of the board,

Paul Stanley

Director

Date: 21/9/16

Notes to the financial statements

at 31 December 2015

1. Accounting policies

Statement of compliance

GNS Midco 1 Limited is a limited liability company incorporated in England & Wales. The Registered Office is 17 Elm Road, West Chirton, North Shields, Tyne & Wear, NE29 8SE.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 December 2015.

The company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 15.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The company balance sheet shows net liabilities. The directors are relying on the ongoing support of the parent undertaking to meet its liabilities as they fall due. Accordingly the directors have prepared the financial statements on a going concern basis.

Restatement of balance sheet

On transition to FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' on 1 January 2014 the 2014 comparatives have been restated accordingly.

Reduced disclosure framework

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

(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);

(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);

(c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraph 12.26; and

(d) Section 33 Related Party Disclosures paragraph 33.7.

The shareholders of the company have been notified in writing about, and do not object to, the use of the disclosure exemptions. The ultimate parent undertaking and controlling entity is Global Navigation Solutions Limited, a company incorporated in England & Wales, which is the parent undertaking of the largest group to consolidate these financial statements. Global Navigation Solutions Holdings group financial statements are available from the company's registered office, 17 Elm Road, West Chirton, North Shields, Tyne & Wear, NE29 8SE.

Consolidation exemption

The company has taken advantage of the exemption available under section 400 of Companies Act 2006 not to prepare group financial statements on the grounds that it is a wholly owned subsidiary and its parent undertaking produces a set of publically available group financial statements.

Interest payable on loans

Accrued loan note interest due to Phoenix Equity Partners Limited (the controlling party of the parent undertaking, Global Navigation Solutions Holdings Limited) was charged to the profit & loss for a value of £4,738,413. In 2014 this interest was cancelled to a value of £4,159,870.

Loan notes due to company management have an accrued interest due on them that is rolled over until the loan notes are repaid. In addition one director of the parent undertaking left the business and the loan note interest was cancelled. This has also been shown as an equity transaction.

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements.

The following are the group's key sources of estimation uncertainty:

Recoverability of amounts due from group undertakings

The Company has a receivable due from its subsidiary, GNS Midco 2, of £39.8m (2014: £38.8m) (note 7), arising from the pass down of externally obtained funding (note 9). The recoverability of this receivable is ultimately dependent on the trading performance of the Company's indirect subsidiaries. The Directors have considered cash flow forecasts of those indirect subsidiaries, which include estimates of future revenues and costs, including the effect of certain cost saving strategies, and determined that there is no objective evidence of impairment of the intercompany receivable.

Investments

The carrying value of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Impairment

Where there are indicators of impairment of individual assets, the Group performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolating purposes.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/ (asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2015

1. Accounting policies (continued)

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including intergroup receivables are recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including intergroup payables and preference shares are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.
Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.
Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2. Operating loss

	2015	*2014*
	£	*£*
Audit fee	3,750	3,750
Professional fees	–	15,412
	3,750	19,162

3. Directors' remuneration

During the year, no director received any remuneration from the company. The cost of time incurred by directors of the company is deemed negligible.

4. Interest payable and similar charges

	2015	*2014*
	£	*£*
Interest on loan notes	4,748,896	23,068
Interest on preference shares	122,880	183,239
	4,871,776	206,307

Notes to the financial statements

at 31 December 2015

5. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2015	2014
	£	£
Current tax:		
Total current tax	–	–
Deferred tax:		
Total deferred tax	–	–
Tax on loss on ordinary activities (note 5 (b))	–	–

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%). The differences are explained below:

	2015	2014
	£	£
Loss on ordinary activities before tax	(4,875,526)	(225,469)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	(987,294)	(48,476)
Effects of:		
Disallowed expenses	986,535	–
Group relief for no payment	–	46,439
Prior year adjustment	–	2,037
Losses not utilised	759	–
Total tax for the year (note 5(a))	–	–

HM Treasury have announced their intention for the main rate of corporation tax in the UK to decrease to 17% by 1 April 2020. As this decrease in rate is not enacted at the balance sheet date it has not been taken into account when calculating deferred tax.

Notes to the financial statements
at 31 December 2015

6. Investments

	Subsidiary undertakings £
Cost:	
At 1 January 2015 and at 31 December 2015	736,082
Impairment:	
At 1 January 2015 and 31 December 2015	–
Net book value:	
At 1 January 2015 and 31 December 2015	736,082

The company had the following investment in subsidiaries at the year end:

Name	*Country of incorporation*	*Class of shares held*	*Percentage held*	*Nature of business*
GNS Midco 2	England and Wales	Ordinary	100%	Intermediary parent undertaking
GNS Acquisitions Limited*	England and Wales	Ordinary	100%	Acquisitions
GNS Treasury Limited*	England and Wales	Ordinary	100%	Intermediary Parent undertaking
Global Navigation Solutions Limited (formerly known as DPM Europe Limited)*	England and Wales	Ordinary	100%	Marine Navigation)istributor
Lilley and Gillie Charts Limited*	England and Wales	Ordinary	100%	Marine Navigation Distributor
GNS 2015 Limited (formerly known as Global Navigation Solutions Limited)*	England and Wales	Ordinary	100%	Trading company
Thomas Gunn Navigation Services Limited*	Scotland	Ordinary	100%	Marine Navigation Distributor
TG Technologies Limited*	Scotland	Ordinary	51%	Marine Navigation Software
Global Navigation Solutions Gmbh (formerly known as Hansenautic Gmbh)*	Germany	Ordinary	100%	Marine Navigation Distributor
Global Navigation Solutions S.A*	Greece	Ordinary	100%	Marine Navigation Distributor
Global Navigation Solutions PTE Ltd	Singapore	Ordinary	100%	Marine Navigation Distributor
Maritech Training Limited *	Scotland	Ordinary	100%	Marine Navigation Distributor
TG Maritime Services Inc (Canada) *	Canada	Ordinary	50%	Marine Navigation Distributor

*Held by subsidiary undertakings

Notes to the financial statements

at 31 December 2015

7. Debtors

	2015	2014
	£	£
Amounts due from group undertakings	39,883,517	38,781,353

8. Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts due to affiliated companies	5,279	–
Other creditors	8,222	84,884
	13,501	84,884

9. Creditors: amounts falling due after more than one year

	2015	2014
	£	£
Loan notes – not wholly repayable within five years	38,991,259	37,818,791
Accrued interest on loan notes	4,779,063	33,481
Accrued interest on preference shares	306,119	183,239
Preference shares (see below)	847,457	847,457
	44,923,898	38,882,968

The loan notes have been issued by the controlling party and management to fund a series of acquisitions in the Marine Navigation sector. In 2014 the loan notes were listed on the Channel Islands Securities exchange in Jersey.

Interest is accrued at a rate and payable at the same time as the loan notes are repaid. The interest due to the controlling party of the parent undertaking for 2013 & 2014 was cancelled in 2014.

All liabilities are due for repayment on 31 December 2022.

Preference share capital

		2015		2014
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Redeemable cumulative preference shares of £1 each @12%	847,457	847,457	847,457	847,457

The redeemable cumulative preference shares accrue a fixed cumulative preferential dividend at an agreed annual percentage rate of the issue price. On a winding up the holders do not have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. Each preference share entitles the holder to one vote per share. The shares are not redeemable until such time as the company changes ownership.

Notes to the financial statements

at 31 December 2015

10. Financial instruments

The company's principle financial instruments comprise loan notes and preference shares. The main purpose of these financial instruments was to fund the initial acquisitions of GNS Acquisitions Limited.

Other financial instruments comprise amounts owed to and from other group undertakings and accruals. The man purpose of these financial instruments is to support the day to day operations of the company and to facilitate the servicing of debt.

An explanation of the company's main risks arising from financial instruments, and the related policies to manage these risks can be found in the Strategic Report.

The disclosures below exclude short term debtors and creditors.

Interest rate risk profile of financial liabilities

The interest rate profile of the financial liabilities, excluding issue costs of the company as at 31 December 2015 is as follows:

	Total	*Fixed rate*	*Floating rate*
	£	*£*	*£*
2015:			
Sterling	44,923,898	44,923,898	–
2014:			
Sterling	38,882,968	38,882,968	–

	Weighted average interest rate	*Weighted average period for which rate is fixed years*	*Weighted average period for liabilities on which no interest is charged years*
	%		
2015:			
Sterling	12.0	12.0	
2014:			
Sterling	12.0	12.0	–

The split of fixed and floating rate borrowings and the maturity profile of liabilities is in line with the directors' targets.

Interest rate risk profile of financial assets

The company has no long term financial assets.

Currency exposures

The company has no exposure to currency risks.

Notes to the financial statements

at 31 December 2015

10. Financial instruments (continued)

Undrawn committed borrowing facilities

The Company has various borrowing facilities available to it. The undrawn committed facilities available at the balance sheet date in respect of which all conditions precedent had been met at the date are as follows:

	2015	*2014*
	£	*£*
Expiring in one year or less	5,000,000	5,000,000
Expiring in more than 2 years but less than 5 years	–	–

Fair value of financial assets and liabilities

In the opinion of the directors the fair value of each category of the financial assets and liabilities does not materially differ from the book values. The company has not entered into any hedging arrangements.

11. Issued share capital

		2015		*2014*
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Ordinary shares of £1 each	7,361	7,361	7,361	7,361

12. Movements on reserves

	Profit and loss account
	£
At 1 January 2015	(186,499)
Loss for the year	(4,875,526)
Capital contribution	8,143
At 31 December 2015	(5,053,882)

13. Reconciliation of shareholders' funds

	Share capital	*Share premium*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*
At 1 January 2015	7,361	728,721	(186,499)	549,583
Loss for the year	–	–	(4,875,526)	(4,875,526)
Capital contribution	–	–	8,143	8,143
At 31 December 2015	7,361	728,721	(5,053,882)	(4,317,800)

Notes to the financial statements

at 31 December 2015

14. Related party transactions

As a wholly owned subsidiary of Global Navigation Solutions Holdings Limited, the company is exempt from the requirements of FRS 102 Section 33 *Related Party Disclosures* paragraph 33.11 to disclose transactions with other members of the group which are party to the transaction.

Directors are related parties of the company and hold the loan notes at the year end amounting to £79,177 (2014: £110,592). Accrued interest at the year end in relation to these loan notes at the year end amounted to £31,962 (2014: £21,480). The remaining balance of the loan notes are payable to Phoenix on 31 December 2022.

15. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2014. There is no impact from the transition to FRS 102.

There were no changes in accounting policies arising from the transition to FRS 102.

Transitional relief

On transition to FRS 102 from previous UK GAAP, there were no exemptions to be availed of that were applicable to the company.

The intercompany loans have been reclassified from long term to current liabilities as there are no specific repayment dates in the loan agreements.

16. Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Global Navigation Solutions Holdings Limited, a company incorporated in the United Kingdom. Copies of the financial statements of Global Navigation Solutions Holdings Limited can be obtained from 17 Elm Road, West Chirton, North Shields, Tyne & Wear, NE29 8SE.

The group is controlled by Phoenix Equity Partners Limited is a company incorporated in the United Kingdom. Copies of the financial statements of Phoenix Equity Partners Limited can be obtained from 25 Bedford Street, London, WC2E 9ES.