



Annual Report
and Financial Statements
2023



Air Navigation Services over Ireland and the North Atlantic

AirNav Ireland provides air traffic management services in 451,000 km² of Irish-controlled airspace and aeronautical communication services up to halfway across the North Atlantic. These services are crucial to the interface for air traffic between Europe and North America.

Mission Statement

AirNav Ireland is committed to providing safe, efficient, sustainable and cost-effective air navigation services and air traffic management in Irish-controlled airspace. We aim to be a world leader and leading innovator collaborating with our stakeholders to achieve advancements in safety, service provision and environmental performance.

Our Purpose

Safety is our absolute priority and underlines everything we do.

AirNav Ireland operates to the highest international safety standards set by:

- ▶ the International Civil Aviation Organisation (ICAO)
- ▶ the European Aviation Safety Agency (EASA)
- ▶ the European Civil Aviation Conference (ECAC)
- ▶ the Irish Aviation Authority (Competent Authority)
- ▶ the European Union (EU)
- ▶ EUROCONTROL

These guide AirNav Ireland in ensuring that Irish civil aviation operates to the most stringent safety standards.



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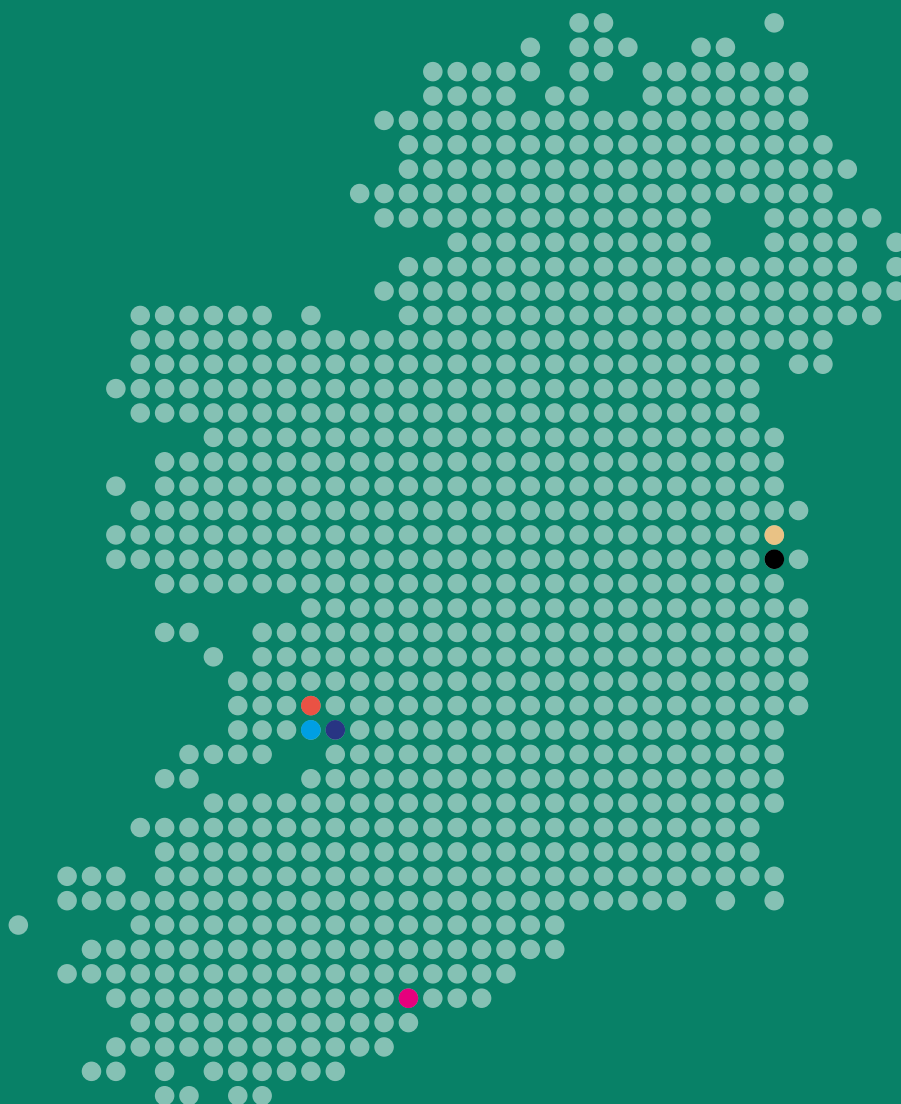
Visit us Online

Visit our website to find out more: www.airnav.ie or check our social channels [@airnavireland](https://twitter.com/airnavireland)

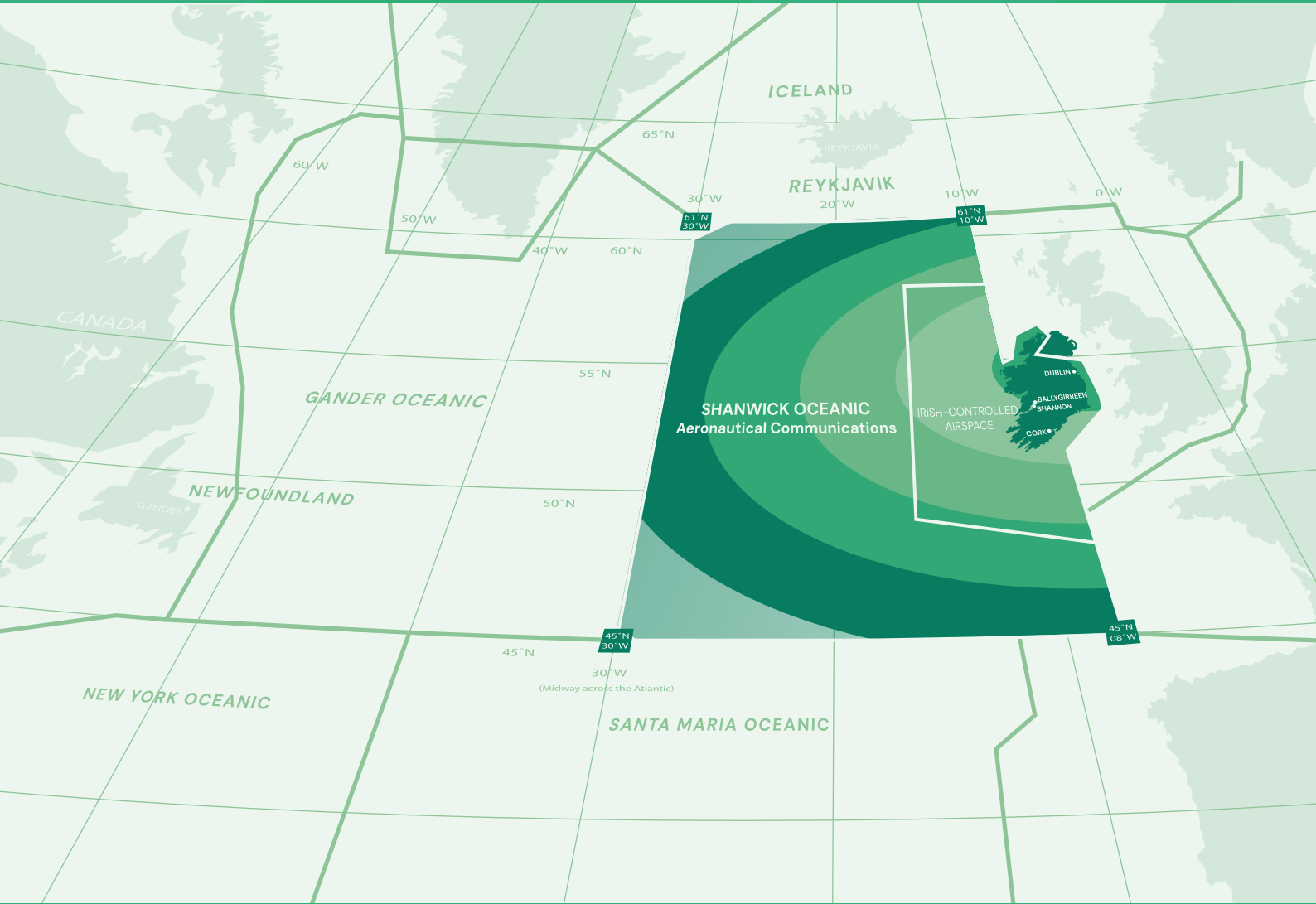
Our Locations

AirNav Ireland operates from the following locations:

- **Corporate Headquarters,**
Dublin 2
- **Dublin Air Traffic Control Centre,**
Dublin Airport
- **Shannon Air Traffic Control Tower,**
Shannon Airport
- **Cork Air Traffic Control Tower,**
Cork Airport
- **Shannon En Route Centre,**
Ballycasey, Co. Clare
- **North Atlantic Communications Centre,**
Ballygirreen, Co. Clare



Air Navigation Services over Ireland and the North Atlantic



Our Values



Safety
is our
promise

Key
to our
success –
our people



Integrity
in everything
we do



Environment
reducing climate
impact through
innovation



**Service
excellence**
delivering world-
leading service

After receiving approval from the Board, AirNav Ireland has recently implemented our new values. These values were developed with input from staff across the organisation and reflect the ethos of AirNav Ireland.

At a Glance



AirNav Ireland was incorporated on 2 February 2023 and commenced operations on 1 May 2023 as Europe's newest air navigation service provider; the Company acquired net assets from the Irish Aviation Authority with a carrying value of €310.4 million.



Safety is our top priority. Our purpose, our relentless focus and our commitment is to protect passengers, crew and aircraft, who fly in the airspace we control, who operate at the airports we serve and who communicate with us over the Atlantic Ocean.



Our safety management systems are independently assessed and, in 2023, AirNav Ireland maintained its high maturity score of 91% and an overall maturity level of 'C' when measured by EASA's Effectiveness of Safety Management.



In 2023, a record number of 664,000 IFR flights were handled in Irish-controlled airspace, an increase of 14% compared to 2022. HF voice communications services were provided to almost 519,000 flights on the North Atlantic.



AirNav Ireland is a commercial semi-State company and it does not receive funding from the State. In 2023, the Group reported a profit after tax of €16.0 million on turnover of €194.5 million.



In this, its first year of operations, the Board is pleased to declare a dividend of €4.5 million to the shareholder.



The Company is committed to an environmentally sustainable aviation industry. In 2023, a Sustainability Management Plan 2024 – 2029 was approved which commits the Company to the protection of our environment through improved energy efficiency, reduced carbon footprint and continued initiatives in aviation efficiency.



In 2023, Ireland was ranked joint-second in the EU for environmental performance, as measured by the EUROCONTROL horizontal flight efficiency metric.



The Company had 634 employees at 31 December 2023. Recruitment was an area of high activity in 2023, particularly in front line air traffic control and engineering roles, and will remain a focus for the Company in the coming years. We are also focused on increasing the number of females employed in AirNav Ireland.



AirNav Ireland is dedicated to collaborating with international stakeholders and, in 2023, the Chief Executive chaired the Steering Board of the A6 Alliance in Europe who, along with other service providers, airports and airlines, were successful in reducing the average delay per flight by 0.32 minutes in Summer 2023 and reducing CO₂ emissions by 200,000 tonnes.



Our en route charge continues to be one of the lowest in Europe. AirNav Ireland recorded a departure slot adherence rate of over 95% at the three State airports, far exceeding the European target of 80%.



AirNav Ireland received a customer satisfaction score, in 2023, of 89%.

Key Figures 2023

368,745 ↑

Overflights
(Up 14.6%)

274,851 ↑

Domestic traffic
(Up 15.7%)

518,857 ↑

North Atlantic flights
(Up 13.5%)

€194.5m ↑

Turnover
(Up 5.2%)

€16.1m ↑

Operating profit
(Up 8.7%)

€13.4m ↑

Capital expenditure
(Up 24.2%)

€84.0m ↑

Cash and short term deposits, no debt
(Up 12.3%)

€324.0m ↑

Net assets
(Up 5.9%)

626 ↑

Average employees
(Up 5.2%)

Financial and Operating Highlights 2023

FINANCIAL HIGHLIGHTS	2023 €'000	2022 €'000	% Change
Turnover	194,494	184,957	5.2%
Operating Profit	16,136	14,842	8.7%
Profit after Tax	15,980	9,771	63.5%

ACTIVITY	2023 Number	2022 Number	% Change
En Route Overflights	368,745	321,784	14.6%
Terminal Commercial Traffic	274,851	237,533	15.7%
North Atlantic Communications	518,857	457,336	13.5%

EMPLOYMENT	2023 Number	2022 Number	% Change
Average Number Employed	626	595	5.2%

CUSTOMER CHARGES	2023 €	2022 €	% Change
En Route Overflight	26.37	29.15	-9.5%
Airport Terminal Traffic	162.85	146.49	11.2%
North Atlantic Communications	40.50	45.00	-10.0%

Chairman's Statement



Bryan Bourke
Chairman

I am very pleased to present the first annual report and financial statements of the Irish Air Navigation Service ("AirNav Ireland").

AirNav Ireland was incorporated in February 2023. It took over the air navigation functions of the Irish Aviation Authority from 30 April 2023 and I was honoured to be appointed AirNav Ireland's first Chairman. The Board members were appointed shortly before the Company commenced operations as Ireland's standalone air navigation service provider, and it has been a very busy period since then.

Safety

Safety is the Company's number one priority and underscores everything that we do. In the eight months from 30 April to the end of 2023, the Company carried out its air traffic management functions safely, effectively and efficiently, with one of the lowest unit rates in the EU.

AirNav Ireland has a mature Safety Management System (SMS) in place and, in 2023, the SMS was independently assessed under the EUROCONTROL/CANSO SMS Standard of Excellence and the EASA (European Aviation Safety Agency) Effectiveness of Safety Management. AirNav Ireland performed to a high standard in these assessments, placing it in the top tier of air navigation service providers in Europe.

Air traffic activity

In 2023, air traffic exceeded 2019 levels for the first time since the COVID-19 pandemic. Overall, air traffic grew by 14.3% in 2023 compared to 2022 and increased by 2.9% on 2019 levels. During the year, 368,700 overflights were managed in Irish-controlled airspace, an increase of 14.6% on 2022 levels.

Commercial air traffic at the State airports, Cork, Dublin and Shannon, taken together, increased by 15.7% to just under 275,000 movements. North Atlantic traffic also increased by 13.5% on 2022 volumes, with HF (high frequency) voice communications services being provided to almost 518,900 flights. Further air traffic growth is anticipated across all of the Company's business units in 2024.

Notwithstanding the rapid growth in traffic following the pandemic, AirNav Ireland effectively delivered its air traffic management services and our airline customers rated our performance very positively, delivering an overall customer satisfaction score of 89% for 2023, with a 100% customer rating for the delivery of safe services.

Finance and dividend

The AirNav Ireland Group reported an operating profit of €16.1 million and a profit after tax of €16.0 million. Net assets were €324.0 million at the end of the year. In 2023, the Group invested €13.4 million in capital projects to support the functions we deliver, on behalf of the State, and in order to provide a safe, resilient and efficient service. The Company has committed borrowing facilities of €60 million which were undrawn.

As a commercial semi-State company, AirNav Ireland is financially self-sufficient and does not receive any State funding. I am pleased to report that, for our first year of operations, the Board has proposed a dividend to the shareholder of €4.5 million in respect of 2023, based on 30% of the Company's profit after tax.

Sustainability

The Board is prioritising environmental sustainability across all aspects of our business. This is a strategic objective, and we support efforts to ensure the sustainability of aviation for the future and especially for Ireland, as an island nation. During the year, the Board approved a five-year Sustainability Management Plan which includes a commitment to achieving net-zero carbon emissions from its own activities by 2030. We will be tracking the progress of this strategic priority closely.

Our people

At the end of 2023, the Company employed 634 employees. 2023 has seen significant recruitment activity in front line operational and safety compliance roles needed to address the growth in traffic levels, higher levels of project activity and increased regulatory requirements.

On behalf of the Board, I would like to thank AirNav Ireland's staff for their hard work and commitment during 2023. The strong rebound of air traffic, ahead of forecasts, meant 2023 was a challenging year operationally. However, the Company, with that staff commitment, continued to deliver safe and efficient air traffic services to our airline customers. This was achieved against the backdrop of managing the transfer of the air navigation functions from the IAA to AirNav Ireland.

Corporate governance

The Board is committed to the highest standards of corporate governance and, in 2023, prioritised compliance with the Code of Practice for the Governance of State Bodies. The Board started with a programme to establish the governance framework for AirNav Ireland and completed it before the end of the year. This included the establishment of three permanent committees – the Audit Finance and Risk committee, the Strategic Planning Safety and Compliance committee and the HR and Remuneration committee. An interim committee also assisted to augment the Board's work in 2023 and its functions were assumed into the permanent committee structure. The Board approved a range of policies and procedures to ensure its compliance with the State's Code of Practice.

Our values

In 2023, as a new Company, the Board endorsed the core values of AirNav Ireland – safety, our people, integrity, the environment and service excellence. These values underpin the Company's work in delivering its air traffic services on behalf of the State.

Conclusion

I would like to thank my Board colleagues for their hard work and valuable contributions during what was an exceptionally busy year and I look forward to working with you all in 2024. I would also like to thank the Chief Executive, Peter Kearney, and the management team for their leadership and commitment during the year.

Finally, I would like to acknowledge and thank the Minister for Transport, Eamon Ryan TD, and Jack Chambers TD, Minister of State at the Department of Transport, and also their officials, for their support and assistance during the year.

I look forward to building on our achievements in 2024.

Bryan Bourke
Chairman

Chief Executive's Review



Peter Kearney
Chief Executive

2023 marked a pivotal year for AirNav Ireland. On 30 April 2023, after a number of years in the making, the IAA's air navigation service provision separated from the IAA regulator and AirNav Ireland, Europe's newest air navigation service provider (ANSP), was established.

This was a momentous occasion in Irish aviation and will allow us to deliver benefits for our customers, stakeholders, the State and most importantly airline passengers and crew. We were honoured when Jack Chambers TD, Minister for State at the Department of Transport, officially launched AirNav Ireland on 20 October 2023, which fittingly is the 'International Day of the Air Traffic Controller'. The new stand-alone air navigation service provider represents a strategic investment in expertise and high-quality infrastructure to enhance economic growth and prosperity for Ireland.

Safety

The safety of air navigation services remains the top priority for AirNav Ireland and, throughout 2023, we upheld our commitment to providing safe, resilient, and efficient air traffic management services despite a growing volume of air traffic in Irish-controlled airspace. Amidst this backdrop, we maintained our exceptional safety record, experiencing no significant incidents during the year. This accomplishment stands as a testament to the dedication of our personnel and the robustness of our systems and procedures, ensuring that the high safety standards achieved in previous years were sustained. Looking ahead, we are committed to further enhancing our performance and will continue to diligently monitor safety throughout 2024.

The safety key performance indicator measured as part of the Single European Sky (SES) performance scheme is EASA's Effectiveness of Safety Management (EoSM). This Safety Key Performance Indicator (SKPI) is assessed and validated annually by the Irish Aviation Authority. The associated survey structure, with seventeen assessment areas, is now aligned with the EUROCONTROL/CANSO Standard of Excellence (SoE) measurement survey. In the latest report published in 2023, AirNav Ireland maintained a high maturity score of 91% and an overall maturity level of 'C'.

Air Traffic

Air traffic continued to recover in 2023 despite the ongoing impact of geo-political crises. EUROCONTROL recorded 10.2 million flights across the European network, an increase of 10% on the 2022 total. In Irish-controlled airspace, a record number of over 664,000 IFR (Instrument Flight Rules) flights were handled which represents an increase of 14% compared to 2022 and is almost 3% greater than the 2019 total.

Despite the challenges posed by a strong recovery in traffic demand since the pandemic, AirNav Ireland continued to provide safe and efficient air navigation services for our en route, terminal and NAC (North Atlantic Communications) airline customers. AirNav Ireland also maintained its enviable tradition of low levels of en route and terminal ATFM (Air Traffic Flow Management) delay generation. We also recorded a

departure slot adherence rate of over 95% at the three State airports of Cork, Dublin and Shannon, far exceeding the European target of 80%.

From a European perspective, Irish airspace remained consistently amongst the top performers, as measured by the EUROCONTROL horizontal flight efficiency metric, thereby supporting green aviation and environmental sustainability.

Financial Performance

The Group reported a positive financial result for 2023 with profit after tax of €16.0 million on turnover of €194.5 million. The Board has proposed a dividend payment to the State of €4.5 million for 2023.

The Group's turnover increased by 5.2% to €194.5 million. Air traffic management (ATM) and aeronautical voice communications services are provided from the Group's five locations in Ireland – Cork, Dublin and Shannon airports, our En Route centre at Ballycasey, Co Clare and our North Atlantic Communications Centre at Ballygreen, Co Clare.

On 30 April 2023, the ANSP functions of the IAA were transferred to AirNav Ireland along with the related assets and liabilities. AirNav Ireland also acquired the IAA's subsidiary, IAA North Atlantic Inc (renamed as AirNav North Atlantic Inc on 1 May 2023) and the IAA's investment in Entry Point North AB.

AirNav Ireland continued to provide cost efficient air traffic services and our en route customer charge remains one of the lowest in Europe. We also delivered a high quality of service with delays in Irish-controlled airspace, attributable to AirNav Ireland, kept at a minimum.

Recruitment

Recruitment was an area of high activity in 2023 for AirNav Ireland. Sixteen engineers and sixteen student air traffic controllers were recruited and commenced training in 2023, and a further class of 24 student controllers began their training in the last number of months. We plan to train 240 suitable air traffic control candidates over the next decade while continuing our engineering programme to ensure the continued safe operation of our critical infrastructure.

A6 Alliance

In 2023, I chaired the CEO-led Steering Board of the A6 Alliance. The A6 alliance includes the leading ANSPs who are responsible for the safe management of more than 80% of air traffic in Europe and approximately 70% of R&D investments in the future European air traffic management infrastructure.

The CEOs of the A6 Alliance and the EUROCONTROL Network Manager (NM), along with other key ANSPs, airports and airlines agreed a common approach to ensure that Summer 2023 was manageable for all stakeholders.

While challenges were recognised from the outset, with up to 15% increase in traffic anticipated against a backdrop of geo-political crises that led to less airspace available in Europe compared to 2019, all parties committed to four key actions to maximise capacity and reduce delays:

- prioritising of the first rotation of aircraft in the mornings
- disciplined flight plan execution
- delivering agreed capacities
- realistic airline schedules including turnaround times.

As a measure of success of this joint initiative, EUROCONTROL NM confirmed that the target was achieved with the average delay per flight reduced by 0.32 minutes, equivalent to 3.2 million minutes of delay or €225 million. It was also noted that it led to a reduction in approximately 200,000 tonnes of CO₂.

EASA Steering Group on ATCO Training and Licencing

In 2023, I also chaired the EASA Steering Group on ATCO Training and Licencing which comprised representatives from EASA, DG MOVE, ANSPs and staff representatives. The primary focus of the group was to provide feedback and guidance to the EASA-appointed consultants undertaking a research study on the Impact Analysis, Prevention and Management of ATCO (Air Traffic Controller) Fatigue in the EU.

Chief Executive's Review (continued)

The study sought to evaluate the implementation of EU regulations on this issue, conduct research to collect scientific data on the prevalence, causes and effects of ATCO fatigue and assess the possible impact of the introduction of new technologies on ATCO workload and fatigue.

In December 2023, there was a public consultation workshop on the interim results of the EASA study on ATCO Fatigue ahead of finalising the study in 2024.

Sustainability

Sustainability is a core focus for AirNav Ireland, as we are dedicated to minimising aviation's environmental footprint and advancing a sustainable agenda. Through the implementation of environmentally conscious operations, we are committed to reducing the impact of aviation on the environment. Acknowledging the urgent need for action to address the climate challenges confronting both the industry and society, we recognise the collective responsibility of all aviation entities to do more. Our aim is to lead the way in sustainable aviation, setting the standard through our actions and advocating for sustainable practices across the aviation sector.

We are also working with stakeholders on several initiatives to further improve overall operational environmental performance. These include working with partner airlines and ANSPs on a wake energy retrieval project which sees aircraft fly in a type of formation (leader and follower). Initial studies have shown that the follower aircraft, by using the wake energy from the leader, may be able to reduce their fuel burn and CO₂ by up to 5% over long segments.

AirNav Ireland representatives are also part of the newly established EASA EN-ICCA (European Network on Impact of Climate Change on Aviation) which plans to establish task forces to look at specific areas which AirNav Ireland will contribute to as appropriate.

Throughout 2023 our team was working on our new Sustainability Management Plan 2024 – 2029. This comprehensive plan encompasses a variety of innovative initiatives aimed at significantly reducing AirNav's CO₂ emissions. Following approval by our Board in 2023, the plan will be officially launched in 2024, marking a significant milestone in our commitment to environmental responsibility.

In line with our policy to protect and enhance biodiversity we commissioned a detailed biodiversity study at our locations across the State, which commenced in October 2023, and which will inform a Biodiversity Action Plan to be published later this year. Throughout 2023, AirNav Ireland participated in biodiversity initiatives such as 'No Mow May' and have continued with rewilding initiatives at our locations.

As part of our commitment to the circular economy, in 2023 the Company commenced the introduction of Green Procurement which will be established across our range of business activities in the coming months.

Acknowledgements

The Board and management of AirNav Ireland had an extremely busy year in 2023. This was an especially exciting time for the Company but also required hard work and diligence and I extend my gratitude to our Chair, Bryan Bourke, and the entire Board for their invaluable guidance and support throughout the year. My appreciation also goes to my dedicated management team whose exceptional commitment and assistance were instrumental in creating our new entity and making the transition to AirNav Ireland as seamless as possible for all our stakeholders.

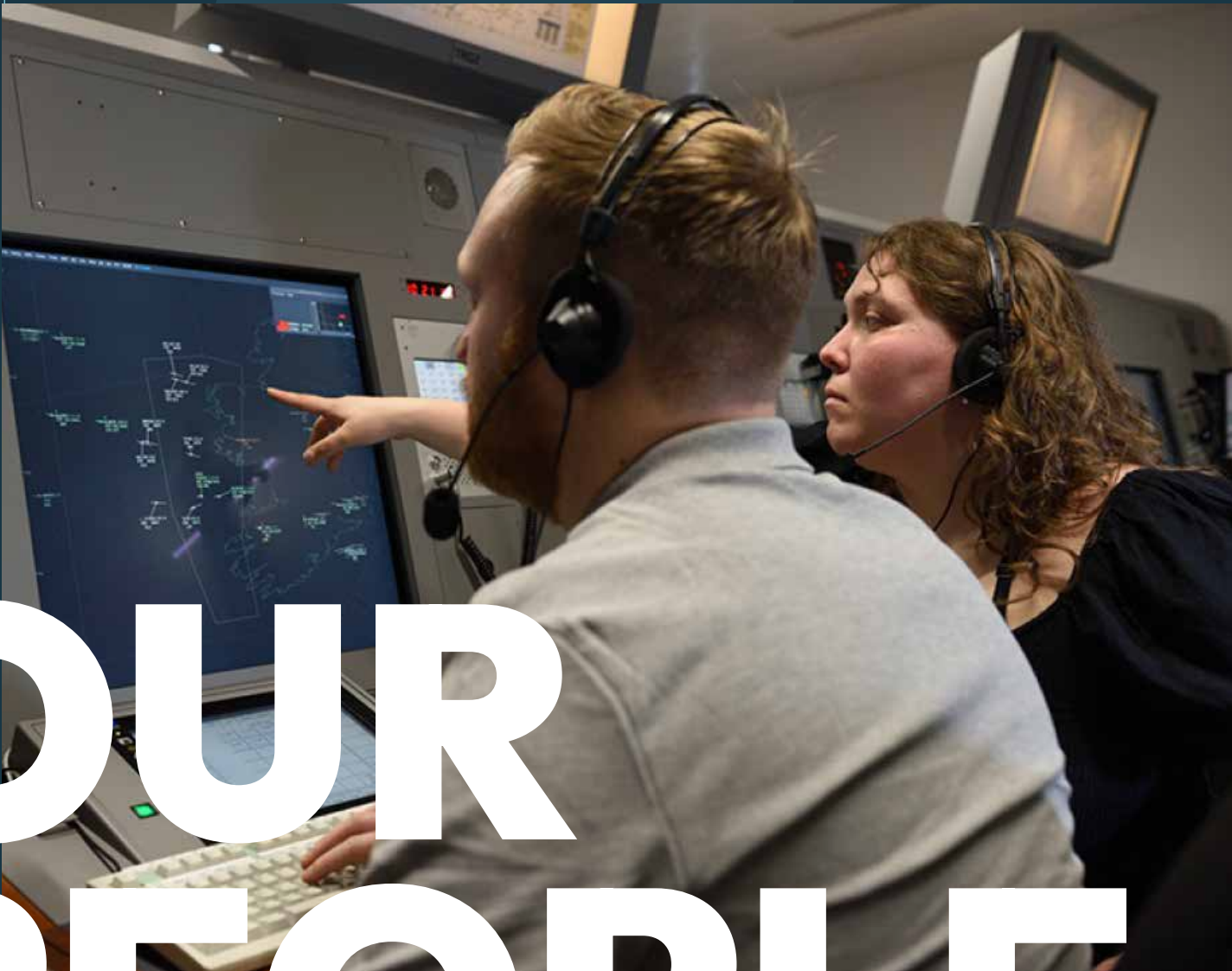
I would also like to thank the officials in the Department of Transport for their engagement and support during the year.

Additionally, I want to emphasise the pivotal role played by our staff in executing the separation and realising our new AirNav vision as well as front line staff who continue to deliver a safe and efficient service to our customers. Our staff are indeed our most important asset. It is paramount for us that every individual feels empowered within AirNav Ireland, perceiving it as an inspiring and inclusive workplace that welcomes diversity, fostering personal growth and development.

Peter Kearney
Chief Executive

Niamh Sweeney
Air Traffic Controller

“My role as an air traffic controller in AirNav Ireland is to facilitate the seamless flow of air traffic while prioritising safety above all else. My job satisfaction comes from managing a dynamic airspace and the fulfilment of knowing you play a vital role in keeping the world connected.”



OUR PEOPLE



Operating and Financial Review



Air Traffic Management

Safety

Safety is our absolute priority at AirNav Ireland. Our purpose, our relentless focus and our commitment is to protect passengers, crew and aircraft, who fly in the airspace we control, who operate at the airports we serve and who communicate with us over the Atlantic Ocean.

We protect by placing safety and security at the heart of our work and by tirelessly searching out and managing risks to that safety and security. AirNav Ireland holds a resolute commitment to safety and its proactive and systematic management, and we aspire to achieve the highest level of safety in the service we provide. Each person in the Company has a responsibility to undertake their duties and functions with safety as their absolute priority.

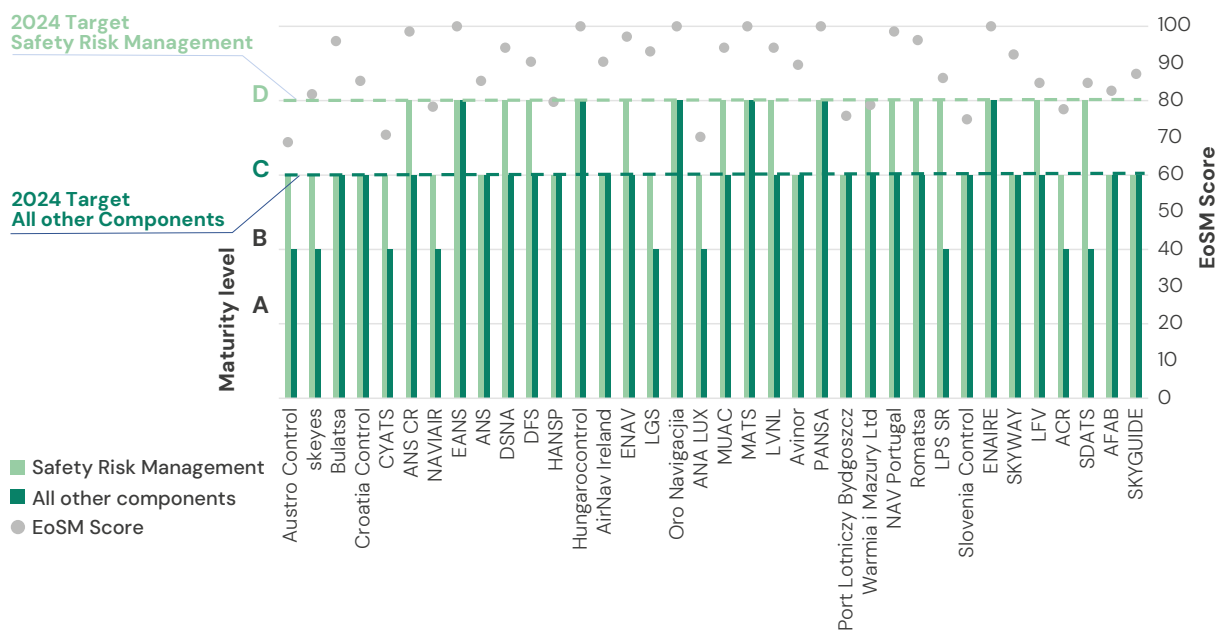
AirNav Ireland has established and implemented a mature Safety Management System (SMS) and works with relevant stakeholders in accordance with their safety management system to safely manage the interfaces between organisations. An SMS is a structured approach to ensuring safe operations based on 4 pillars:

- Safety policy and objectives
- Safety risk management

- Safety assurance
- Safety promotion

There are two separate, independent assessments of the SMS within AirNav Ireland, namely the EUROCONTROL/CANSO SMS Standard of Excellence and the EASA Effectiveness of Safety Management.

The safety key performance indicator measured as part of the Single European Sky (SES) performance scheme is EASA's Effectiveness of Safety Management (EoS_M). This safety key performance indicator (SKPI) is assessed and validated annually by the Irish Aviation Authority. The associated survey structure has been amended for use as a Safety Key Performance Indicator in the European Performance and Charging Scheme, and the content, with seventeen assessment areas (plus one optional), is now aligned with the EUROCONTROL/CANSO SoE measurement survey. In the latest report, published in 2023, AirNav Ireland maintained their high maturity score of 91% and an overall maturity level of 'C'. AirNav Ireland achieved the RP3 EoS_M targets in four out of five management objectives but missed its target for safety risk management due to one component related to change management. It is expected that the Level 'D' target for safety risk management will be achieved in advance of the 2024 target date.



(Source: PRB Monitoring Report 2022, published in October 2023)

ANSP EoS_M responses for risk management and other management objectives (MOs)



Since 2002, EUROCONTROL has conducted surveys to establish Air Navigation Service Providers' (ANSPs) level of implementation of the Safety Management Systems within their organisations. The EUROCONTROL/CANSO SMS Standard of Excellence (SoE) safety maturity measurements contribute to establishing a global level for safety, based on the highest standards. The SoE covers seventeen safety assessment areas, which are aligned with ICAO Annex 19, supporting the application of uniform safety standards across all ANSPs globally.

The results of the 2023 SoE assessment indicate that AirNav Ireland's overall maturity is Level 'C', meaning the SMS is performing to a high standard. AirNav Ireland exceeded Level 'C' maturity in multiple study areas, obtaining a recognised good practice for the implementation of its Safety Award, which recognises the contribution our staff make towards our exceptional safety performance. AirNav Ireland achieved an overall score of 88%, placing it amongst the highest performing ANSPs internationally.

Runway incursions (RIs) and separation minima infringements (SMIs) are two key risk areas for the aviation industry. Owing to this, during the current European Performance and Charging period, EASA has

commenced a monitoring process of RIs and SMIs which have been assessed as having an actual safety risk. AirNav Ireland performs well in this comparison, with Ireland performing below the EU SES average figures for both RIs and SMIs. The European average rate of runway incursions with safety impact was 4.2 per 100,000 movements with the rate at Irish airports being 2.4 per 100,000 movements. The European average rate of separation minimum infringements was 8.95 per 100,000 IFR controlled hours, while the rate in Ireland was 3.1 per 100,000 movements (source: EUROCONTROL PRB report 2023).

Notwithstanding this, we are constantly striving to reduce our rate of RIs and SMIs. Every event is reported and investigated with appropriate corrective actions identified and implemented to mitigate re-occurrence, including engaging with relevant industry stakeholders as appropriate.

We continue to review the assessment measurement processes associated with both of the above survey formats in order to identify areas for potential SMS enhancements and to utilise the results as levers of change. This approach and focused activity successfully supports our policy of SMS 'Continuous Improvement'.

Air Traffic Management (continued)

AirNav Ireland has developed mature safety performance monitoring indicators and continues to develop innovative solutions to data analytics, including digitisation and cognitive intelligence platforms, to analyse safety data. AirNav Ireland also participates in a number of EASA's on-going safety initiatives, including Data4Safety and Fatigue Assessment and Mitigation. As part of the EASA air traffic controller (ATCO) fatigue study, state of the art eye tracking tools were installed, for a pre-defined period, at some of our air traffic control units, to inform a safety-related study, led by EASA, to support the measurement and mitigation of ATCO fatigue at an EU level.

Safety is a state in which the risks associated with aviation activities, related to, or in direct support of the operation of aircraft, are reduced and controlled to an acceptable safety level. The objective of EU Regulation 2017/373 is to lay down common requirements in the provision of air traffic management (ATM) and air navigation services and other ATM network functions, further enhancing the aviation safety system. The Regulation consists of thirteen separate annexes which are applicable to AirNav Ireland. The Regulation was further amended by EU Regulation 2020/469. From a safety significant perspective, the regulation aligns the EU SMS and ICAO SMS frameworks (SMS required for ATS only) and includes specific human factors requirements in areas such as stress and fatigue. Amendments required for EU Regulation 2020/469 include the implementation of background aural voice recording systems (ambient recording). AirNav Ireland incorporated ICAO SMS best practices and philosophies into its SMS and has embraced this new regulation, introducing new change management procedures and providing effective and robust training programmes and procedures.

At AirNav Ireland, we focus on ensuring that safety is an explicit activity. We do this with the systematic identification of all safety risks and implementation of appropriate mitigation measures, across the organisation. Change management procedures are of particular importance given their impact on the functional system and the mandating of additional rigour in safety assessment and assurance of change.

Collaboration, partnership and cooperation are key drivers and enablers to safety improvements in AirNav Ireland. Our people actively participate in, and contribute to, National, European and Global ANSP safety forums and groups. During 2023, and in recognition of our continuing desire to collaborate and innovate with industry colleagues, AirNav Ireland was proud to host key international safety-related meetings including EUROCONTROL Drone Impact on Network Operations Safety (DINOS) and the Civil Air Navigation Services Organisation (CANSO) Global Safety Conference which saw 150 delegates from ANSPs across the world visit Dublin to collaborate on key industry safety-related issues and share international best practices.

We have established communities of practice in which risks and hazards are identified and mitigated and these groups include local runway safety teams and airport operations safety teams. We also participate in international groups with a similar aim, including COOPANS partner working groups and EASA's Stakeholder Advisory Body and Collaborative Analysis Groups on ATM and Human Factors. AirNav Ireland staff are also members of CANSO's Standing Safety Committee and Safety Intelligence Working Group, EUROCONTROL's Safety Team, Change Control Board and Safety Team Operational Safety Group, European Action Plan for the Airspace Infringement Risk Reduction (EAPAIRR), European Action Plan for the Prevention of Runway Incursions and Global Action Plan for the Prevention of Runway Incursions, representing AirNav Ireland on all issues pertaining to safe operation of aircraft and provision of air traffic management and air navigation services.

Operational Performance

The strong recovery in commercial aviation towards pre-pandemic levels continued across most of Europe in 2023. EUROCONTROL recorded 10.2 million flights across the European network, an increase of 10% on the 2022 total but still 8% below the total number of flights in 2019. European air traffic is expected to reach 96% of 2019 levels in 2024 and to fully recover in 2025.

In Irish-controlled airspace, a record number of over 664,000 IFR flights were handled which represents an increase of 14% compared to 2022 and is almost 3% greater than the 2019 total. In addition, AirNav Ireland provided high frequency (HF) voice communication services to almost 519,000 flights in North Atlantic oceanic airspace, an increase of 13.5% on 2022 levels. Commercial terminal traffic at the three State airports increased by almost 16% in 2023, over 2022, and ended the year 0.8% higher than pre-pandemic levels at just under 275,000 flights.

AirNav Ireland contributed positively to the overall performance of the European network. Despite the challenges posed by a strong recovery in traffic demand since the pandemic, we continued to provide safe and efficient air navigation services and also maintained our enviable tradition of low levels of en route and terminal ATFM (Air Traffic Flow Management) delay generation in Irish-controlled airspace. AirNav Ireland also recorded a departure slot adherence rate of over 95% at the three State airports, far exceeding the European target of 80%. In terms of environmental performance, Ireland was

ranked joint-second in the EU alongside Denmark, with a score of 1.44%, behind Norway in first place on 1.29%. The environmental performance measure looks at the EUROCONTROL horizontal flight efficiency metric, comparing the actual route flown, by aircraft, to the great circle route.

Technology

In 2023, AirNav Ireland’s air traffic management systems performed as required, with high levels of reliability and availability, supporting the provision of a safe and secure air traffic management service for our airline customers. During the year we continued to progress critical projects supporting capacity, obsolescence and regulatory compliance, in addition to safety and security enhancements. Some notable achievements included the commissioning of a new voice communications switch in Dublin, the introduction of ambient voice recording at all operational working positions and the installation of a new radar site for Dublin airport.



Air Traffic Management (continued)

A programme of works is underway to facilitate a major upgrade of our air traffic management system. The upgraded system will be state of the art, employing technologies such as digitalisation, artificial intelligence and virtualisation in line with future air traffic management requirements and expectations. As with our existing ATM system, this upgrade will be undertaken with our COOPANS partners, harmonising systems across six air navigation service providers in Europe in a cost-effective manner. The ATM system is aligned with the European vision of technical cooperation and interoperability.

The Information Technology (IT) department also delivered a highly reliable service for both local and remote working and played a critical role in separating finance, human resources and business management systems as part of the regulatory reform project. The Company also invested in additional resources to further enhance its cyber security.

Customer Care

AirNav Ireland is recognised by its airline customers as one of the most customer-focused ATM providers in the world. Our customer care programme facilitates two-way communication with airlines and helps us to understand their operational needs and expectations so that AirNav Ireland can ensure it has the technology, procedures and resources in place to deliver the excellent service that meets airline expectations.

For the 2023 programme, AirNav Ireland met with 28 airlines from across Europe, North America and the Middle East, representing over 80% of AirNav Ireland's revenue. An independent consultancy was engaged to conduct an online survey of our customers' views on AirNav Ireland and the air traffic management services we provide. Those customers who responded to the survey awarded AirNav Ireland an overall customer satisfaction rating of 89.3% and the underlying messages about safety and service delivery were very positive.





2023 Customer Care Survey Highlights

Unmanned Aircraft System (UAS)/U-Space

With the rapid expansion of the market for unmanned aircraft, AirNav Ireland has been actively involved with Irish-based drone operators. In 2023, AirNav Ireland approved approximately 4,000 UAS flights in controlled airspace in the Dublin, Cork and Shannon areas. While this is primarily a process where such approvals include air traffic control conditions, AirNav Ireland has also deployed an Unmanned Aerial Vehicle (UAV) Traffic Management (UTM) Platform in Dublin and Cork, titled Altitude Angel, which allows for a more automated approval process by UAS operators. It greatly improves the user experience in accessing controlled airspace.

In meeting the requirement of more automated systems for UAS, AirNav Ireland continues to examine how it can further develop this service, in line with the requirements of EU Regulation 2021/664, and, in this regard, we continue to engage with the broader UAS stakeholder community to support the development of the U-Space market. This includes being an active partner in three SESAR Joint Undertaking (S3JU) funded projects – EALU-AER, ENSURE and SPATIO – which represent a broad range of solution providers, other air navigation service providers and industry stakeholders. This cooperation should allow all stakeholders better understand what can be delivered in facilitating greater integration of UAS in the manned aircraft landscape, while maintaining the existing safety standards.

AirNav Ireland has, to date, facilitated drone operations on the airfield at Dublin airport and we are also looking at how best to set out a roadmap for the development and deployment of U-Space in conjunction with the Irish Aviation Authority which has responsibility for regulatory oversight. This includes looking at airspace structures that allow autonomous UAS operations without impacting ATM airspace, that in turn inform the next steps towards the rollout of U-Space.

Martin Timmons
Head of Safety
Management Unit

“Working at AirNav Ireland isn't just a job; it's an enriching journey, where each day presents new opportunities to contribute meaningfully to the aviation landscape. Safety is our number one priority and, as Head of the SMU I take pride each day knowing that every task I undertake elevates safety standards for passengers, crew, and everyone navigating our skies.”



OUR PEOPLE

Financial Review

On 30 April 2023, the air navigation service provider (ANSP) functions of the IAA were transferred to AirNav Ireland along with the related assets and liabilities. AirNav Ireland also acquired the IAA's subsidiary, IAA North Atlantic Inc (renamed as AirNav North Atlantic Inc on 1 May 2023) and the IAA's investment in Entry Point North AB.

The carrying value of the assets and liabilities transferred to the Company amounted to €310.4 million, a breakdown of which is included at note 2 to the financial statements. In consideration for the transfer, AirNav Ireland issued 96 ordinary shares in the Company to the Minister for Public Expenditure, National Development Plan Delivery and Reform. A share premium of €314.8 million is recorded in reserves.

The Company recognised the acquisition of the ANSP Undertaking using merger accounting. As a result, the financial statements have been prepared as if the transfer of the assets and liabilities had taken place from 1 January 2022. For 2023, the Group's results include the results of the Company from incorporation to 31 December 2023 and the results of the ANSP Undertaking for the four months January to April 2023 when the business was part of the IAA. The basis on which the comparatives are reported is described in the basis of preparation in note 1 to the financial statements.

The Group reported a positive financial result for 2023 with profit after tax of €16.0 million on turnover of €194.5 million. Profit after tax increased by €6.2 million over 2022 outturn due to a higher contribution from the Company's operating activities and higher net interest income. The Board has proposed the payment of a dividend to the State of €4.5 million out of these profits.

Key financial and operating highlights for the Group were as follows:

	2023 €'m	Restated 2022 €'m
Profitability and Balance Sheet		
Turnover	194.5	185.0
Operating profit	16.1	14.8
Profit after tax	16.0	9.8
EBITDA	27.8	27.0
Cash and deposits	84.0	74.8
Net assets	324.0	306.0
Traffic activity (billed)		
	Number '000	Number '000
En route service units	4,812 +13.7%	4,233 +75.0%
Terminal service units	193 +13.6%	170 +127.9%
North Atlantic communications flights	519 +13.4%	457 +73.8%

Turnover

The Group's turnover increased by 5.2% to €194.5 million. Almost 90% of the Company's revenue is independently regulated by the IAA, since 1 May 2023, and prior to that date by the Commission for Aviation Regulation, in accordance with the European Performance and Charging Scheme. Further details on the operation of the charging scheme are provided below.

En route revenue comprises 69.5% of total revenue or €135.1 million and relates to air traffic management services provided to aircraft who typically do not land in Ireland. Revenue is determined by reference to service units and customer charges. Service units are a function of aircraft weight and distance travelled in Irish-controlled airspace while customer charges are independently regulated by the IAA.

Terminal revenue was €32.0 million in 2023 or 16.5% of total revenue. This revenue relates to landing and take-off services provided by the Group at the State airports, Cork, Dublin and Shannon. The weight of the aircraft determines the terminal service unit. The terminal charge is regulated by the IAA.

Financial Review (continued)

The provision of high frequency voice communications services on the North Atlantic accounts for 10.7% of total revenue or €20.8 million. Revenue is calculated by reference to filed flight plans and a flat customer charge per flight.

Exempt air traffic revenue was €1.4 million in 2023. This revenue relates to air traffic and voice communications services provided to flights that are classified as exempt for charging purposes. The cost of providing services to these flights is charged to the Department of Transport.

Commercial and other revenue of €5.1 million includes €3.5 million for air traffic controller training services provided to Entry Point North Ireland DAC.

Operating expenses

The Group's operating expenses of €178.4 million are 4.8% higher than in 2022 (restated). Staff costs of €100.2 million account for 56.2% of total expenses. Included in staff costs are costs incurred in relation to a payment to staff who had undergone a pay cut in 2021 as a cost containment measure during COVID-19, and a special pension contribution, totalling €8.3 million. The Group employed, on average, 626 employees in 2023, up from 595 in

2022. There is a strong focus on recruitment in the Company, particularly in the areas of front line operational staff, mirroring international trends in the industry following the pandemic.

Included in non-staff operating expenses is a charge of €8.6 million from MET Éireann (*restated 2022: €8.2 million*) and €6.6 million from the IAA (*restated 2022: €5.3 million*). Costs incurred by MET Éireann and the IAA are predominantly recovered under EU Regulation 2019/317 and are charged through the en route and terminal unit rate. Operating expenses in 2023 include a training cost refund of €3.0 million.

Operating profit

The Group reported an operating profit of €16.1 million, up from €14.8 million in 2022 (restated). The movement in operating profit between 2022 (restated) and 2023 of €1.3 million is explained by a lower return on the Group's core business of €10.9 million, due principally to once-off costs incurred in the year in relation to pay and pensions, as noted above, offset by lower provisions of €9.2 million and a once-off training cost refund of €3.0 million.



Profit after tax

Profit after tax of €16.0 million (*restated 2022: €9.8 million*) is after net interest receivable of €3.4 million (*restated 2022: net interest payable of €3.6 million*) which is mainly due to net interest income on the Group's defined benefit pension assets. The Group recorded a share of profit in its associate, Entry Point North AB, of €0.9 million compared with €0.7 million in 2022 (*restated*).

Cash flow and liquidity

The Group's cash position has improved to €84.0 million at 31 December 2023. The Group generated net cash from its operating activities of €26.8 million, up from €17.4 million in 2022 (*restated*). Included in the 2023 outturn is €13.0 million relating to the first tranche of deferred income relating to the pandemic years 2020/2021 due to be collected over the seven-year period 2023 to 2029. The Group continued to invest in its infrastructure, spending €13.4 million in 2023, up from €10.8 million in 2022 (*restated*). Investments were made in the construction of a new radar building in North Dublin to provide enhanced resilience to terminal operations at Dublin airport, upgrades to the air traffic management system, upgrades to various radar installations around the country and new IT infrastructure to support the Company's activities as it transitioned to a new standalone entity. The Group has committed borrowing facilities of €60 million which were undrawn at 31 December. The Group will continue to manage its liquidity.

Pension

Included in the Group's net assets of €324.0 million is a pension asset of €61.5 million. The Group assumed responsibility for the IAA pension schemes, including pension obligations up to 30 April 2023, on transfer of the ANSP Undertaking. The pension asset increased over 2022 (*restated*) by €10.6 million following a year of strong returns on pension assets offset by a lower discount rate. In 2023, the employer received approval from the shareholder to pay a discretionary pension increase of 2%. The Company has agreed to review its current position in relation to the payment of pension increases noting that any proposal by the Company will be subject to Ministerial approval.

European Performance and Charging Scheme

AirNav Ireland is subject to the European performance and charging scheme, which is overseen by the Performance Review Body on behalf of the European Commission, and assessed locally by the National Supervisory Authority – the Irish Aviation Authority. There are four key performance areas – safety, environment, capacity and cost efficiency.

Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky is the basis for the regulation of AirNav Ireland's en route and terminal activities. The IAA oversees the level of costs that AirNav Ireland is permitted to recover in line with eligibility criteria, comprising operating costs, capital-related amortisation costs and the cost of capital. The Company's primary focus is on the delivery of safe and efficient air traffic management services within the parameters of eligible costs provided for under the performance and charging scheme and in line with customer expectations.

The regulatory cycle is typically five years in duration with the current regulatory period, known as RP3, covering the years 2020 to 2024. The Performance Plan is designed to provide a high degree of certainty to the business in terms of its medium term planning. Regulated revenues for 2023 are reported having taken into account traffic risk sharing, variations between planned and actual inflation and variations between planned and actual capital related costs, namely depreciation and cost of capital. AirNav Ireland is fully transparent with its customers in this regard and participates in regular regulatory consultation processes.

Ireland's en route charges continued to be one of the lowest in Europe and, in 2024, Ireland's en route rate is 52% of the average unit rate in its comparator group.

AirNav Ireland is dedicated to consistently providing a safe and efficient service to its customers and ensuring it has sufficient resources, people and equipment in place to meet increasing levels of traffic and customer priorities which include a safe, low delay service that promotes environmental efficiencies and has appropriate levels of operational resilience. In line with the requirements of the European performance and charging scheme, we are fully committed to providing evidence-based business plans which

Financial Review (continued)

identify the unavoidable costs, over the medium term, required to achieve these objectives.

In July 2023, AirNav Ireland consulted on its actual costs in 2022 and planned costs for 2024. The process was overseen by the Irish Aviation Authority. Stakeholder participants included representatives from the Department of Transport, the Irish Aviation Authority, IAG, Aer Lingus, IATA, IATCA, MET and Ryanair.

AirNav Ireland has commenced its planning process for the next five-year regulatory period, RP4, for the years 2025 to 2029. Traffic forecasts provided by EUROCONTROL STATFOR in Spring 2024 will be relied upon for the RP4 planning process, with targets expected to be finalised by 1 June 2024, followed by several months of consultation with relevant stakeholders.

Commercial

The establishment of AirNav Ireland provides an opportunity for the new Company to consider commercial opportunities that complement its core air navigation services (ANS) responsibilities. In anticipation of the establishment of AirNav Ireland, a new commercial and innovation unit was established, and work commenced in 2023 on the development of an AirNav Ireland commercial strategy. Following a number of internal interviews, market and sector analysis and the assistance of external commercial experts, a five-year commercial strategy was developed. This strategy is designed to set guidance and parameters for the Company around exploring commercial opportunities and building a portfolio of commercial interests. AirNav Ireland intends to transition from strategy development to implementation in 2024.

Irish World Aviation Academy (IWAA)

The Irish World Aviation Academy (IWAA) is a collaboration between AirNav Ireland and the University of Limerick (UL). It was formally launched at AirNav Ireland's air traffic control tower at Dublin Airport in May 2023 by An Tánaiste, Micheál Martin TD, Minister for State at the Department of Transport, Jack Chambers TD, AirNav Ireland Chief Executive, Peter Kearney, and Professor Kerstin Mey, President of UL.

The vision for the IWAA is the development of a world leading academy of aviation education based at UL, fostering high calibre aviation graduates, promoting innovation and providing for potential collaboration opportunities for AirNav Ireland with other leading aerospace companies. Work has been ongoing by AirNav Ireland and UL over the course of 2023 on the development of the IWAA with initial work focused on the structure and governance of the IWAA, as well as building key relationships and contacts with industry. This work will continue into 2024 and it is also planned that work will commence on the development of the academic and innovation plan for the IWAA.

EGNOS

The European Geostationary Navigation Overlay Service (EGNOS) is Europe's regional satellite-based augmentation system that is used to improve the performance of global navigation satellite systems (GNSSs), such as GPS and Galileo. It has been deployed to provide safety of life navigation services to aviation, maritime and land-based users over most of Europe. EGNOS uses GNSS measurements taken by accurately located reference stations deployed across Europe. There are currently 41 range and integrity monitoring stations across Europe.

AirNav Ireland, on behalf of the State, has been contracted by EUSPA (European Union Agency for the Space Programme) to construct and host the next generation (EGNOS V3) of range and integrity monitoring stations at Cork airport. A significant programme of works has been developed and commenced in 2023 including the design and construction of a new building to host the service and associated civils work for the EGNOS V3 equipment. The programme plan for EGNOS V3 continues into 2024 with a number of infrastructure acceptance review milestones agreed between AirNav Ireland and EUSPA.

Patricia Akeme
Facilities Officer

“Cultivating an environment where efficiency meets excellence is the heartbeat of my role as Facilities Officer. Every decision, every improvement, echoes our commitment to seamless operations. No two days are the same in AirNav Ireland and I love the variety that my role brings me.”



OUR
PEOPLE

International Affairs

AirNav Ireland is dedicated to collaborating with international stakeholders in order to promote and enhance safety, improve our environmental performance, ensure our people have the necessary information and networks required to continue to provide an excellent service, comply with international obligations, to identify opportunities for collaboration and to continuously innovate and improve as an organisation.

COOPANS Alliance

AirNav Ireland continued its partnership in the COOPANS Alliance alongside five other service providers from Austria, Croatia, Denmark, Portugal and Sweden. It was a pivotal year for the COOPANS Alliance as it explored the options surrounding a major system upgrade that will provide capacity enhancements, increased virtualisation, automation and ensure compliance with future regulations, while aligning with the ATM Master Plan and Digital European Sky. The COOPANS Alliance continues to achieve significant value for money by pooling its resources to develop a common system.

AirNav Ireland was particularly active in the COOPANS CEO-led Alliance Board, its Programme Board, the A6 Alliance (of which COOPANS is a member), the Legal Group and External Relations. Its staff play a central role on the COOPANS Management Team where the focus is on the day-to-day management of the current system.

In 2023, the COOPANS Alliance was successful in its application for EU funding, amounting to €34.3 million, for a Digital Sky Demonstrator, which will demonstrate the virtual centre concept across all six COOPANS members.

Civil Air Navigation Services Organisation (CANSO)

AirNav Ireland continued to collaborate with its counterparts in CANSO throughout 2023. We hosted the CANSO Global Safety Conference, an exclusive conference dedicated to improving safety in air traffic management and uniting leading experts in safety from across the globe. AirNav Ireland staff were also active in a range of CANSO working groups including the Performance and Financial Group, the Strategic and Planning Group, the EASA Taskforce and the Technical and Operations Group.

We also engaged in international initiatives on a broad range of topics including the promotion of diversity, equality and inclusion across the industry.

A6 Alliance

In 2023, AirNav Ireland's Chief Executive, Peter Kearney, chaired the CEO-led Steering Board of the A6 Alliance. The A6 Alliance includes the leading air navigation service providers (ANSP) in Europe and, in 2023, its priorities included:

- Define, develop and deploy innovative technological solutions and operational procedures through participation and taking the lead in key digitalisation projects to deliver a modernised and sustainable ATM for European skies
- Engagement with aviation sector stakeholders on ANSP service provision considerations and planning for 2023 air traffic management in conjunction with the European Commission and EUROCONTROL's Network Manager.

The A6 Alliance, in collaboration with the EUROCONTROL Network Manager, other key service providers, airports and airlines were successful in reducing average delay per flight in Summer 2023 by 0.32 minutes with an associated reduction in CO₂ emissions. The Alliance members signed a revised Memorandum of Cooperation, in Ireland, to secure continued collaboration within the ANSP coalition that represents and manages 80% of Europe's ATM network.

SESAR Deployment and Infrastructure Partnership

AirNav Ireland continued its membership of the SESAR Deployment and Infrastructure Partnership (SDIP) which includes membership organisations from ANSPs, EUROCONTROL, airports and airlines. AirNav Ireland's Chief Executive chaired its Annual Conference of Executives in 2023 shortly after a co-funding commitment was secured from the European Commission of €10 million until 2027. AirNav Ireland is represented in the SDIP Supervisory Board through its COOPANS membership.



In June, eight members of the A6 Alliance signed a revised Memorandum of Cooperation to secure continued collaboration within the ANSP coalition who represent and manage 80% of Europe's ATM network.

SESAR 3 Joint Undertaking (S3JU)

AirNav Ireland continued its membership on the board of S3JU in 2023. S3JU is a European partnership between private and public sector set up to accelerate, through research and innovation, the delivery of the Digital European Sky. To do so, it is harnessing, developing and accelerating the take-up of the most cutting-edge technological solutions. The partnership brings together the EU, EUROCONTROL, and more than 50 organisations covering the entire aviation value chain, from airports, airspace users of all categories, air navigation service providers, drone operators and service providers, the manufacturing industry and scientific community.

In 2023, the SESAR JU, with its members and partners, concluded intensive research under the SESAR 2020 research and innovation programme to deliver 136 solutions ready for market uptake. Once implemented, these new technologies and procedures are expected to reduce emissions, optimise capacity and improve the efficiency of air traffic management operations in the safest possible manner

EASA Steering Group on ATCO Training and Licencing

In 2023, AirNav Ireland's Chief Executive, Peter Kearney, chaired the EASA Steering Group on ATCO Training and Licencing which comprised representatives from EASA, DG MOVE, ANSPs and staff representatives. The primary focus of the group was to provide feedback and guidance to the EASA-appointed consultants undertaking a research study on the impact analysis, prevention and management of ATCO fatigue in the EU. In December 2023, there was a public consultation workshop on the interim results of the EASA study ahead of finalising the study in 2024.

Air Navigation Services Board of EUROCONTROL

In November 2023, AirNav Ireland's Chief Executive, Peter Kearney, was confirmed by European Member States as the Chair of the Air Navigation Services Board (ANSB) of EUROCONTROL, beginning in 2024. The ANSB is an industry-led consultative board and

International Affairs (continued)

comprises representatives from the military, air navigation service providers, airspace users and airports from the Member States. It is designed to increase the involvement of air navigation stakeholders in preparing decisions and in aligning business planning and budgetary processes at various levels in the organisation, while respecting the decision-making responsibilities of the Member States.

Borealis Alliance

The Borealis Alliance is comprised of nine air navigation service providers from Ireland, Norway, Finland, Iceland, Estonia, Latvia, Sweden, the UK and Denmark. Its biggest project to date has been the implementation of “free route airspace” (FRA) by all Member States, allowing air navigation service providers to offer direct unrestricted routing. Developments in surveillance technologies allow ANSP’s to offer shorter and more direct routing. Implementation of FRA by Borealis Alliance members has resulted in shorter flight times for customers, thereby reducing emissions.

Engaging with key international stakeholders

AirNav Ireland continues to work on developing strong relationships with key partners including DG Move, EUROCONTROL, ISAVIA and other service providers.

During the year, AirNav Ireland and ISAVIA took the opportunity to discuss the full unlimited virtual joint operations, which enables each aeronautical communications centre to be fully interconnected, and how this might be improved. The ANSPs have a long history of collaboration and cooperation and agreed to continue to deepen and strengthen their relationship.

Reform of the Single European Sky

AirNav Ireland continued to monitor developments in relation to the reform of the Single European Sky under the presidencies of Sweden and Spain, and the implications for AirNav Ireland, the management of the network and the Performance Review Body. Ireland has been a major supporter of the reform of the Single European Sky.



Environmental Sustainability and Community

AirNav Ireland is committed to an environmentally sustainable aviation industry and, throughout 2023, we implemented a range of measures to improve and foster our efforts in that regard.

In 2023, we developed a Sustainability Management Plan 2024 – 2029, which was approved by the Board and emphasises the Board’s commitment to sustainability. The Plan commits the Company to the protection of our environment through improved energy efficiency and reduced carbon footprint, as well as continued initiatives in aviation efficiency. The Plan also details how we will protect and enhance our biodiversity and will ensure sustainable governance, particularly through the implementation of green procurement.

During the year, we installed electric vehicle charging points at our locations to facilitate charging of our electric fleet and to encourage the use of privately owned electric vehicle take-up amongst our employees. We also continued with upgrades of our operational infrastructure to provide more energy efficient buildings and equipment. Our Sustainability Management Plan commits the Company to continued investment in our infrastructure in order to comply with Government mandated requirements to improve energy efficiency and reduce carbon emissions. It is our stated intention to exceed Government requirements in this regard and to reach carbon net zero emissions by 2030.

In line with our policy to protect and enhance biodiversity, we commissioned a detailed biodiversity study at our locations across the State. This study will inform a Biodiversity Action Plan, to be published later this year. Throughout 2023, AirNav Ireland participated in biodiversity initiatives such as ‘No Mow May’ and we have continued with rewilding initiatives at our locations. As part of our commitment to the circular economy, the Company commenced the introduction of Green Procurement which will be established across our range of business activities in the coming months.

Irish-controlled airspace is one of the most efficient in Europe, resulting in improved environmental performance for our airline customers. We are dedicated to reducing aviation’s environmental impact and, in 2023, we worked with stakeholders on several initiatives to further improve overall environmental performance. These initiatives include:

GEESE: AirNav Ireland is continuing to work with partner airlines on the SESAR GEESE (Gain Environmental Efficiency by Saving Energy) wake energy retrieval project. This project sees aircraft fly in a leader/follower type of formation. Initial studies have shown that the follower aircraft, by using the wake energy from the leader, may be able to reduce their fuel burn and CO₂ by up to 5% over long segments of airspace.

AVENIR: AirNav Ireland is participating in the Aviation Environmental Reporting Working Group (AVENIR). This group was established to support the European Green Deal and comprises air navigation service providers, EUROCONTROL, CANSO and other interested parties. The work of AVENIR has been divided into three pillars, each looking at different areas of the aviation industry for environmental improvement.

Non-CO₂: As the primary interface between the North Atlantic and Europe, AirNav Ireland closely monitors developments in the area of non-CO₂ emissions, with particular interest in contrail avoidance.

EASA EN-ICCA: AirNav Ireland is represented on the newly established EASA EN-ICCA (European Network on Impact of Climate Change on Aviation) by staff from both operational and safety areas. EASA plans to establish task forces to look at specific areas to which AirNav Ireland will contribute as appropriate.

CANSO Green ATM Accreditation: As part of AirNav Ireland’s commitment to sustainability and the environment, we are participating in the CANSO Green ATM accreditation programme. This programme provides air navigation service providers with an independent, industry endorsed, accreditation of their environmental efforts. Through the programme, service providers are assessed with respect to their direct environmental impact, as well as their efforts to facilitate the reduction of emissions by airspace users. AirNav Ireland will shortly commence the process towards achieving accreditation.

AirNav Ireland has developed close links with both the Sustainable Energy Authority of Ireland, to whom we report our energy performance, and NewERA to ensure that our Company is at the forefront of national efforts to reduce greenhouse gas emissions and improve energy efficiency.

Environmental sustainability and community (continued)

Corporate Social Responsibility

In 2023, AirNav Ireland remained steadfast in its commitment to supporting staff-led charitable causes. We sponsored a number of juvenile sports teams across all our locations as well as donating to several charitable organisations. During the year we also continued with our Transition Year Schools programme, welcoming over 80 children from across Ireland to our centres in Ballycasey and Dublin, where they received an overview of our air traffic operations.

We collaborated with Difference Days, and more than 80 of our team members participated in two volunteer days at Scoil Bhríde National School in Portlaoise. Scoil Bhríde N.S. is part of the DEIS program which focuses on educational inclusion by providing equal opportunities. During our volunteer days, our staff constructed an outdoor classroom, a raised vegetable garden and a space for outdoor music. This was a great opportunity for staff across the Company to come together and give back to the community.



Paul Morris
Head of IT

“As Head of IT, my role is to bridge the gap between technology and AirNav Ireland’s goals, ensuring that our digital infrastructure supports our mission effectively. At AirNav Ireland, we’re committed to leveraging technology to enhance aviation safety and efficiency, driving forward our industry’s standards with every innovation.”

A photograph of Paul Morris, Head of IT, smiling in a server room. He is wearing a dark suit jacket over a light-colored shirt. The background shows server racks with various cables and lights.

OUR
PEOPLE

Human Resources

On 30 April 2023, employees engaged in the air navigation services function of the IAA transferred to AirNav Ireland. At AirNav Ireland, the activities of the Human Resources (HR) Directorate are centred on the five strategic priorities of our HR Strategy – **Diversity, Equality and Inclusion, Culture and Change, Talent Management, Employee Wellbeing and Employee Experience**. The HR Strategy supports our vision to be a trusted and respected HR Directorate capable of responsive delivery at an optimal level to support staff and the strategic priorities of the Company. The HR Strategy responds to the requirements of the Company and is focused on delivering success to the organisation, delivering a better employee experience and delivering on our Company values. We are focused on attracting and retaining great people to our business by creating a positive, inclusive and caring work environment. Our recruitment processes actively promote diversity in our workplace and we have been particularly active in encouraging more female participation in our front line roles. We have a well-established health and wellbeing programme that underpins our commitment of caring for our employees and, in 2023, we expanded our programme to include more initiatives. Our employees value these initiatives and participation levels are high.

During the year, we reassessed our core values as follows – safety is our promise, key to our success is our people, we have integrity in everything we do, we are committed to reducing the impact of climate on the environment through innovation and we deliver a world-leading service to our customers. In 2024, we will engage, across the organisation, to develop behaviours that are grounded in our values.

Diversity, equality and inclusion

AirNav Ireland's diversity, equality and inclusion journey is built on respect and fairness where everyone feels that they are valued and trusted, where their voices are heard and respected and where everyone takes responsibility for their actions. At AirNav Ireland, we understand the benefits of recruiting and supporting employees from various backgrounds. We have colleagues employed from eighteen different countries outside of Ireland. This level of diversity promotes new ways of thinking which contributes to a more productive and inclusive approach to the development of new ideas and perspectives.

In an industry where females are largely underrepresented globally, we are focused on increasing the number of females employed in AirNav Ireland and our recruitment processes reflect this aim. In 2023, we implemented initiatives to support our female colleagues including the Women in Leadership programme and the Women's Network. The **Women in Leadership programme** – 'Taking the lead – Women in Leadership' – was designed by the Irish Management Institute (IMI) and the 30% Club. Twenty two of our female colleagues have completed the programme to date and feedback from the participants is extremely positive. The programme will continue in 2024.

An AirNav Ireland **Women's Network** was established during the year to build a supportive, non-competitive community with the aim of creating a proactive environment for communicating and networking. The Women's Network hosts a variety of events that allow women to engage and connect with female leaders, both within our own organisation and in other businesses.

In December 2023, the Company published its first Gender Pay Gap report. The report, which is available on the Company's website, reported a mean gender pay gap of 15% and a median gender pay gap of 26%. We are continuing with our initiatives to promote careers for females in our front line operational roles. These initiatives include visits to schools and colleges and attendance at recruitment fairs, hosted by our female air traffic controllers and engineers. We also host a transition year programme, attended equally by male and female students, to educate them on the various careers in AirNav Ireland.

The percentage of AirNav Ireland employees who, at 31 December 2023, self-identified as having a disability, as defined under the Disability Act, was 4%.

Recruitment

Recruitment was an area of high activity in 2023 as the Company's headcount plans were updated to reflect the strong, and unexpected, rebound of air traffic post the pandemic and a significant programme of project activity. Following a lengthy and demanding recruitment process, 16 engineers and sixteen student air traffic controllers were recruited and commenced training in the year. In addition, a number of appointments were made in

the area of compliance and quality management to support increased regulatory requirements. At the end of 2023, the Company employed 634 employees.

Student graduation

In January, we held our student graduation ceremony in Limerick to honour the achievements of the 9 air traffic controllers and 8 engineers who qualified in 2022. The 17 graduates worked extremely hard to complete their studies, despite their training being impeded by the pandemic, and we are all very proud of their success.

Employee wellbeing

To maximise the potential of our workforce, the Company continued to provide a wide range of initiatives, both on-site and digital, to support the health and wellbeing of its staff. Participation of staff is high and the Company is committed to expanding its wellbeing programme, where possible, in response to input from employees. For example, a menopause working group was established in 2023 as part of our wellbeing initiative and continues to meet regularly. In addition, our Employee Assistance Programme (EAP) provides employees and their family members with access to a range of supports, including managing stress, financial advice and counselling services on a 24/7/365 basis.

Following a comprehensive two-day external audit, our Employee Wellbeing Programme was successful in retaining the KeepWell accreditation mark for a further two-year period. KeepWell is an industry-wide recognition of excellence in approaches to employee wellbeing initiatives. The Company scored very highly in a number of areas including mental health, physical activity, healthy eating, health and safety, absence management and managing intoxicants.

Health and safety

AirNav Ireland's approach to occupational health and safety was recognised at the 2023 National Irish Safety Organisation (NISO) Occupational Safety awards. AirNav Ireland was awarded both the category 1 public sector award and a consistent high achiever award. Both awards recognise the effectiveness of our occupational health and safety systems and reflect the commitment of all our staff and contractors to health and safety on a continuing basis.

Remote working

We were pleased to be able to formalise flexible hybrid working arrangements for our non front line employees, while meeting the needs of the business. A remote working policy and procedure, including a remote working handbook, was finalised and agreed with staff representatives and remote working was formalised in October 2023. This is an important recruitment and retention measure for non-operational staff.

Training and development

Retention and growth of our employees are key pillars to the Company's HR strategy. During the year, the Company ran its management training and development programme which was designed for existing and new managers. Participation on the programme is mandatory and the programme will continue for newly appointed managers in 2024. In late 2023, a three-year staff training and development programme was developed, taking into account feedback from management and employees. The programme addresses a range of subjects designed to support our employees in their career progression in the Company.

Employee Relations

An Internal Dispute Resolution Board charter sets out the framework for the management of industrial relations in the Company. The charter provides for an Internal Dispute Resolution Board (IDRB) to assist management and staff representatives in resolving disputes of a collective nature. The IDRB can issue binding adjudications and held a number of hearings in 2023.

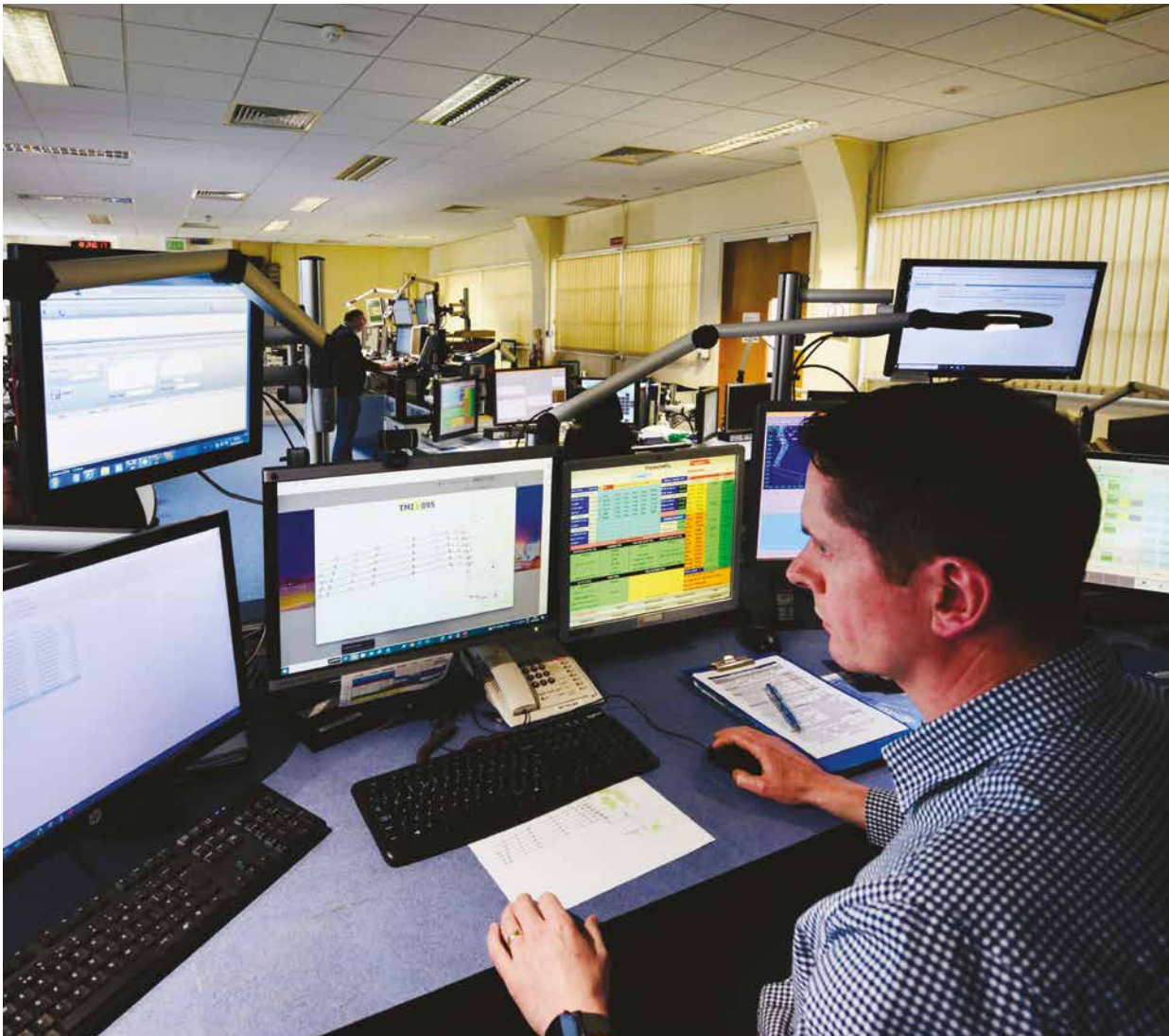
A Performance Verification Board (PVB) established as part of our current Collective Labour Agreement 2020 – 2024 is the mechanism for the granting of general round pay increases. The PVB issued a recommendation for a 4% general round pay increase in 2023. The recommendation was rejected by staff associations and the matter is currently before the Internal Dispute Resolution Board.

Human Resources (continued)

Pension management

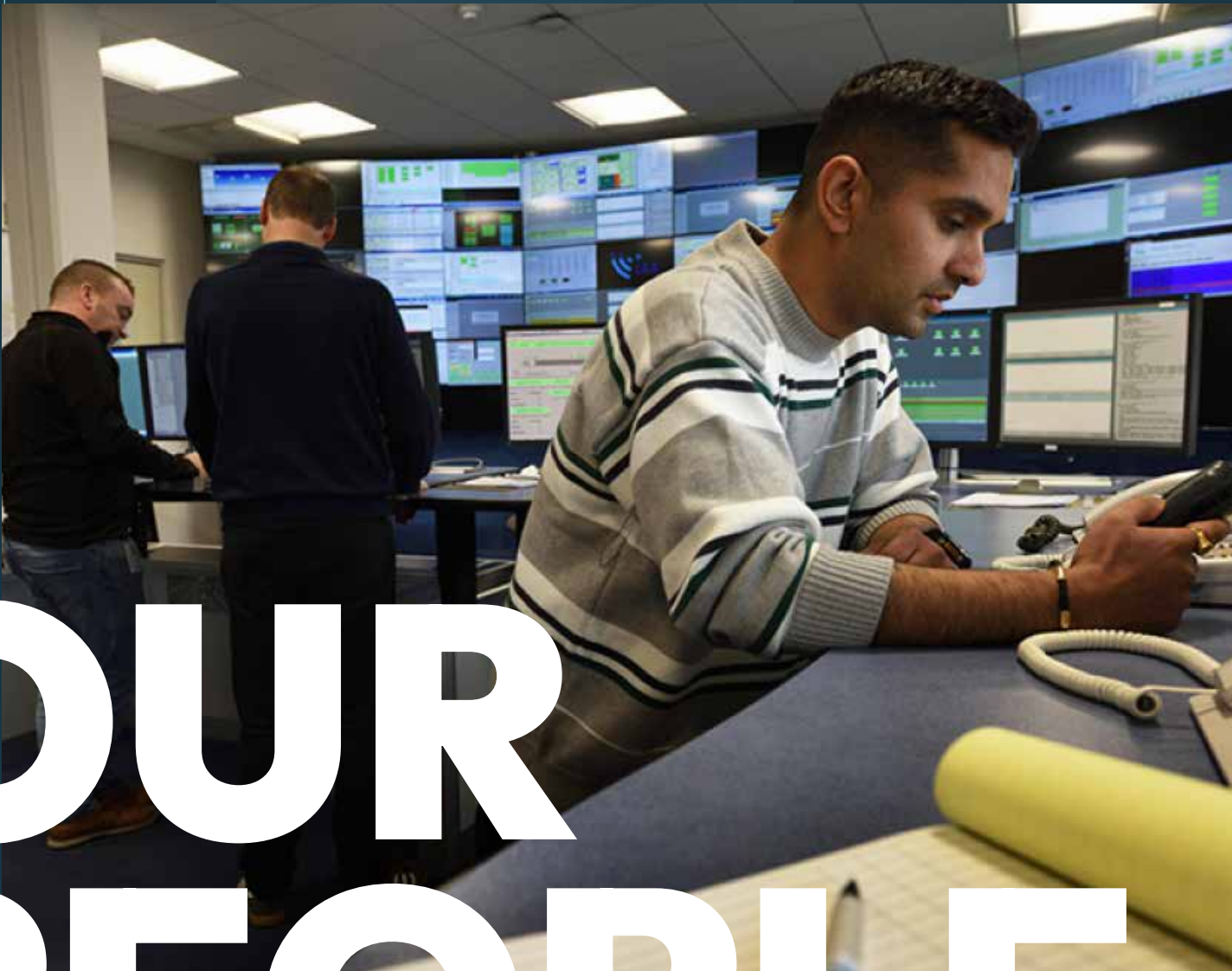
Following the transfer of the air navigation functions of the IAA to AirNav Ireland, AirNav Ireland assumed the role of principal employer for the IAA's pension funds. The pension funds were renamed as AirNav Ireland pension funds. The largest pension plan, the Main Defined Benefit Pension plan, ended 2023 with a surplus of €90 million, measured on a minimum funding standard basis. The plan is closed to new entrants since 2011 and remains the subject of a funding proposal until 31 December 2024.

In 2023, a number of pension matters were the subject of an independent binding arbitration process. Most of the recommendations have been implemented including improvements to the pension cap and to contribution rates for the Hybrid Pension Plan 2012 and the introduction of a new defined contribution scheme for all new entrants to AirNav Ireland from 1 May 2023. The Company requested, and received, Ministerial approvals to pay an increase of 2% to pensions in payment on 1 January 2023. The Company has agreed to consider a further increase to pensions in payment, from 1 January 2024, and a policy that would govern future pension increases from 2025, subject to receiving the necessary Ministerial approvals.



Jack Tormey
Higher Data Assistant

“As a HDA at AirNav Ireland, my work directly contributes to the safety and efficiency of air travel – this really gives my job a purpose. I’m also very lucky that I have one of the best views in the country working in our new air traffic control tower at Dublin airport.”



OUR PEOPLE

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Directors' report and consolidated financial statements

Directors and other information

Directors

Bryan Bourke (Chairman)
Cian Blackwell
Peter Kearney (Chief Executive)
Lourda Moloney
James O'Loughlin
Eimer O'Rourke
Aidan Skelly

Registered office

The Times Building
11-12 D'Olier Street
Dublin 2, D02 T449
T: +353 1 603 1505
Website: www.airnav.ie

Auditor

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte and Touche House
29 Earlsfort Terrace
Dublin 2, D02 AY28

Bankers

Allied Irish Banks, p.l.c.
BNP Paribas

Company registered number

734291

Business registered number

721281

Senior Management

Peter Kearney
Chief Executive

Brendan Mulligan
Deputy Chief Executive/Director Human Resources

Paul Brandon
Head of Business Innovation and Commercial Strategy

Gerald Caffrey
Director Technical Services

Maeve Hogan
Director Finance

Paul Johnson
Chief Strategy Officer Economic Regulation and International Affairs

Rachel Martin
Head of Corporate Affairs and Sustainability

Paul McCann
Director ATM Operations and Strategy

Ewan Murtagh
Company Secretary

Sinéad Quirke
Director Safety

Directors' report

The directors are pleased to present the first annual report, together with the audited consolidated and company financial statements, of the Irish Air Navigation Service trading as AirNav Ireland.

The Group and its principal activities

The Group comprises the Irish Air Navigation Service trading as AirNav Ireland ("the Company") and its subsidiary undertaking, AirNav North Atlantic Inc, with the Company and the subsidiary being together "the Group".

The Company was incorporated on 2 February 2023 pursuant to the Air Navigation and Transport Act 2022. The air traffic management functions, along with the employees and assets required to provide an air traffic management service, were acquired by the Company on 30 April 2023 from the Irish Aviation Authority ("the IAA").

The Group's principal activities are the provision of safe, efficient and cost-effective air traffic and communications services in Irish-controlled airspace and aeronautical communications on the eastern half of the North Atlantic. The Group operates to the highest international safety standards with safety being at the core of the Group's operations.

Risks and uncertainties

Effective identification, evaluation and management of risk is key to the Group's management, planning and reporting processes. Risks and uncertainties are assessed on a continual basis and the directors have developed a range of strategies to address these and other risks faced by the Company. Detailed risk identification, assessment and management is considered across the Company's operations and provides for successive assurances to be given at increasingly higher levels of management and ultimately to the Board. The corporate governance section of this directors' report sets out AirNav Ireland's policies and approach to risks and the related internal control procedures and responsibilities.

The following are the key risks and uncertainties which are assessed as likely to have the most significant impact on the Company's ability to achieve its objectives:

- Failure of air traffic management controls that results in a serious incident in the air or on the ground
- Significant reduction in the performance and resilience of AirNav Ireland's communications, navigation, surveillance and flight data infrastructure.

Review of the business

On 30 April 2023, the Company acquired the assets and liabilities of the ANSP division from the IAA at their carrying value, including the IAA's 100% owned subsidiary undertaking, IAA North Atlantic Inc (renamed as AirNav North Atlantic Inc from 1 May 2023), and the IAA's investment in Entry Point North AB. In consideration for the transfer, the Company issued 96 ordinary shares in the Company to the Minister for Public Expenditure, National Development Plan Delivery and Reform, who is the beneficial owner of the entire issued share capital of AirNav Ireland except for one share which is held by the Minister for Transport. The financial statements are the first set of financial statements presented for the newly formed Group and the prior period comparison is that of the former ANSP Undertaking as it existed in the IAA. The underlying structure of the Group is unchanged and as such the consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity have been presented on a consistent basis as if the Group reorganisation, the transfer of the ANSP Undertaking from the IAA to AirNav Ireland, had taken place at the start of the earliest period presented. The basis of consolidation is set out in note 1 to the financial statements.

Details of the Group's financial results are set out in the consolidated profit and loss account on page 54 and in the related notes. Profit for the financial year after taxation was €16.0 million (*restated 2022: €9.8 million*) on turnover of €194.5 million (*restated 2022: €185.0 million*). During the year, but prior to the transfer of the ANSP Undertaking from the IAA, a final dividend of €5.3 million (€0.30 per share) (*Restated 2022: €Nil*) was declared and paid for fiscal 2022. A detailed review of the business is included in the Chairman's statement and the Chief Executive's review.

In monitoring performance, the directors and management have regard to a range of key performance indicators including air traffic activity and employee numbers:

Key Performance Indicator	2023	2022
En route overflights	368,745	321,784
Terminal commercial traffic	274,851	237,533
North Atlantic communications flights	518,857	457,336
Average headcount	626	595

Directors

The names of the current directors are set out on page 41. The first directors of the Company were appointed and held office until their resignation as follows – Ethna Brogan was appointed as a director on 2 February 2023 and resigned from the Board on 27 April 2023, Aoife McQuillan was appointed on 2 February 2023 and resigned from the Board on 27 April 2023 and William Morrissey was appointed on 2 February 2023 and resigned on 26 April 2023. The directors held one share each (subscriber shares), in trust and beneficially, for the Minister for Public Expenditure, National Development Plan Delivery and Reform. On 30 April 2023 the subscriber shares were transferred to the Minister for Public Expenditure, National Development Plan Delivery and Reform (see note 17).

Bryan Bourke was appointed to the Board, as Chairman, on 16 March 2023. Cian Blackwell, James O’Loughlin and Eimer O’Rourke were appointed as directors on 13 April 2023. Lourda Moloney and Aidan Skelly were appointed on 18 April 2023. Sharon Donnery was appointed as a director on 26 April 2023 and resigned from the Board on 3 May 2023. Peter Kearney, Chief Executive of AirNav Ireland, was appointed to the Board on 30 April 2023.

Goodbody Secretarial Limited were appointed as Company Secretary on 2 February 2023 and held office until their resignation on 1 May 2023. Ewan Murtagh was appointed as Company Secretary from 1 May 2023.

Interests of directors and secretary

The directors and secretary, who held office at 31 December 2023, had no interests in the shares of AirNav Ireland at the date of incorporation, or at the date of their appointment (if later), nor at the end of the year.

Corporate governance

Code of Practice for the Governance of State Bodies (2016)

The directors are committed to the highest standards of corporate governance and complied with the Code of Practice for the Governance of State Bodies 2016 (“the Code”). The Code applied to the Company from 1 May, and from that date, appropriate measures have been put in place. Policies and procedures are continually reviewed to ensure compliance.

Role of the Board

The Board is responsible for leading and directing the Group’s activities. It takes the major strategic decisions and retains full and effective control while allowing the Chief Executive and the senior management sufficient flexibility to run the business efficiently and effectively within a structured reporting framework.

The Board has reserved a schedule of matters for its decision including safety oversight and safety compliance, the approval of the Group’s strategy, annual rolling business and financial plan, annual operating and capital budgets, half-year and annual financial statements, significant contracts, significant acquisitions and disposals of assets and appointment of the Chief Executive. The Board satisfies itself that adequate controls are in place to ensure compliance with statutory and governance obligations. In 2023, the Board made decisions about the acquisition of the ANSP (the air navigation service provider) Undertaking from the Irish Aviation Authority.

The roles of Chairman and Chief Executive are separate. The Chairman is responsible for the leadership of the Board and ensuring its effectiveness. The Chairman sets the agendas for board meetings and ensures that accurate, relevant and timely information is provided to ensure that the Board performs its duties to a high standard.

The Chairman facilitates the effective contribution of all directors. The non-executive Board members bring an independent judgement to bear on issues of strategy, performance, resources, key appointments and standards of conduct.

Through regular contact with the relevant government departments, the Chairman keeps the Minister advised on matters arising. The Chairman and the Chief Executive give feedback to the Board on matters raised by the shareholders.

Effectiveness of the Board

The Board acts in the best interests of the Company having due regard to its legal responsibilities and the objectives set by the shareholder. The directors have a blend of skills, expertise and experience which support their consideration of strategic and operational issues. The directors constructively challenge matters of strategic importance to the Group. The experience and knowledge of directors is taken into account in determining the requirements and membership of board committees.

Directors' report (continued)

The Board is provided with information in a timely manner to enable full and proper consideration of the issues. Standing items considered at each board meeting include key performance information across all aspects of the Group's business, reports of the Board committees and financial information which allows the Board to evaluate the financial performance of the Company by reference to the monthly and year-to-date actual outturn compared to planned results.

The Board has formal procedures in place whereby the Chairman meets with the non-executive directors without the Chief Executive being present. In 2023, the Board held one such meeting.

The Board members have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that Board procedures are followed, and applicable rules and regulations are complied with. The Company's professional advisors are available for consultation by the directors as required. Individual directors may take independent professional advice, if necessary, at the Company's expense. The Board has a procedure in place for recording the concerns of Board members that cannot be resolved.

The Board has an approved policy on code of business conduct in place for both the Board and the Company's employees. A policy on conflicts of interest for directors is also in place with potential conflicts of interest considered at each board and committee meeting.

Membership of the Board

The Board comprises seven directors including the Chairman, the Chief Executive, four non-executive directors and one director who is an employee. There are two Board vacancies at present. The directors are appointed to the Board by the Minister for Transport with the consent of the Minister for Public Expenditure, National Development Plan Delivery and Reform. As this is the first year of AirNav Ireland's incorporation, the term of the directors, excluding the Chairman and Chief Executive, ranges from two years to five years. The split of the Board is 29% female and 71% male.

Board member	Date of appointment	Term
Bryan Bourke, Chairman	16 March 2023	5 years
Cian Blackwell	13 April 2023	3 years 8 months
Peter Kearney, Chief Executive	30 April 2023	2 years 1 month
Lourda Moloney	18 April 2023	2 years
James O'Loughlin	13 April 2023	5 years
Eimer O'Rourke	13 April 2023	3 years 8 months
Aidan Skelly	18 April 2023	3 years

Schedule of attendance

The Board meets regularly to carry out its duties. A schedule of attendance at the Board and Committee meetings for 2023 is set out below. During the year, the Board held 12 meetings. The number of meetings was high, owing to the establishment of the Company and the transfer of the air traffic management functions and related assets/liabilities from the IAA between May and December 2023.

Number of meetings attended/number of meetings eligible to attend

Director	Board	Audit, Finance and Risk Committee	HR and Remuneration Committee	Strategic Planning, Safety and Compliance Committee	Interim Committee ¹
No. of meetings in 2023	12	3	2	3	6
Bryan Bourke	11/11		2/2	3/3	6/6
Cian Blackwell	11/11	3/3			6/6
Ethna Brogan	2/3				
Sharon Donnery	1/1				
Peter Kearney	7/8			3/3	
Aoife McQuillan	2/3				
Lourda Moloney	10/10			3/3	
William Morrissey	2/3				
James O'Loughlin	11/11			3/3	
Eimer O'Rourke	11/11	3/3	2/2		
Aidan Skelly	10/10	3/3	2/2		6/6

Induction and ongoing training

On appointment, all new directors attend an induction course where they receive operational and financial information about the Group as well as information about the role of the Board and the matters reserved to the Board. This process typically includes meetings with key senior executives and has included visits to the operational centres. The Company Secretary ensures that the board members are advised of their legal and other duties and obligations as a director. All directors have access to the advice and services of the Company Secretary.

Board evaluation

The Board conducted an end of year review of its performance, measuring it against its strategic objectives for the year. 2023 was the first year of business for the Company. The Board proposes to undertake an external evaluation within three years, proportionate to the size and requirements of the Company.

Board committees

The Board has established the following committees to assist its decision making:

- Audit, Finance and Risk Committee
- Human Resources and Remuneration Committee
- Strategic Planning, Safety and Compliance Committee

Audit, Finance and Risk Committee

The Audit, Finance and Risk committee operates under formal terms of reference which were approved during the year. Under its terms of reference, the committee supports the Board in its responsibilities for issues of risk (other than safety oversight which is reserved to the Board), internal control and governance by reviewing the completeness, reliability and integrity of assurances. The committee is also established to examine the financial aspects of the Company's business to support the Company's longer-term strategies.

¹ The Interim Committee was a temporary committee established to assist the Board with matters in advance of the formalisation of the Company's committee structure

Directors' report (continued)

The committee expects to meet at least four times a year but, in 2023, the committee held just three meetings due to the fact that the Company commenced normal operations on the acquisition of the ANSP Undertaking from the IAA on 30 April 2023. The committee is chaired by Cian Blackwell who was appointed as Chair on 8 May 2023. Eimer O'Rourke and Aidan Skelly are members of the committee and were also appointed to the committee on 8 May 2023. The committee reports to the Board after each committee meeting.

Audit, Finance and Risk committee members are appointed for a specific term with all three members having terms that run to 7 May 2025. Prior to their appointment, the Chairman of the Board took account of their experience, qualifications and interests when deciding to appoint them as members of the committee. The Board has ensured that, between them, the committee members have experience of governance, internal audit, the public sector environment and the aviation industry, recent and relevant financial experience, and experience in risk assessment and technical/specialist areas.

Meetings are usually attended by the Finance Director and the Internal Auditor as well as representatives from other areas such as operations, technical services, human resources and information technology, by invitation. The Internal Auditor reports directly to the Audit, Finance and Risk committee.

The audit and risk duties of the committee include:

- provide assurance to the Board on the effectiveness of the Company's systems of internal control, risk management and internal audit
- review, challenge and monitor the integrity of the Group's statutory financial statements and advise on the effectiveness of the Group's accounting policies and practices
- monitor and review the independence and objectivity of the external auditor and make recommendations to the Board on the appointment of the external auditor
- monitor and consider the nature and scope of the external audit.

The external auditor meets with the committee to plan and subsequently review the outcome of the external audit of the Group consolidated financial statements. Procedures are in place to ensure an appropriate relationship with the external auditor. The committee considers the independence of the external auditor annually and has adopted a policy governing the provision of non-audit services by the external auditor. This policy considers the nature and

extent of the service provided and the fees earned for audit and non-audit work. These fees are set out in note 7 to the financial statements. No issues arose in 2023. In 2023, the committee met with the external auditor without management present.

Under its finance remit, the committee considers and recommends to the Board, for approval, the annual operating budget, the treasury policy, and the Company's financing requirements and banking arrangements. The committee also receives the latest monthly management accounts.

In 2023, and up to the date of approval of the financial statements, the committee:

- recommended its terms of reference for approval to the Board
- considered the draft statutory financial statements for the year ended 31 December 2023 and recommended them to the Board for its approval
- considered a report from the external auditor on its audit of the statutory financial statements
- considered and agreed the scope of the 2023 statutory audit
- reviewed and recommended to the Board the corporate risk register 2023-2024 having considered the adequacy of the system of risk identification and assessment
- reviewed and considered reports by the Internal Auditor on the effectiveness of the financial, operational and compliance controls and risk management processes
- reviewed and confirmed the continued appropriateness of the internal audit work plan for 2023, which had been put in place prior to the acquisition of the ANSP Undertaking from the IAA
- reviewed the work undertaken by internal audit and agreed an internal audit work plan for 2024
- evaluated the effectiveness of internal audit
- reviewed monthly management accounts
- reviewed the unaudited accounts to 30 June 2023
- reviewed and recommended for approval to the Board the Company's treasury policy and its policy governing the provision of non-audit services by the external auditor
- received the 2024 operating budget and recommended it for approval to the Board
- received and considered reports and presentations by management on relevant internal control processes

- reviewed the Company's compliance with the Code of Practice for the Governance of State Bodies
- completed a self-assessment evaluation of its performance.

Human Resources and Remuneration Committee

The human resources and remuneration committee operates under formal terms of reference which were approved during the year. Under its terms of reference, the role of the committee is to monitor and receive reports on human resources and remuneration matters including strategic resource planning and senior management appointments. The committee considers matters related to general remuneration within the Company and that of the Chief Executive and senior management. The Committee also reviews management performance and receives updates on changes to organisational management structures and pension arrangements.

The committee met twice in 2023. The committee is chaired by Bryan Bourke who was appointed as Chair on 8 May 2023. Eimer O'Rourke and Aidan Skelly are members of the committee and were also appointed to the committee on 8 May 2023. The committee reports to the Board after each committee meeting.

Strategic Planning, Safety and Compliance Committee

The strategic planning, safety and compliance committee operates under formal terms of reference which were approved during the year. Under its terms of reference, the role of the committee is to examine and make recommendations to the Board on the Company's strategies in relation to technology, resource allocation and capital investment for air navigation and related services and safety, security and compliance performance. The committee considers management's plans for commercial activities and investments as well as receiving updates on the Company's sustainability plans. The committee assumed responsibilities undertaken by the Interim Committee.

The committee met three times in 2023. The committee is chaired by Bryan Bourke who was appointed as Chair on 8 May 2023. Peter Kearney, James O'Loughlin and Lourda Moloney are members of the committee and were also appointed to the committee on 8 May 2023. The committee reports to the Board after each committee meeting.

Statement on the system of internal control

The Board is ultimately responsible for the Group's system of internal control and for monitoring its effectiveness. The system of internal control comprises those controls established in order to provide reasonable assurance regarding the safeguarding of assets against loss, the maintenance of proper accounting records and reliable financial information for use within the business or for publication, and compliance with relevant laws and regulations.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss. The Board, whether directly or through the Audit, Finance and Risk committee, has reviewed the effectiveness of the systems of internal control covering financial, operational and compliance controls and risk management systems. This review took place on 27 March 2024 and is effective up to the date of approval of the financial statements.

The Company has a strong internal control framework in place which includes the following:

- board committees with clearly defined terms of reference
- a schedule of matters that are reserved to the Board
- a code of conduct, approved by the Board, which provides practical guidance for all staff
- a clearly defined organisational structure with appropriate segregation of duties and limits of authority
- clearly defined responsibilities with appropriately qualified staff performing these duties
- a corporate risk management framework
- clearly defined limits and procedures for financial expenditure including procurement and capital expenditure
- adherence, as appropriate, to the relevant aspects of the Public Spending Code
- a comprehensive system of financial reporting, accounting, treasury management and project appraisal
- comprehensive budgeting systems with annual budgets approved by the Board
- a comprehensive planning process that delivers a five-year corporate plan, reviewed by the shareholder and approved by the Board

Directors' report (continued)

- monitoring of actual performance against budgets and reporting on variances to the Board on a monthly and annual basis
- an internal audit function which reviews key financial systems and controls and general operations and makes recommendations, where appropriate
- an audit, finance and risk committee which approves audit plans and deals with significant control issues raised by internal or external audit and which reviews and recommends the annual statutory financial statements for approval by the Board
- a policy to cover oversight of AirNav Ireland's wholly owned subsidiary
- policies and procedures for the reporting and resolution of suspected fraudulent activities.

These controls were reviewed by internal audit in 2023 as part of its work programme and reported directly to the Audit, Finance and Risk committee. Recommendations for improvements, if appropriate, were also reported to the committee and subsequently monitored for timely implementation.

The Board confirms that, for the period from incorporation and up to the date of approval of the financial statements, there is a process for identifying and managing risks and that an appropriate system of internal control is in place and that these systems operated effectively in the period. No material weaknesses or frauds were identified in the course of the review of the effectiveness of the system of internal control.

Risk management

The Board has overall responsibility for the Group's approach to risk. It approves the risk management framework and monitors its effectiveness through the Audit, Finance and Risk committee, the Strategic Planning, Safety and Compliance committee and directly through the Board. Risk management is reported at each board meeting and the risk register is approved annually by the Board. An on-going process exists for identifying, evaluating, and managing the significant risks faced by the Group. This process is reviewed regularly by the Board and has been in place for the period under review and up to the date of approval of the annual report and financial statements.

Management is responsible for the identification and evaluation of significant business risks and for the design and operation of suitable internal controls. These risks are assessed on a continual basis.

Management reports regularly to the Board on the key risks inherent in the business and on how these risks are managed.

The role of the Audit, Finance and Risk committee is to review and monitor risk management and the committee receives regular reports from management and internal audit on all identified risks, other than safety, that are inherent in the business and are necessary to manage under the established system of control. The Board is updated accordingly. Reporting on risk management and drafting of the Corporate Risk Register is facilitated by internal audit, which provides assurance as to the operation and validity of the system of internal control. All planned corrective actions are closely monitored for timely completion. Internal audit independently reviews the risk identification procedures and control processes implemented by management, and reports to the Audit, Finance and Risk committee at each meeting. The Audit, Finance and Risk committee reviews the assurance procedures to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the Board and reports its findings to the Board on an annual and on a quarterly basis or more frequently should the need arise.

Directors' remuneration

Fees for directors are determined by the Minister for Public Expenditure, National Development Plan Delivery and Reform and are set out in writing in their letter of appointment. The remuneration of the Chief Executive, who has a service contract, was approved by the Minister for Transport and communicated to the Board of Directors. The disclosures made in these financial statements relating to directors' fees and the remuneration of the Chief Executive are set out in note 7 and are those required under the Companies Act 2014 and the 2016 Code of Practice for the Governance of State Bodies.

Disclosures required under the 2016 Code of Practice for the Governance of State Bodies

The Board is responsible for the preparation of the annual report and financial statements and for ensuring that the financial statements give a true and fair view of the Group's financial performance and financial position at the year end. The Chairman reports regularly to the Minister for Transport on all developments, operational, financial and commercial, affecting AirNav Ireland.

The following information relates to the Company and is provided from the date of incorporation to 31 December 2023, consistent with the specific financial

information requirements of the Code of Practice for the Governance of State Bodies. The information is reasonably stated in all material respects.

Travel and subsistence

Travel and subsistence costs charged to the profit and loss account amounted to €0.7 million, shared between domestic travel and subsistence costs of €0.5 million and international travel and subsistence costs of €0.2 million.

Staff welfare and hospitality costs

Staff welfare and hospitality costs charged to the Company's profit and loss account in 2023 amounted to €0.3 million.

Consultancy costs

Consultancy costs include the cost of external advice to management that contributes to decision making or policymaking and excludes outsourced 'business as usual' functions. In 2023, consultancy costs charged to the profit and loss account amounted to €0.7 million analysed as follows: €0.2 million related to the separation transaction, €0.2 million related to the assessment of commercial opportunities, €0.1 million related to actuarial and other pensions advices and €0.2 million related to various smaller technical, property, economic regulation and financial consultancies.

Consultancy costs incurred and capitalised within tangible fixed assets amounted to €0.4 million and comprised mechanical and electrical, planning and design, cyber security and other technical assessments.

Legal costs

Costs incurred in respect of general legal advice and charged to the profit and loss account amounted to €0.2 million. Legal costs incurred in relation to legal cases amounted to €Nil. There were no legal settlements by the Company in the period since its incorporation.

Going concern

The directors believe that the Group and the Company have adequate resources to continue in operation for the foreseeable future and to meet its ongoing liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements and therefore, it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The assessment of going concern is considered further in note 1 to the financial statements.

Accounting records

The directors believe that they have complied with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Group are maintained at The Times Building, 11-12 D'Olier Street, Dublin 2.

Directors' compliance statement

In accordance with section 225(2) of the Companies Act 2014, the directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations. In addition, the directors confirm that a compliance policy statement has been drawn up setting out the Company's policies with regard to such compliance, that appropriate arrangements and structures have been put in place that, in their opinion, are designed to secure material compliance with the Company's relevant obligations and that a review of the arrangements and structures has been carried out during the financial period.

Relevant audit information

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditor is aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditor is unaware.

Prompt payment of accounts

It is the policy of the Company to comply with the requirements of relevant prompt payment legislation. The Company's standard terms of credit taken, unless otherwise specified in contractual arrangements, are 30 days from receipt of invoice, or confirmation of acceptance of the goods or services, which are the subject of payment. In 2023, substantially all payments were made within the appropriate credit period. The Company continually reviews its administrative procedures in order to assist in minimising the time taken for invoice query and resolution. These procedures provide reasonable but not absolute assurance against material non-compliance with the regulations.

Directors' report (continued)

Post balance sheet events

On 11 April 2024, the Board proposed the payment of a dividend of €4.5 million (€45,465 per share). There were no other significant events affecting the Company since 31 December 2023 which require adjustment to, or disclosure in, the financial statements.

Political donations

The Group did not make any political donations during the period which would require disclosure under the Electoral Act, 1997.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, was appointed during the period and will continue in office.

On behalf of the board:

Bryan Bourke **Peter Kearney**
Chairman *Chief Executive*

11 April 2024

Statement of directors' responsibilities

in respect of the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* as applied in accordance with the provisions of the Companies Act 2014.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year. In preparing each of the Group and Company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group comply with the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board:

Bryan Bourke **Peter Kearney**
Chairman *Chief Executive*

Independent auditor's report

to the members of the Irish Air Navigation Service trading as AirNav Ireland

Report on the audit of the financial statements

Opinion on the financial statements of the Irish Air Navigation Service trading as AirNav Ireland (the 'company')

In our opinion, the group and parent company financial statements:

- give a true and fair view of the assets, liabilities and financial position of the group and parent company as at 31 December 2023 and of the profit of the group for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

the group financial statements:

- the Consolidated Profit and Loss Account;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Balance Sheet;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Cash Flow Statement; and
- the related notes 1 to 24, including a summary of significant accounting policies as set out in note 1.

the parent company financial statements:

- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 24, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council ("the relevant financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the group and parent company in accordance with the ethical requirements

that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, 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 group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' report and consolidated financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' report and consolidated financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, 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 group and parent 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 group and parent 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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

- In our opinion the accounting records of the parent company were sufficient to permit the financial statements to be readily and properly audited.
- The parent company balance sheet is in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Under the Code of Practice for the Governance of State Bodies (August 2016) (the "Code of Practice"), we are required to report to you if the statement regarding the system of internal control required under the Code of Practice as included in the Directors' Report does not reflect the Company's compliance with paragraph 1.9(iv) of the Code of Practice or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Daniel Murray

for and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte and Touche House, 29 Earlsfort Terrace,
Dublin 2

11 April 2024

Consolidated profit and loss account

for the year ended 31 December 2023

	Note	2023 €'000	Restated 2022 €'000
Turnover – continuing activities	3	194,494	184,957
Operating expenses		(178,358)	(170,115)
Operating profit – continuing activities		16,136	14,842
Interest receivable and similar income	5	23,497	10,421
Interest payable and similar charges	6	(20,076)	(14,022)
Share of profit of associate	10	888	701
Profit on ordinary activities before taxation	7	20,445	11,942
Tax on profit on ordinary activities	8	(4,465)	(2,171)
Profit for the financial year		15,980	9,771

Consolidated statement of other comprehensive income

for the year ended 31 December 2023

	Note	2023 €'000	Restated 2022 €'000
Profit for the financial year		15,980	9,771
Other comprehensive gain			
Re-measurement of the net defined benefit asset	21	2,196	102,712
Related deferred tax liability	16	(275)	(12,839)
Cash in excess of pension service costs	21	5,756	2,439
Foreign exchange differences on translation of foreign operations		(353)	1,440
Other comprehensive gain for the year		7,324	93,752
Total comprehensive gain for the year		23,304	103,523

Consolidated balance sheet

at 31 December 2023

	Note	2023 €'000	Restated 2022 €'000
Fixed assets			
Tangible assets	9	103,669	99,861
Financial assets	10	26,982	27,497
Pension asset	21	61,518	50,885
		192,169	178,243
Current assets			
Debtors			
– due within one year	11	64,669	49,580
– due after more than one year	11	80,015	86,985
Short term deposits	12	41,112	15,420
Cash and cash equivalents	12	42,896	59,392
		228,692	211,377
Creditors: amounts falling due within one year	13	(45,168)	(33,718)
		183,524	177,659
Net current assets			
		375,693	355,902
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	(48,491)	(46,804)
Provisions for liabilities			
Retirement benefit obligations	21	(3,166)	(3,101)
		324,036	305,997
Net assets			
Capital and reserves			
Called up share capital	17	-	-
Share premium account	17	314,829	-
Other reserves	17	(1,366)	305,997
Profit and loss account		10,624	-
Currency reserve		(51)	-
		324,036	305,997
Shareholders' funds – equity			

On behalf of the board:

Bryan Bourke
Chairman

Peter Kearney
Chief Executive

Company balance sheet

at 31 December 2023

	Note	2023 €'000
Fixed assets		
Tangible assets	9	103,669
Financial assets	10	11,995
Pension asset	21	61,518
		177,182
Current assets		
Debtors		
– due within one year	11	76,986
– due after more than one year	11	80,015
Short term deposits		41,112
Cash and cash equivalents		42,699
		240,812
Creditors: amounts falling due within one year	13	(45,117)
		195,695
Net current assets		
		372,877
Total assets less current liabilities		
Creditors: amounts falling due after more than one year	15	(48,491)
Provisions for liabilities		
Retirement benefit obligations	21	(3,166)
		321,220
Net assets		
Capital and reserves		
Called up share capital	17	-
Share premium account	17	314,829
Other reserves	17	(4,474)
Profit and loss account		10,865
		321,220
Shareholders' funds – equity		

On behalf of the board:

Bryan Bourke
Chairman

Peter Kearney
Chief Executive

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Called up share capital €'000	Share premium €'000	Other reserves €'000	Profit and loss account €'000	Currency reserve €'000	Total equity €'000
Balance at 1 January 2022 - Restated	-	-	202,474	-	-	202,474
Comprehensive income						
Movement on other reserve	-	-	103,523	-	-	103,523
Total comprehensive profit for the year	-	-	103,523	-	-	103,523
Balance at 31 December 2022 - Restated	-	-	305,997	-	-	305,997
Balance at 1 January 2023	-	-	305,997	-	-	305,997
Comprehensive income						
Profit for the financial year	-	-	1,066	14,914	-	15,980
Other comprehensive gain/(loss)	-	-	11,665	(4,290)	(51)	7,324
Total comprehensive profit/ (loss) for the year	-	-	12,731	10,624	(51)	23,304
Transactions with shareholders recognised directly in equity						
Issue of shares (note 17)	-	314,829	(314,829)	-	-	-
Dividends	-	-	(5,265)	-	-	(5,265)
Balance at 31 December 2023	-	314,829	(1,366)	10,624	(51)	324,036

Company statement of changes in equity

from date of incorporation to 31 December 2023

	Called up share capital €'000	Share premium €'000	Other reserves €'000	Profit and loss account €'000	Total equity €'000
Balance at 2 February 2023 (date of incorporation)	-	-	-	-	-
Comprehensive income					
Profit for the financial period	-	-	-	15,155	15,155
Other comprehensive income	-	-	-	(4,290)	(4,290)
Total comprehensive income for the period	-	-	-	10,865	10,865
Transactions with shareholders recognised directly in equity					
Issue of shares (note 17)	-	314,829	-	-	314,829
Movement on other reserves (note 17)	-	-	(4,474)	-	(4,474)
Balance at 31 December 2023	-	314,829	(4,474)	10,865	321,220

Consolidated cash flow statement

for the year ended 31 December 2023

	Note	2023 €'000	Restated 2022 €'000
Cash flows from operating activities			
Profit for the financial year		15,980	9,771
<i>Adjustment for:</i>			
Depreciation of tangible fixed assets	9	11,638	12,139
Impairment loss on tangible fixed asset	9	-	4,702
Interest receivable and similar income	5	(23,497)	(10,421)
Interest payable and similar charges	6	20,076	14,022
Share of profit of associate	10	(888)	(701)
Taxation	8	4,465	2,171
		27,774	31,683
Increase in debtors		(7,966)	(8,401)
Increase/(decrease) in creditors		10,117	(1,591)
		29,925	21,691
Tax paid		(3,107)	(4,256)
Net cash from operating activities		26,818	17,435
Cash flows used in investing activities			
Acquisition of tangible fixed assets		(13,447)	(10,823)
Dividends received from financial assets	10	622	-
Investment in short term deposits		(25,692)	(6,981)
Interest received		727	63
Net cash used in investing activities		(37,790)	(17,741)
Cash flows from financing activities			
Interest paid		(253)	(494)
Dividends paid	18	(5,265)	-
Net cash from financing activities		(5,518)	(494)
Net decrease in cash and cash equivalents		(16,490)	(800)
Cash and cash equivalents at 1 January		59,392	60,177
Effect of exchange rate fluctuations on cash held		(6)	15
Cash and cash equivalents at 31 December	12	42,896	59,392

Notes forming part of the financial statements

1 Accounting policies

General information and basis of preparation

The Irish Air Navigation Service trading as AirNav Ireland (“AirNav Ireland”, “the Company”) is a designated activity company (DAC) limited by shares, formed on 2 February 2023 under the Air Navigation and Transport Act 2022 (“the Act”), and registered under the Companies Act 2014.

Pursuant to the Air Navigation and Transport Act 2022, the Company entered into a transfer agreement (“the Memorandum for the transfer of the ANSP Undertaking”) with The Irish Aviation Authority (“the IAA”) to transfer the air navigation service provider (ANSP) functions of the IAA, including those assets and liabilities associated with the performance of the ANSP functions, the shares in the IAA’s subsidiary undertaking, IAA North Atlantic Inc, and the investment in Entry Point North AB and associated activities, together the ANSP Undertaking, held by the IAA, to the Company. The effective date of the transfer was 30 April 2023. Further details are shown at note 2.

These financial statements are prepared using the merger accounting method. As the underlying structure of the Group is unchanged, the consolidated financial statements have been prepared as if the Group reorganisation, the transfer of the ANSP Undertaking from the IAA to AirNav Ireland, had taken place at the start of 1 January 2022, being the earliest period presented.

The financial statements are prepared under the historical cost convention, except that investments in associates are accounted for using the equity method in the consolidated financial statements (and at cost less impairment in the Company financial statements) and other financial fixed assets are stated at fair value. The financial statements comply with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (“FRS 102”). The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements and have, unless otherwise stated, been applied consistently to all periods presented in the financial statements. Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

Going concern

The consolidated financial statements have been prepared on a going concern basis. This assumes that the Group and the Company will have adequate resources to continue in operation for the foreseeable future and can meet their ongoing liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

At 31 December 2023, the Group had cash and cash equivalents and short terms deposits of €84.0 million (*Restated 2022: €74.8 million*) and access to an overdraft facility of €10.0 million. The Company also has access to committed bank loan facilities of €60.0 million of which €30.0 million is committed for five years to July 2026 and the remaining €30.0 million is committed to July 2025 with an option to extend for a further year with the consent of the lender. These facilities were undrawn at 31 December 2023.

The recovery of air traffic from the COVID-19 pandemic is complete, with traffic forecasts for 2024 and beyond predicting further growth. An approved regulatory determination is in place with preparations for the next determination, RP4, covering the years 2025 to 2029, commencing in 2024.

However, there are challenges to the short-term outlook including macro-economic headwinds in the form of high inflation and high cost of living, higher fuel prices, geopolitical risks and environmental concerns. The Group’s cash flow forecasts show that the Group and the Company should be able to operate within the level of their available liquidity for the foreseeable future. Management will continue to monitor the cash position of the Group alongside the traffic profile.

1 Accounting policies (continued)

Going concern (continued)

Accordingly, having considered the future cash requirements of the Group's and the Company's business, the economic environment over the next 12 months, the principal risks and uncertainties facing the Group and the Company and the Group and the Company's operating budget, the directors believe that the Group and Company have adequate resources to continue in operation for a period of at least 12 months from the date of approval of the financial statements and that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

True and fair view override

Ireland is a party to a multilateral agreement (EUROCONTROL) relating to the collection of en route navigation service charges. A bilateral agreement is in place with EUROCONTROL for the collection of terminal service charges. Under the Air Navigation and Transport Act 2022, AirNav Ireland performs en route and terminal functions on behalf of the State. Differences in income earned and eligible regulated costs arising from traffic volume risk and cost risk sharing are recovered from, or returned to, users of en route and terminal navigation services, consistent with the underlying EU regulations, by amendment of charges in later years.

The costs to be taken into account for the purpose of the EUROCONTROL agreement are defined in the EUROCONTROL charging principles and in the EC Charging Regulations in a manner that includes all cash payments to pension funds. Consequently, the directors have determined that it is appropriate to incorporate all cash contributions made to AirNav Ireland's pension fund in operating expenses to the extent they exceed the pensions charge determined in accordance with FRS 102 'Employee Benefits', and to record an offsetting credit in the statement of other comprehensive income ("OCI"), in order to present a true and fair view of its comprehensive income and its assets, liabilities and financial position. Further details of the impact of this accounting treatment is shown in the employee benefits accounting policy on page 65 and 66.

Basis of consolidation

The financial statements are the first set of financial statements presented for the newly formed Group and the prior period comparison is that of the former ANSP Undertaking as it existed in the IAA. The underlying structure of the Group is unchanged and as such the consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity have been presented on a consistent basis as if the Group reorganisation, the transfer of the ANSP Undertaking from the IAA to AirNav Ireland, had taken place at the start of the earliest period presented.

The Group financial statements consolidate the financial statements of the Company and its 100% owned subsidiary, AirNav North Atlantic Inc., up to 31 December 2023. The consolidated profit and loss account includes the results of the Company for the period from incorporation, 2 February 2023, to 31 December 2023 plus the transactions attributable to the ANSP Undertaking transferred for the period 1 January 2023 to 30 April 2023 (the date on which the business was transferred to AirNav Ireland). Comparatives for 2022 include the results of the ANSP Undertaking from 1 January 2022 to 31 December 2022.

In presenting the consolidated profit and loss account and the consolidated statement of other comprehensive income, the following is noted in respect of the result for the four months from January to April 2023:

- interest income on defined benefit assets is assumed to relate 100% to the ANSP;
- interest expense on defined benefit liabilities is assumed to relate 98.6% to the ANSP;
- bank interest receivable and bank interest payable is allocated 48% to the ANSP;
- other comprehensive gains are assumed to relate 100% to the ANSP.

1 Accounting policies (continued)

Basis of consolidation (continued)

In presenting prior year comparative information, the following is noted:

- the cash balance at 31 December 2022 is based on the cash balance at the vesting day i.e. 30 April 2023 adjusted retrospectively for prior period transactions;
- the pensions balance has been determined by reference to the transfer agreement which provides that all defined benefit pension assets and all defined benefit pension liabilities, with the exception of liabilities for future service for employees remaining with the IAA, transferred to the Company from 30 April 2023;
- trade creditors and corporate tax balances at 31 December 2022 remain with the IAA, consistent with the transfer agreement;
- the remuneration of the auditor is estimated based on the relative proportion of the ANSP revenue in the IAA to total revenue; where services provided are particular to the ANSP only, the remuneration is assigned 100% to the ANSP business.

The subsidiary was renamed as AirNav North Atlantic Inc with effect from 1 May 2023. A subsidiary is an entity that is controlled by the holding undertaking. The results of the subsidiary undertaking are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investor holds between 20% and 50% of the equity voting rights. The Group's share of the profits or losses of associates is included in the consolidated profit and loss account and its interest in its net assets is recorded on the balance sheet using the equity method.

Group reconstruction

In accounting for acquisitions within the Group, the Company applies the merger accounting method under FRS 102 once the following criteria have been met:

- the acquiree meets the definition of a business under FRS 102;
- the use of the merger accounting method is not prohibited by Company Law or other relevant legislation;
- the ultimate equity holders remain the same, and the rights of each equity holder, relative to the others, are unchanged; or
- no non-controlling interest in the net assets of the Group is altered by the transfer.

Under the merger accounting method, the assets and liabilities being acquired are transferred at their carrying values. Share premium represents the fair value of the shares issued in excess of the nominal value of the shares issued. Any excess between the fair value of the shares issued and the assets and liabilities transferred is recorded in 'Other Reserves'.

Comparative information is restated on a comparable basis for the merged entity.

Turnover

Turnover represents the amounts received, and receivable, in respect of services provided to customers.

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services provided. Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

1 Accounting policies (continued)

Turnover (continued)

En route and terminal revenues

The provision of en route and terminal services are economically regulated activities underpinned by Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and Commission Implementing Regulation (EU) 2020/1627 of 3 November 2020 on exceptional measures for the third reference period (2020–2024) of the single European sky performance and charging scheme due to the COVID-19 pandemic. As described above, AirNav Ireland is entitled to recover its regulatory approved eligible costs through charges to the en route and terminal airspace users. For the period 2020–2024, these eligible costs are set out in the State's Performance Plan for the Reference Period 3 (RP3) 2020–2024, approved in May 2022. Differences arising between actual revenues and expected revenues, as defined in the underlying regulations, are provided for in an accrued/deferred income account and are adjusted against income arising from en route and terminal activities. Accrued/deferred income is recovered/reimbursed by way of an adjustment to customer charges in future years, typically on an 'n+2' basis. In response to COVID-19, accrued/deferred income for 2020 and 2021 only will be recovered from the airspace users through an adjustment to customer charges, spread equally, over seven years, 2023–2029.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Depreciation is calculated to write off the cost of each fixed asset, including equipment purchased as part of an installation, on a straight line basis over its expected useful life as follows:

Buildings	20–30 years
Completed installations and other works	8–12 years
Office equipment	3–5 years

Assets are depreciated from the date they are commissioned for use. Assets under construction/ installations in progress are carried at historical cost and are not depreciated until they are brought into use. The carrying amounts of tangible fixed assets are reviewed at each reporting date to determine whether there is any indication of impairment.

Financial fixed assets

Associates are those entities in which the Group has significant influence, but not control of the financial and operating policies. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates are recognised in the Group profit and loss account. The Group's interest in the net assets of associates are included as investments in associates in the Group's balance sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post-acquisition retained profits or losses arising on the Group's investment.

In the Company financial statements, investments in associates are carried at cost less allowance for any impairment in value of individual investments.

Other financial fixed assets are recognised initially at the transaction price. At the end of each reporting period the investment is measured at fair value with changes in fair value recognised in profit or loss, unless the fair value cannot be reliably measured, in which case cost is used.

Leased assets

Operating lease rentals are expensed as they accrue over the periods of the leases.

1 Accounting policies (continued)

Foreign currencies

Transactions arising in foreign currencies are translated into the functional currency at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the year-end rate of exchange. The resulting profits and losses are dealt with in the profit and loss account for the year.

The results of foreign operations are translated into Euro at the average exchange rates for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The assets and liabilities of foreign operations are translated into Euro at the exchange rates ruling at the year-end date. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

Taxation

Corporation tax is provided for on the profit for the year at the current rates. Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the reporting date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Group's taxable profits and its results, as stated in the financial statements, which arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Employee benefits

On 30 April 2023, AirNav Ireland assumed the responsibility of principal employer for pension funds which had previously been sponsored by the IAA – "The Irish Aviation Authority Staff Superannuation Scheme 1996", for staff whose employment with the IAA commenced prior to 1 April 2008; "The Irish Aviation Authority Staff Superannuation Scheme 2008", for staff whose employment with the IAA commenced from 1 April 2008 to 31 December 2011; "The Irish Aviation Authority Hybrid Pension Plan 2012", for staff whose employment with the IAA commenced on 1 January 2012 or later. The pension funds were renamed, respectively, as: "The AirNav Ireland Staff Superannuation Scheme 1996", "The AirNav Ireland Staff Superannuation Scheme 2008" and "The AirNav Ireland Hybrid Pension Plan 2012". From 1 May 2023, The AirNav Ireland Hybrid Pension Plan 2012 was closed to new entrants with new employees of AirNav Ireland joining a defined contribution scheme, "The AirNav Ireland Defined Contribution Plan 2023".

For the defined benefit schemes, the difference between the market value of the schemes' assets and the actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is reported as an asset/liability on the balance sheet.

The amount charged to the profit and loss account is the total of:

- (a) the actuarially determined cost of pension benefits promised to employees for service during the year plus any benefit improvements granted to members during the year (current/past service cost), and
- (b) an additional charge to operating expenses reflecting the difference between the actuarially determined pension charge (current/past service cost) included above and total cash payments to the pension fund in the year, and
- (c) the net interest on the net defined benefit liability comprising interest cost on the defined benefit obligation and interest income on plan assets.

1 Accounting policies (continued)

Employee benefits (continued)

The difference between the interest income on assets and the return actually achieved, and any changes in the liabilities due to changes in assumptions, or because actual experience during the year was different to that assumed, are recognised as re-measurement gains and losses in the statement of other comprehensive income ("OCI"). The OCI includes an offset amounting to the additional pension charge, described in paragraph (b), expected to be recovered under the provisions of the EUROCONTROL agreement as described on page 62.

The Group and Company thus departs from the requirements of FRS 102 in order that the results comply with the requirements of the agreements under which its operations are governed and, in the context of these agreements, that the financial statements give a true and fair view. The impact of the departure is to increase the pension cost by €5,756,000 (*Restated 2022: €2,439,000*) above the actuarially determined service costs, for recovery under the charging mechanism in the year ended 31 December 2023, and to record an offsetting credit in the OCI, thereby maintaining the profit and loss reserves and assets, liabilities and financial position of the Group and Company in line with the requirements of FRS 102.

Where a scheme's assets exceed its obligation, an asset is recognised to the extent that it does not exceed the present value of future contribution holidays or refunds of contributions (the asset ceiling). In the case of the Group schemes, the asset ceiling is not applied as, in certain specified circumstances, such as wind-up at the end of the life of the scheme, the Group expects to be able to recover any surplus. Similarly, a liability in respect of future minimum funding requirements is not recognised. The trustees do not have a substantive right to augment benefits, nor do they have the right to wind up the plan except in the event of the dissolution of the entity or the termination of contributions by the Group.

Basic financial instruments

Basic financial assets, including trade receivables, accrued income, other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest and recognised against revenue. Such assets are subsequently carried at amortised cost using the effective interest method and recognised as interest income.

Trade and other debtors and creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost, using the effective interest method, less any impairment losses in the case of trade debtors.

Cash, cash equivalents and short-term deposits

Cash represents cash held at banks and available on demand. Cash equivalents are highly liquid investments (other than cash) that are readily convertible into known amounts of cash, typically cash deposits ranging from one day to three months. Short-term deposits represent cash deposits ranging from three months to one year. Cash and cash equivalents and short-term deposits are recorded initially at fair value and then subsequently stated at amortised cost and are categorised as loans and receivables.

2 Transfer of ANSP Undertaking from the IAA to AirNav Ireland

The transaction took place on 30 April 2023 whereby the Company acquired the assets and liabilities of the ANSP division from the IAA at their carrying value, including the IAA's 100% owned subsidiary undertaking, IAA North Atlantic Inc (renamed as AirNav North Atlantic Inc from 1 May 2023), and the IAA's investment in Entry Point North AB. The cash at bank and in hand balance of €63.8 million is the net cash balance following the application of section 55 of the Air Navigation and Transport Act 2022, the 'Transitional financial provisions', which addresses the settlement of certain assets and liabilities as at 30 April 2023.

2 Transfer of ANSP Undertaking from the IAA to AirNav Ireland (continued)

In consideration for the transfer, the Company issued 96 ordinary shares in the Company to the Minister for Public Expenditure, National Development Plan Delivery and Reform, who is the beneficial owner of the entire issued share capital of AirNav Ireland except for one share which is held by the Minister for Transport. Further details are provided at note 17. The calculation of the fair value of the shares issued of €314.8 million has been determined by reference to the air traffic management business transferred, the fair value of the investment in Aireon Holdings LLC and the equity value of the associate investment in Entry Point North AB. The enterprise value of the air traffic management business has been determined using a discounted cash flow (DCF) approach. The critical assumptions and estimates used when determining the fair value are a discount rate of 5.64% and a growth rate of 2.5%. The difference of €4.5 million between the fair value of the shares issued as consideration and the carrying value of the net assets acquired is recorded in 'Other Reserves'.

The table below discloses the carrying value of the assets and liabilities acquired by AirNav Ireland.

	Assets and liabilities acquired at their carrying value after section 55 settlement €'000
Fixed assets	178,935
Debtors < 1 year	54,920
Cash at bank and in hand	63,840
Creditors < 1 year	(32,224)
Debtors > 1 year	96,200
Creditors > 1 year	(48,126)
Provisions for other liabilities	(3,190)
Net assets	310,355
Consideration	
96 ordinary shares issued	-
Share premium arising on the transaction	314,829
Other reserves	(4,474)
	310,355

3 Turnover

	2023 €'000	Restated 2022 €'000
<i>Activity</i>		
En route	135,140	129,774
Terminal	32,041	28,886
North Atlantic communications	20,809	20,279
Exempt air traffic	1,442	1,557
Commercial and other	5,062	4,461
	194,494	184,957

AirNav Ireland's turnover is derived from aviation-related services provided in the Republic of Ireland.

Notes forming part of the financial statements (continued)

4 Staff numbers and costs

The average number of persons employed during the year, including the executive directors, analysed by category, was as follows:

	2023	Restated
	Number	2022
		Number
Air traffic controllers	297	291
Engineers	94	86
Radio officers	51	49
Other operational	118	105
Corporate services	66	64
Total employees	626	595
Student air traffic controllers	19	10

The aggregate payroll costs of these persons, included in the profit and loss account, were as follows:

	2023	Restated
	€'000	2022
		€'000
Wages and salaries†	73,690	62,647
Social welfare costs	6,703	5,582
Pension costs – current service cost (note 21)	6,680	14,546
Pension costs – past service cost (note 21) *	5,609	–
Pension costs – defined contribution (note 21)	395	225
Pension costs – additional cash cost (note 21)	5,756	2,439
Other post-employment costs	1,360	291
	100,193	85,730

† Included in wages and salaries in 2023 is a once-off payment to employees of €4.1 million (restated 2022: €Nil). In May 2023, the IAA's Industrial Disputes Resolution Board (IDRB) recommended that a payment should be made to staff who were the subject of a pay reduction, implemented as a cost containment measure in 2021 in response to COVID-19. The recommendation was in response to a dispute referred by the IAA Staff Panel to the IAA's IDRB prior to the transaction on 30 April 2023. The recommendation was a matter for both AirNav Ireland and the IAA. The Board of AirNav Ireland approved the recommendation in respect of employees in AirNav Ireland and payment was made in October 2023. When employer's PRSI is included, the cost of the payment was €4.5 million (restated 2022: €Nil).

* Past service cost of €5.6 million in 2023 (restated 2022: €Nil) is mainly attributable to the cost of a 2% discretionary pension increase applied to pensions in payment and deferred pensions. The increase was approved by the Minister and was effective from 1 January 2023.

4 Staff numbers and costs (continued)

Wages and salaries can be further analysed as follows:

	2023 €'000	Restated 2022 €'000
Basic pay	52,650	47,627
Overtime	3,398	3,503
Allowances and other payments	17,642	11,517
	73,690	62,647

The number of employees paid in excess of €50,000 in the 8 months from 1 May 2023 (the first day following the transfer of the ANSP business from the IAA to AirNav Ireland) to 31 December 2023 are categorised into the following bands:

	Company 1 May – 31 Dec 2023 Number
€50,000 – €75,000	133
€75,001 – €100,000	208
€100,001 – €125,000	107
€125,001 – €150,000	23
€150,001 – €175,000	3
€175,001 – €200,000	2

5 Interest receivable and similar income

	2023 €'000	Restated 2022 €'000
Interest income on defined benefit assets	22,070	9,305
Bank interest	1,042	113
Other interest	385	386
Foreign exchange gain	-	617
	23,497	10,421

6 Interest payable and similar charges

	2023 €'000	Restated 2022 €'000
Interest expense on defined benefit liabilities	19,389	9,927
Financial assets revaluation (note 10)	-	3,647
Bank interest	75	224
Bank loan facility fees	179	224
Foreign exchange loss	433	-
	20,076	14,022

Notes forming part of the financial statements (continued)

7 Statutory and other information

The profit for the financial year is stated after charging/(crediting) the following:

	2023	Restated
	€'000	2022
		€'000
Depreciation (note 9)	11,638	12,139
Met Éireann charge	8,613	8,205
Irish Aviation Authority regulatory charges	6,582	5,312
Training cost refund	(3,018)	-
Rentals payable under operating leases – buildings	2,567	2,498
Rentals payable under operating leases – other	114	81
Impairment loss on tangible fixed asset	-	4,702
Auditor's remuneration – group		
- audit	149	86
- other assurance	244	54
- tax services		
- compliance	57	30
- advisory	-	188
Total auditor's remuneration – group	450	358
Auditor's remuneration – company (included above)		
- audit	112	-
- other assurance	143	-
- tax services		
- compliance	11	-
Total auditor's remuneration – company	266	-

7 Statutory and other information (continued)

	Company 2023 €
Directors' remuneration	
<i>Fees payable to directors</i>	
Bryan Bourke (Chairman) (appointed 16 March 2023)	16,617
Cian Blackwell (appointed 13 April 2023)	8,693
Ethna Brogan (appointed 2 February 2023, resigned 27 April 2023)	-
Sharon Donnery (appointed 26 April 2023, resigned 3 May 2023)	-
Peter Kearney (Chief Executive) (appointed 30 April 2023)	-
Aoife McQuillan (appointed 2 February 2023, resigned 27 April 2023)	-
Lourda Moloney (appointed 18 April 2023)	8,555
William Morrissey (appointed 2 February 2023, resigned 26 April 2023)	-
James O'Loughlin (appointed 13 April 2023) †	-
Eimer O'Rourke (appointed 13 April 2023)	8,693
Aidan Skelly (appointed 18 April 2023)	8,555
	51,113

† James O'Loughlin was paid as an employee of AirNav Ireland and did not receive a director's fee.

In aggregate, travel and subsistence expenses payable to, or payable on behalf of, directors in respect of services as director were €5,750 in total in 2023.

	Company 2023 €'000
Emoluments and pension contributions relating to the Chief Executive's contract of employment from date of appointment to 31 December 2023	
Basic salary	147
IDRB-related payment (note 4)	19
Other taxable benefits	1
Pension contribution	54
	221

On 30 April 2023, Mr Peter Kearney was appointed as Chief Executive of AirNav Ireland. Pursuant to his contract, the salary of Mr Kearney is €225,000 per annum. In 2023, Mr Kearney was paid a once-off payment of €19,340 following the approval, by the AirNav Ireland Board, of an IAA Industrial Disputes Resolution Board (IDRB) recommendation to make a payment to all AirNav Ireland employees who were the subject of a pay reduction in 2021 (see note 4). The pay reduction was a cost containment measure in response to COVID-19. Mr Kearney's other taxable benefits comprise a company car. The value of the taxable benefit is reported as the actual taxable benefit in the period which takes account of Revenue approved exemption thresholds for electric vehicles. Mr Kearney is a member of the defined benefit superannuation scheme "The AirNav Ireland Staff Superannuation Scheme 1996" in common with other staff members. Mr Kearney was appointed to the Board on 30 April 2023. He did not receive a director's fee.

Notes forming part of the financial statements (continued)

8 Tax on profit on ordinary activities

	2023 €'000	Restated 2022 €'000
Analysis of tax charge in the year		
<i>Current tax</i>		
Corporation tax	3,306	4,207
Adjustments in respect of prior periods	151	52
	3,457	4,259
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,159	(2,088)
Adjustments in respect of prior periods	(151)	-
	1,008	(2,088)
Tax on profit on ordinary activities	4,465	2,171
	2023 €'000	Restated 2022 €'000
Profit and loss total tax reconciliation		
Profit on ordinary activities before tax	20,445	11,942
Expected current tax at 12.5% (2022: 12.5%)	2,556	1,493
<i>Effects of:</i>		
Permanent differences	802	973
Expenses not deductible for tax purposes	1,001	1,236
Income not taxable at the standard rate	265	228
Corporation tax in respect of prior years	151	53
Deferred tax in respect of prior years	(151)	-
Foreign tax	(159)	(1,812)
Tax on profit on ordinary activities	4,465	2,171

9 Tangible fixed assets

	Buildings €'000	Completed installations and other works €'000	Installations in progress €'000	Office equipment €'000	Total €'000
Group					
Cost					
At beginning of year	71,731	184,023	19,705	10,416	285,875
Additions in year	-	-	12,054	3,428	15,482
Brought into use in year	-	6,616	(6,616)	-	-
Disposals in year	-	-	-	(158)	(158)
At end of year	71,731	190,639	25,143	13,686	301,199
Accumulated depreciation					
At beginning of year	29,548	146,591	-	9,875	186,014
Charge in year	2,629	8,169	-	840	11,638
Disposals in year	-	-	-	(122)	(122)
At end of year	32,177	154,760	-	10,593	197,530
At 31 December 2023	39,554	35,879	25,143	3,093	103,669
At 31 December 2022 - Restated	42,183	37,432	19,705	541	99,861

Notes forming part of the financial statements (continued)

9 Tangible fixed assets (continued)

	Buildings €'000	Completed installations and other works €'000	Installations in progress €'000	Office equipment €'000	Total €'000
Company					
Cost					
At transaction date 30 April 2023	71,731	185,286	23,986	10,818	291,821
Additions in period	-	-	6,510	2,904	9,414
Brought into use in period	-	5,353	(5,353)	-	-
Disposals in period	-	-	-	(36)	(36)
At end of year	71,731	190,639	25,143	13,686	301,199
Accumulated depreciation					
At transaction date 30 April 2023	30,445	149,499	-	9,974	189,918
Charge in period	1,732	5,261	-	655	7,648
Disposals in period	-	-	-	(36)	(36)
At end of year	32,177	154,760	-	10,593	197,530
At 31 December 2023	39,554	35,879	25,143	3,093	103,669

10 Financial fixed assets

	Interest in associate €'000	Other financial assets €'000	Total €'000
Group			
At 1 January 2022 Restated	4,314	24,563	28,877
Share of profit of associate	701	-	701
Foreign exchange movements	-	1,566	1,566
Change in value of financial asset	-	(3,647)	(3,647)
At 31 December 2022 Restated	5,015	22,482	27,497
Dividends received	(622)	-	(622)
Share of profit of associate	888	-	888
Foreign exchange movements	-	(781)	(781)
At 31 December 2023	5,281	21,701	26,982

10 Financial fixed assets (continued)

Company	2023 €'000
Interest in associate, at cost	1,384
Ordinary shares in subsidiary undertaking, at cost	10,611
	11,995

AirNav Ireland has a 33 $\frac{1}{3}$ % interest in Entry Point North AB, Hyllie Vattenparksgata 11A, 215 32 Malmö, Sweden, a provider of air traffic management training solutions.

The Group has a 4.130% preferred interest in Aireon Holdings LLC. Aireon provides a global satellite-based surveillance capability for air navigation service providers through Automatic Dependent Surveillance-Broadcast (ADS-B) receivers on the Iridium NEXT satellite constellation. There are five other investors in Aireon, namely Iridium, NAVCanada (Canada), ENAV (Italy), NATS (UK) and Naviair (Denmark). The preferred interest provides for a 5% annual cumulative dividend calculated from the date of the initial capital contributions. Consistent with the agreements governing the investment, it is intended that the Group's preferred interest will be converted to a 4.968% common interest by January 2027 or otherwise redeemable for cash in three annual instalments beginning in January 2027. The cash payments will include any outstanding preference dividends.

The investment is held by AirNav North Atlantic Inc, 108 West 13th Street, Wilmington, New Castle County, 19801, Delaware, USA, a 100% owned subsidiary undertaking of AirNav Ireland.

The Group's investment is reported at fair value as at 31 December 2023. A discounted cashflow model that takes account of the present value of the expected future dividend payments from Aireon, discounted using a risk-adjusted discount rate, has been used to determine the fair value of the investment. The investment is valued at US\$24.0 million (*restated 2022: \$US24.0 million*). In 2022, the investment was impaired by US\$3.8 million (€3.6 million) due to uncertainties arising from the timing and amount of cashflows and expected future dividend payments. Fair value adjustments are recognised in the consolidated profit and loss account.

None of the shares of the above subsidiary undertaking are listed. In the opinion of the directors, the shares in, and loans to, the Company's subsidiary are worth at least the amounts at which they are stated in the balance sheet.

Notes forming part of the financial statements (continued)

11 Debtors

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Trade debtors, net	27,516	26,143	27,516
Prepayments	3,176	4,354	3,176
Accrued income	101,867	101,648	101,867
Other debtors	6,137	344	6,137
Corporation tax	243	-	441
Value added tax	1,936	-	1,936
Deferred tax asset (note 16)	3,809	4,076	3,809
Due from subsidiary undertaking	-	-	12,119
	144,684	136,565	157,001
Due within one year	64,669	49,580	76,986
Due after more than one year	80,015	86,985	80,015
	144,684	136,565	157,001

Included in trade debtors are amounts past due of €16,321,000 (*restated 2022: €14,945,000*) of which €2,998,000 (*restated 2022: €3,079,000*) is provided for within bad debt provisions.

Included in debtors is accrued income of €78,897,000 (*Restated 2022: €91,872,000*) in the Group and in the Company, recoverable over the period from 2024 to 2029. This balance is measured at the present value of the future receipts discounted at a market rate of interest.

Amounts owed by subsidiary undertaking are subject to interest, are unsecured and are payable on demand.

12 Cash and cash equivalents and short term deposits

Group	At 1 January €'000	Cash flows €'000	Effect of foreign exchange €'000	Utilisation of deposits €'000	At 31 December €'000
Cash and cash equivalents	59,392	9,202	(6)	(25,692)	42,896
Short term deposits	15,420	-	-	25,692	41,112
	74,812	9,202	(6)	-	84,008

AirNav Ireland has committed bank loan facilities in place totalling €60 million. The facilities are unsecured with terms of up to five years from July 2021. The facilities were undrawn at 31 December 2023.

13 Creditors: amounts falling due within one year

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Trade creditors	3,866	-	3,866
Other creditors including tax and social welfare (note 14)	2,501	216	2,501
Accruals	26,507	13,897	26,456
Deferred income	12,294	19,605	12,294
	45,168	33,718	45,117

14 Taxation and social welfare included in other creditors

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
PAYE	2,263	-	2,263
Corporation tax	-	43	-
Relevant contracts tax	5	-	5
Professional services withholding tax	106	-	106
Deferred tax liability	127	173	127
	2,501	216	2,501

15 Creditors: amounts falling due after more than one year

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Deferred income	36,992	36,367	36,992
Deferred tax liability (note 16)	11,499	10,437	11,499
	48,491	46,804	48,491

Notes forming part of the financial statements (continued)

16 Deferred tax liability

	Ref	Group		Company
		2023 €'000	Restated 2022 €'000	2023 €'000
Deferred tax liability – excluding employee benefits-related	(i)	(127)	(173)	(127)
Deferred tax liability – employee benefits-related (non-current)	(ii)	(7,690)	(6,361)	(7,690)
Deferred tax asset – buildings – (non-current)		3,809	4,076	3,809
Deferred tax liability – buildings – (non-current)		(3,809)	(4,076)	(3,809)
Deferred tax liability, net		(7,817)	(6,534)	(7,817)

(i) Deferred taxation – excluding employee benefits-related

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
At beginning of year	(173)	(2,311)	(29)
Credited to profit and loss account (note 8)	46	2,315	(98)
Effect of foreign exchange	-	(177)	-
At end of year	(127)	(173)	(127)

The deferred tax liability at the end of the year represents the full potential liability arising on timing differences.

(ii) Deferred taxation – employee benefits-related

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
At beginning of year	(6,361)	6,705	(8,130)
Changes in actuarial assumptions recognised in OCI	(275)	(12,839)	1,175
Charged to profit and loss account (note 8)	(1,054)	(227)	(735)
At end of year	(7,690)	(6,361)	(7,690)

17 Called up share capital – equity

	2023 €
Group and Company	
Authorised, allotted, called up and fully paid	
100 ordinary shares of €1.00 each	100

On the date of incorporation, 2 February 2023, pursuant to the Air Navigation and Transport Act 2022, one ordinary share was issued by the Company to each of three subscribers who held the shares in trust and beneficially for the Minister for Public Expenditure, National Development Plan Delivery and Reform. On 30 April 2023, in consideration for the ANSP Undertaking transferred from the IAA, the Company issued 96 ordinary shares to the Minister for Public Expenditure, National Development Plan Delivery and Reform. On 30 April 2023, the Company transferred the subscriber shares to the Minister for Public Expenditure, National Development Plan Delivery and Reform and also issued one share to the Minister for Transport.

Of the total authorised, allotted, called up and fully paid shares in the Company, 99 shares are held by the Minister for Public Expenditure, National Development Plan Delivery and Reform and one share is held by the Minister for Transport.

	2023 €'000
Group and Company	
Share Premium	314,829

The fair value of the 96 shares issued as consideration for the ANSP Undertaking transferred from the IAA is €314.8 million. The difference between the nominal value of the ordinary shares of €96 and the fair value of the ANSP Undertaking transferred of €314.8 million has been recorded as share premium of €314.8 million.

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Other reserves	(1,366)	305,997	(4,474)

The difference between the fair value of the ANSP Undertaking and the carrying value of the assets and liabilities transferred of €4.5 million (minus) in the Company has been recorded in Other Reserves. In the Group, other reserves are adjusted for the consolidation of the net assets of the subsidiary undertaking and the valuation of the associate using the equity method of accounting.

18 Equity dividends paid

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Declared and paid during the year			
Final dividend paid: €0.30 per share (Restated 2022: €Nil per share)	5,265	-	-

Dividends declared for the Group reflect dividends declared and paid prior to the transfer of the ANSP Undertaking on 30 April 2023. The dividend was paid on 28 April 2023. No dividend has been declared since 1 May 2023.

Notes forming part of the financial statements (continued)

19 Related parties

Group and Company

The Group deals in the normal course of business with government departments and other State bodies such as daa, Shannon Airport Authority DAC, ESB, the Irish Aviation Authority (IAA) and Met Éireann. In addition, in the normal course of business, AirNav Ireland transacts with certain Irish banks which have become wholly or partially owned by the Irish State. All of AirNav Ireland's transactions with such banks are on normal commercial terms.

On 30 April 2023, pursuant to the Air Navigation and Transport Act 2022, the Company acquired the ANSP business of the IAA. The details of the transaction are set out in note 2.

AirNav Ireland is party to a commercial arrangement to provide air traffic management training services to Entry Point North Ireland DAC, a 100% owned subsidiary of Entry Point North AB (EPN), an associate of AirNav Ireland (note 10). Entry Point North Ireland DAC also provides air traffic management training services to AirNav Ireland on an arm's-length basis. Included in the Group is revenue of €3.5 million (*Restated 2022: €3.4 million*) and costs of €8.2 million (*Restated 2022: €8.0 million*) and included in the Company is revenue of €2.2 million and costs incurred of €3.5 million relating to transactions with Entry Point North Ireland DAC. As at 31 December, there is a net payable balance due to Entry Point North Ireland DAC in the Group and in the Company amounting to €0.2 million (*Restated 2022: €Nil*).

Total compensation of key management personnel in the Company (1 May 2023 to 31 December 2023) amounted to €1.7 million comprising salaries and other short-term employee benefits of €1.5 million, post-employment benefits of €0.2 million and termination benefits of €Nil. Key management compensation represents compensation to those people having the authority and responsibility for planning, directing and controlling the activities of the Group. These include the board members and senior executives.

20 Commitments

(i) Capital commitments

	2023 €'000	Restated 2022 €'000
Group and Company		
Future capital expenditure approved by the directors:		
Not contracted for	70,760	95,786
Contracted for	12,434	14,848
	83,194	110,634

(ii) Operating lease commitments

The total of future minimum lease payments under non-cancellable operating leases are as follows:

	2023 Buildings €'000	2023 Motor Vehicles €'000	Restated 2022 Buildings €'000	Restated 2022 Motor Vehicles €'000
Group and Company				
Payable:				
Within one year	2,515	94	2,502	68
Between one and five years	4,519	168	5,455	119
More than five years	6,821	-	7,898	-
	13,855	262	15,855	187

20 Commitments (continued)

(iii) Temporary loan commitment

	2023 €'000	Restated 2022 €'000
Group and Company		
Payable:		
Within one year	788	638

In November 2022, the Member States of EUROCONTROL, including Ireland, approved the creation of a temporary special solidarity fund to provide support to States whose air traffic management systems have been affected by the Russia-Ukraine war. Ireland's commitment to this fund is €787,549 (*Restated 2022: €638,459*). The contributions will be repaid by the beneficiary States from 2025.

21 Employee benefits

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Defined benefit pension asset (see A below)	61,518	50,885	61,518
Supplementary ex-gratia pension liability (see B below)	(3,166)	(3,101)	(3,166)
Total retirement benefit obligations	58,352	47,784	58,352

The pension entitlements of employees arise under a number of defined benefit schemes ("the Schemes"), the assets of which are vested in independent trustees.

As noted on page 65, on 30 April 2023 the Company assumed the role of principal employer for the Schemes previously sponsored by the IAA.

AirNav Ireland undertakes actuarial valuations of the defined benefit pension schemes at least every three years. The date of the latest actuarial valuations is 1 January 2021 and covers all accrued benefits. These valuations were conducted by qualified independent actuaries.

The valuations employed for FRS 102 purposes have been based on the most recent funding valuations for the schemes adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2023 and to take account of financial conditions at this date. The valuations used for FRS 102 purposes have been completed using the projected unit method, and assets for this purpose have been valued at market value.

The actuarial reports, which are available to members of the schemes, are not available for public inspection.

AirNav Ireland has no unfunded schemes with the exception of the supplementary ex-gratia liability. Included in pension costs charged to the profit and loss is an accrual of €589,000 (*Restated 2022: €Nil*) in respect of employer pension contributions to be paid in 2024.

Notes forming part of the financial statements (continued)

21 Employee benefits (continued)

A. The AirNav Ireland Defined Benefit Schemes

(i) Amounts recognised in the balance sheet

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Present value of wholly or partly funded obligations	(518,725)	(477,187)	(518,725)
Fair value of plan assets	580,243	528,072	580,243
Net asset	61,518	50,885	61,518

In recent years the Group has seen an improvement in the financial condition of the Schemes and, as at 31 December 2023, the Schemes are in a net asset position. The Scheme's gross liabilities have increased from €477.2 million in 2022 (restated) to €518.7 million in 2023 primarily due to the decrease in the discount rate from 4.1% to 3.6%. The Schemes' gross assets have increased from €528.1 million in 2022 (restated) to €580.2 million in 2023. These movements reflect the performance of bond and equity markets that affect the value of underlying assets and the calculation of actuarial assumptions which depend on bond markets.

The discount rate is the main assumption driving the change in the Schemes' gross liabilities. Given the duration of the pension scheme it is foreseen that material discount rate movements could occur, affecting the net asset or liability position of the Schemes.

The Group has recognised the net asset as at 31 December 2023 as it meets the accounting recognition criteria based on the rules of the trust deeds in place.

(ii) Actuarial assumptions

	Group		Company
	2023 Projected unit	Restated 2022 Projected Unit	2023 Projected unit
<i>Weighted average assumptions to determine benefit obligations</i>			
Discount rate	3.60%	4.10%	3.60%
Rate of general compensation increase †	2.65%	3.00%	2.65%
Rate of price inflation	2.15%	2.50%	2.15%
Rate of pension increase †	0.00%	0.00%	0.00%

† This is the long-term assumption in respect of general compensation increases. Prior to 1 May 2023, the principal employer of the Schemes was the IAA. The board of the IAA decided, given the deficit position of the Schemes at the time, and communicated to all staff and pension trustees, that there would be no further increases granted on pensions payable under the Schemes with effect from 1 January 2015.

21 Employee benefits (continued)

A. The AirNav Ireland Defined Benefit Schemes (continued)

As part of the outcome of an independent binding arbitration process, concluded in February 2023, on a number of pension issues, and following Ministerial approval, the Company agreed to make a special contribution of €3.8 million (*Restated 2022: €Nil*) to the main pension fund to facilitate an increase of 2% to pensions in payment and deferred pensions. The Company agreed to review its current position relating to the payment of pension increases. Furthermore, arising from recent high inflation rates and the improvement in the financial condition of the Scheme, the Company intends to develop a policy which will outline the conditions necessary to support a discretionary increase in pensions in payment. Any proposal by the Company to provide a discretionary pensions increase will be subject to relevant Ministerial approval.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on the standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years as follows:

	2023	Restated 2022
<i>Life expectancy for a male member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	24.3	24.3
Current pensioner members	22.6	22.6
<i>Life expectancy for a female member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	26.1	26.1
Current pensioner members	24.3	24.3

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

(iii) Movements in fair value of plan assets

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Fair value of plan assets at beginning of year/from date of transfer of ANSP business by the IAA	528,072	662,546	544,596
Re-measurement: return on plan assets excluding interest income	30,508	(142,908)	19,570
Interest income	22,070	9,305	14,860
Employer contributions	18,045	16,985	13,681
Member contributions	2,815	3,369	1,890
Benefits paid from plan	(21,267)	(21,225)	(14,354)
Fair value of plan assets at end of year	580,243	528,072	580,243

21 Employee benefits (continued)

A. The AirNav Ireland Defined Benefit Schemes (continued)

(iv) Movements in present value of defined benefit obligations

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Benefit obligation at beginning of year/from date of transfer of ANSP business by the IAA	(477,187)	(716,190)	(479,559)
Current service cost	(6,680)	(14,546)	(4,135)
Past service cost	(5,609)	-	(5,609)
Interest expense	(19,389)	(9,927)	(12,913)
Member contributions	(2,815)	(3,369)	(1,890)
Re-measurement: actuarial (losses)/gains	(28,312)	245,620	(28,973)
Benefits paid from plan	21,267	21,225	14,354
Benefit obligation at end of year	(518,725)	(477,187)	(518,725)

(v) Components of pension cost

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
<i>Expense recognised in the profit and loss account</i>			
Current service cost (note 4)	(6,680)	(14,546)	(4,135)
Past service cost (note 4)	(5,609)	-	(5,609)
Additional cash cost (note 4)	(5,756)	(2,439)	(3,937)
Interest income on defined benefit assets (note 5)	22,070	9,305	14,860
Interest expense on defined benefit liabilities (note 6)	(19,389)	(9,927)	(12,913)
Total pension cost recognised in the profit and loss	(15,364)	(17,607)	(11,734)
Amounts recognised in other comprehensive income			
Actuarial gains/(losses) immediately recognised	2,196	102,712	(9,403)
Additional cash cost	5,756	2,439	3,937
	7,952	105,151	(5,466)
Total for the year	(7,412)	87,544	(17,200)

21 Employee benefits (continued)

A. The AirNav Ireland Defined Benefit Schemes (continued)

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
Cumulative amount of actuarial losses recognised in other comprehensive income	(137,193)	(139,389)	(9,403)

(vi) Plan assets

	Group		Company
	2023 Amount of plan assets €'000	Restated 2022 Amount of plan assets €'000	2023 Amount of plan assets €'000
<i>The asset allocations as at 31 December:</i>			
Equity securities	134,175	120,970	134,175
Bond securities	382,214	331,102	382,214
Other	63,854	76,000	63,854
	580,243	528,072	580,243

Interest income on plan assets will be charged at 3.6% (*Restated 2022: 4.1%*).

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
<i>Actual return on assets</i>			
Actual return on plan assets	52,578	(133,603)	34,430

(vii) Other required disclosure amounts

	€'000
Contributions expected to be paid by the Company in 2024	16,350

21 Employee benefits (continued)

B. Supplementary ex-gratia pension liability

	Group		Company
	2023 €'000	Restated 2022 €'000	2023 €'000
At beginning of year/from date of transfer of ANSP business by the IAA	3,101	2,849	3,190
Amounts provided for supplementary ex-gratia pension liability	265	252	176
Payments made during the year	(200)	-	(200)
Amounts falling due after more than one year	3,166	3,101	3,166

This is a provision for supplementary ex-gratia pension payments, up to age 65, outside of the AirNav Ireland pension schemes, to bridge the gap for certain employees who are eligible to retire between the ages of 60 and 65, however are not eligible for the state pension until they reach the state retirement age.

C. The AirNav Ireland Defined Contribution Pension Schemes

On 30 April 2023, the Company assumed the role of principal employer for the defined contribution scheme previously established by the IAA. The Scheme was renamed as "The AirNav Ireland Defined Contribution Pension Plan 2012". Employees who joined the IAA from 1 January 2012 to 30 April 2023 are members of the Scheme. The Scheme was closed to new entrants from 30 April 2023. A new defined contribution scheme, "The AirNav Ireland Defined Contribution Plan 2023" was established for employees joining AirNav Ireland from 1 May 2023. The pension charge represents the total contributions payable to the schemes and amounted to €395,150 (*Restated 2022: €224,773*) in the Group and €298,217 in the Company.

22 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of consolidated financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Estimates and judgements are based on historical experience and on other factors that are reasonable under current circumstances. Actual results may differ from these estimates if these assumptions prove to be incorrect or if conditions develop other than as assumed for the purposes of such estimates. The following are the critical areas requiring estimates and judgements by management.

Fair value of shares issued in the Company

On 30 April 2023, the Company issued 96 shares to the Minister for Public Expenditure, National Development Plan Delivery and Reform in consideration for the ANSP Undertaking that transferred from the IAA. The fair value of the shares issued is a significant estimate in the Company's financial statements. Further details are given in note 17.

Pension assumptions

The valuation of the defined benefit pension schemes is a significant estimate in AirNav Ireland's financial statements. Further details are given in note 21. The assumption which contains the most estimation uncertainty is the discount rate. The directors have reviewed and assessed as reasonable the assumptions made by independent professional actuaries in assessing the fair value of the defined benefit pension schemes.

22 Accounting estimates and judgements (continued)

Fair value investment in Aireon

The Group's investment in Aireon Holdings LLC is measured at fair value with adjustments to fair value recorded in the profit and loss account. Further details are given at note 10. A discounted cashflow (DCF) model was used to determine the fair value of the investment. This valuation model considered the present value of expected future dividend payments from Aireon, discounted using a risk-adjusted discount rate.

The critical assumptions and estimates used when determining the fair value are:

- A discount rate of 17.0% and a growth rate of 2%
- Expected timing of future dividend cashflows, after tax, which is based on Aireon management's long-range forecast (January 2024).

23 Post balance sheet events

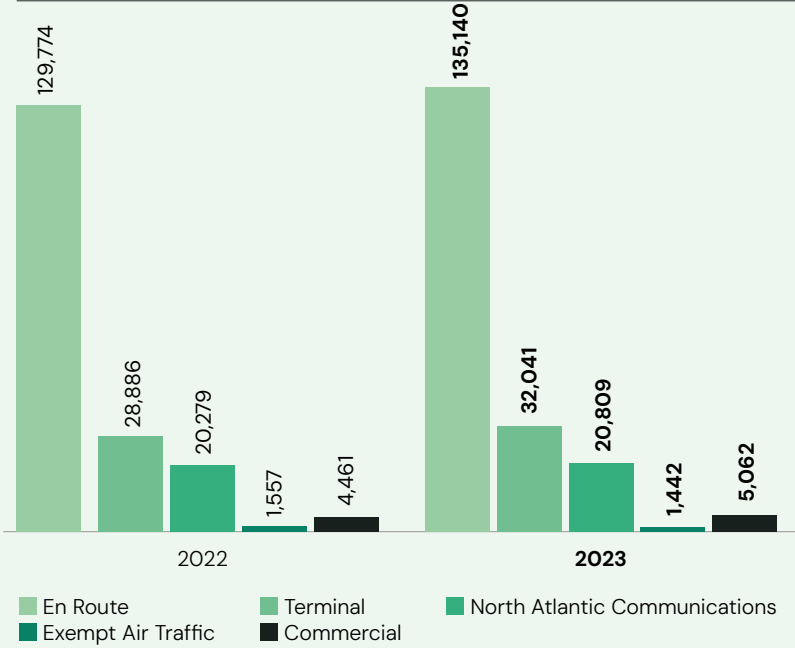
On 11 April 2024, the Board proposed the payment of a dividend of €4.5 million (€45,465 per share). There were no other significant events affecting the Company since 31 December 2023 which require adjustment to, or disclosure in, the financial statements.

24 Approval of the financial statements

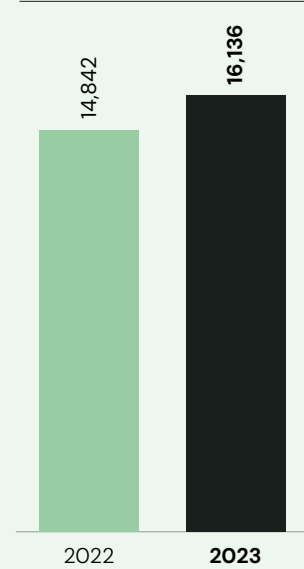
The financial statements were approved by the directors on 11 April 2024.

Summary information 2022-2023

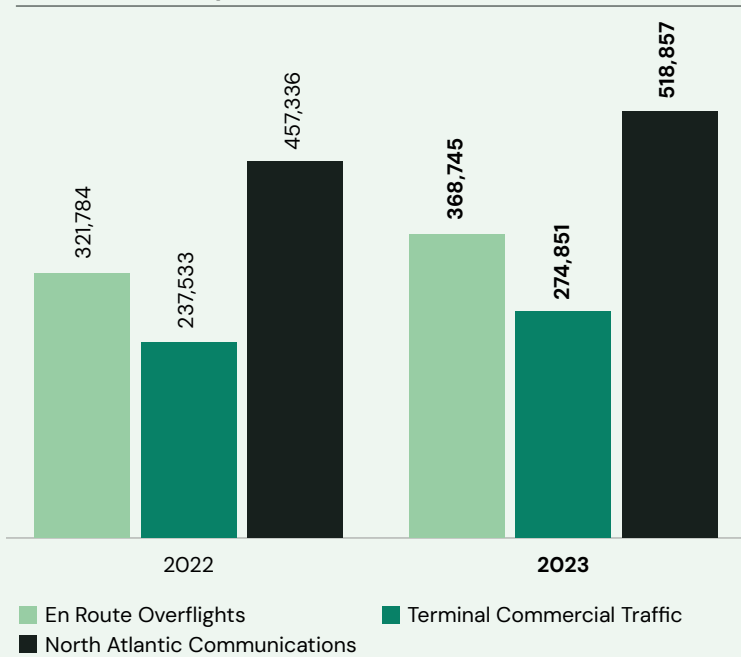
Turnover €'000



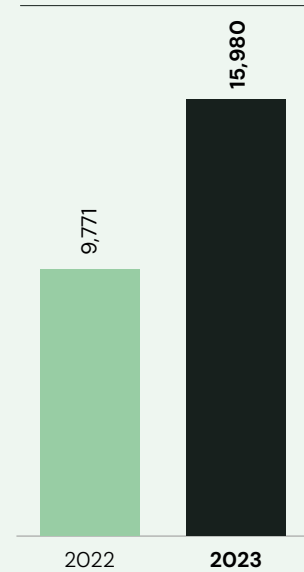
Operating Profit €'000



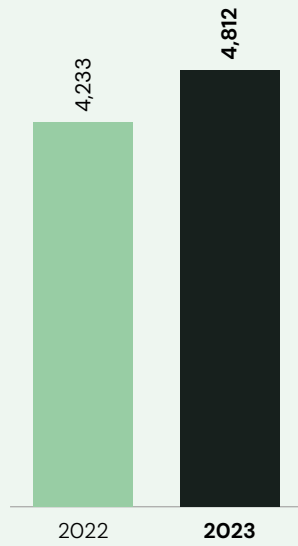
Air Traffic Activity



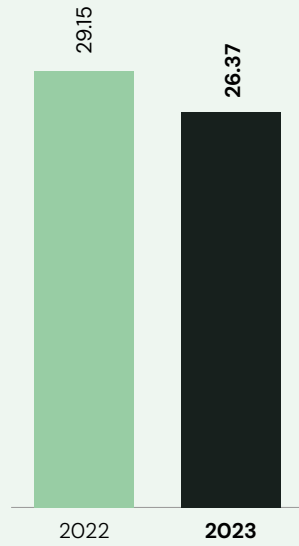
Profit after Tax €'000



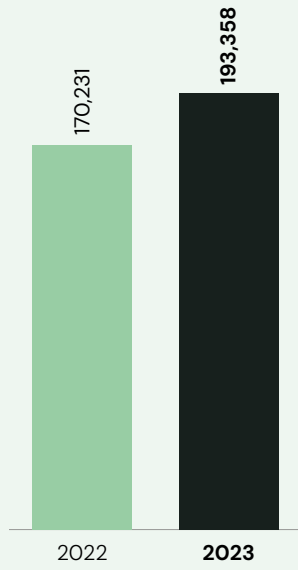
En Route Service Units ('000)



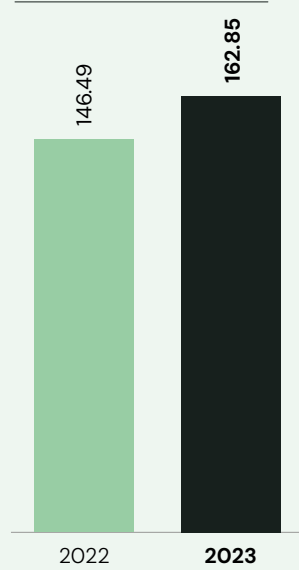
En Route Service Unit Rate (€)



Terminal Service Units



Terminal Unit Rate (€)





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