

# Annual Report **2023**

COMMISSION FOR  
AVIATION REGULATION



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# Foreword


I am pleased to present the final Annual Report of the Commission for Aviation Regulation for 2023 prepared in accordance with section 116 of the Air Navigation and Transport Act, 2022 following the transfer of the Commission's functions to IAA and its Dissolution on 1 May 2023. The Report summarises the activities of the Commission over the period January to April 2023 by reference to functional areas together with a work programme for the forthcoming year and presents an extract from the Commission's draft Financial Statements for the period ended 30 April 2023.

The senior management lead the Commission through the restructuring programme which saw the functions of the Commission for Aviation Regulation merged with the safety regulation functions of the IAA prior to its dissolution. The air traffic management functions of the IAA transferred to a new commercial semi-State company – the Irish Air Navigation Service. The legislation providing for this restructuring, the Air Navigation and Transport Act 2022, was enacted on 07 December 2022 with Vesting Day and Dissolution Day Orders made under the Act coming into force on 1 May 2023.

In anticipation of the May 2023 dissolution day, the Commission devoted significant resources to implementing this Government reform program over the course of 2022 and 2023. In the context of the merger, approximately one third of Commission staff worked on various key projects to facilitate the implementation of the separation of the Irish Air Navigation Service from the IAA. As with 2022, a significant amount of senior management time was devoted to working through the many administrative, employment, financial, legal, and practical issues that require resolution prior to the finalisation of this process.

The ongoing achievement by the Commission of its statutory objectives and the discharge by it of its remit would not be possible without the ability, enthusiasm and commitment of its staff. I would like to thank them for their effort and contribution over the past year. This report describes the scale and scope of the work undertaken by them over the last 4 months in the various functional areas of the Commission's remit.

I also take this opportunity to thank the Minister for Transport, Mr. Eamonn Ryan, T.D., and Minister of State, Mr. Jack Chambers, T.D., and the officials of the Department of Transport for their ongoing support and assistance to the Commission in discharging its functions. In addition, I thank the staff of the Irish Aviation Authority for their support and assistance to the Commission in discharging its functions, in those areas where our work converges and particularly in relation to progressing the restructuring project described above.



Declan Fitzpatrick  
Chief Executive

# 1. About the Commission for Aviation Regulation

The Commission was established as Ireland's independent economic aviation regulator in 2001. The Commission's responsibilities are outlined below.

## 1.1. ECONOMIC REGULATION

- Sets and monitors a price cap limiting the revenue per passenger that daa can collect from airport charges at Dublin Airport.
- Ensures compliance with the European Airport Charges Directive (2009/12/EC), which sets out minimum standards in relation to consultation and non-discrimination in an airport's charging strategy.
- Approves, as required, the charges airports levy on airlines to fund services for passengers with reduced mobility.
- Approves fees charged by the airport authorities at Dublin, Cork and Shannon airports for access to installations needed to provide groundhandling services.
- Designates the scheduling status of Irish airports under the Slot Allocation Regulation, appointing a schedules facilitator or coordinator where necessary. Declares the coordination parameters for Coordinated airports- currently, Dublin Airport is Coordinated while the other Irish airports are Uncoordinated.
- The Commission is the National Supervisory Authority (NSA) for the purposes of economic regulation of air navigation services under the Single European Sky regulations.

## 1.2. LICENSING AND APPROVALS

- Licenses Irish-based air carriers transporting passengers, mail or cargo for remuneration and/or hire.
- Regulates businesses established in Ireland and outside the EU who sell or offer for sale packages/linked travel arrangements in the EU/in Ireland respectively.
- Licenses Irish established travel agents and tour operators selling overseas travel.
- Administers a bonding scheme for licensed travel agents and tour operators and processes claims if a travel agent or tour operator goes out of business.
- Investigates instances of alleged illegal trading and prosecutes where necessary.
- Grants approvals to companies engaged in groundhandling activities at Dublin, Cork and Shannon airports.

### 1.3. CONSUMER PROTECTION

The Commission for Aviation Regulation has a consumer protection role relating to the travelling public. The Commission's consumer protection role is delivered through:

- The investigation of complaints and enforcement of air passenger rights for cancellations, delays and instances of denied boarding or downgrading.
- The investigation of complaints and enforcement of air passenger rights received by passenger with reduced mobility.
- The enforcement of Article 23 of Regulation (EC) No. 1008/2008 which places requirements on airlines to make all the foreseeable components of an air fare transparent to the public.
- Management of licensing and bonding of travel agents and tour operators and consumer protection measures for consumers who book through licensed package holiday organisers or tour operators.
- Consumer Protection Policy input through engagement with European and international stakeholders.



## 2. Economic Regulation

The Economic Regulation team is responsible for the economic regulation of Dublin Airport and Irish air navigation service providers, airport slot coordination and capacity, and the approval of fees relating to access to installations and passengers with reduced mobility.

### 2.1. RECOVERY OF THE AVIATION INDUSTRY FROM THE IMPACT OF COVID-19

In December 2022, we forecast that passenger levels at Dublin Airport would be 31.7 million in 2023 (96% of the 2019 level), with further growth expected in the following years.

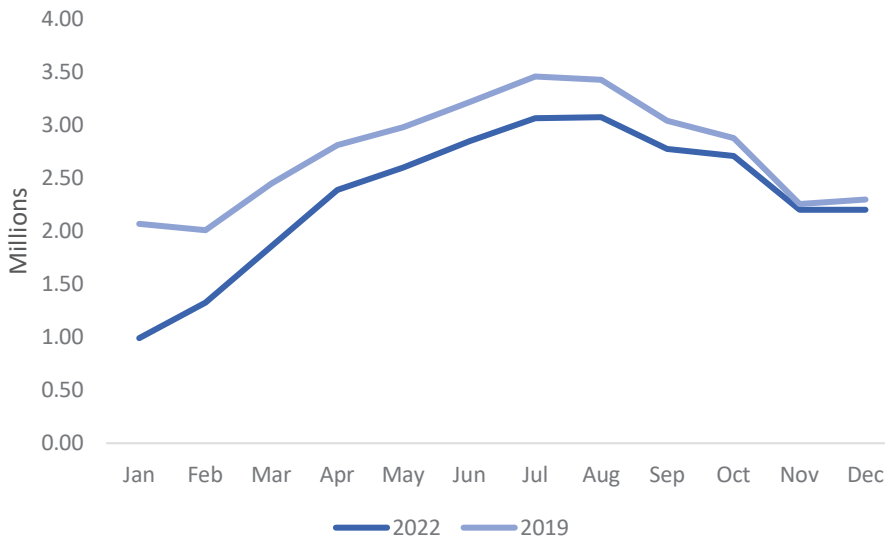


Chart 1: Passenger Numbers at Dublin Airport in 2022 Compared to 2019

In early 2023, the sharp recovery in passenger numbers has continued, with traffic in Q1 at 102% of the 2019 level.

### 2.2. DELIVERY AGAINST STRATEGIC PLAN

The key strategic goal for the economics section is to incentivise efficient, high-quality and safety conscious airport, and air navigation services. Central to achieving this goal are four objectives set out in the chart below.



Chart 2: Strategic Objectives

Economics Goal				
Efficiency, high-quality and safety conscious airport services				
Objective 1	Objective 2	Objective 3	Objective 4	Commission-wide Objective 2
Set efficiency charges at Dublin Airport.	Increase stakeholder involvement in decision-making.	Promote competition and facilitate new entry.	Assess the cost efficiency targets of the Performance Plans under the Single European Sky Scheme.	Consult effectively with stakeholders and achieve best international practice.

The following paragraphs summarise the work undertaken from January to April 2023, grouped by each of these objectives. Responsibility for continuing the work planned for 2023 has now transferred to the Irish Aviation Authority.

## 2.3. SET EFFICIENT CHARGES AT DUBLIN AIRPORT

### 2.3.1. Interim Review of the 2019 Determination in relation to Airport Charges for 2023-2026

In December 2022, we published the Final Decision on the maximum level of Airport Charges at Dublin Airport for 2023-2026. In March, Dublin Airport advised that it would appeal the decision. We will engage with the appeal process, responsibility for which has now transferred to the IAA. Pending the outcome of the appeal process, the maximum levels of Airport Charges remain as determined by us in December.

### 2.3.2. Dublin Airport Charges Consultation

Following our publication of the maximum level of Airport Charges for 2023, Dublin Airport held the annual consultation with airport users on the individual airport charges which would apply, as required by the Airport Charges Directive. Following conclusion of the consultation process, which was observed by us, the revised charges took effect from the start of the summer season.

### 2.3.3. Quality-of-Service Rebates

In February, we published the final price cap for 2022, including Quality of Service (QoS) rebates. Dublin Airport did not meet the QoS standards in relation to security queue times on numerous days in 2022. For quarter 1 of 2022, the Commission accepted the existence of extenuating circumstances relating to the effects of the Omicron variant of COVID-19 on the sickness absence rate in the Airport Search Unit. However, the number of days on which the standards were not met in quarters 2 and 3 of 2022, without extenuating circumstances, was still sufficient to generate the maximum rebate possible in relation to 2022. Thus, the price cap for 2022 was reduced by €0.11. Given passenger numbers for the year of 28.1m, this translates to a revenue reduction of approximately €3.1m.

## 2.4. INCREASE STAKEHOLDER INVOLVEMENT IN DECISION MAKING

### 2.4.1. Implement the StageGate Process for Capital Investment Projects

In the 2019 Determination, we introduced a new process, termed StageGate, for large scale Capex projects. The StageGate process allows for greater flexibility in the scope and cost of large Capex projects throughout the regulatory period. Dublin Airport, airport users, the Commission, and an Independent Fund Surveyor (IFS) assess the cost development of projects which then ultimately affects the final cost allowance for the project.

The process runs each quarter. The first quarterly cycle for 2023 was held instead of over February to April, with a focus on taxiway improvement projects near to piers 1 and 4.

## 2.5. PROMOTE COMPETITION AND FACILITATE NEW ENTRY

### 2.5.1. Slot Capacity of Dublin Airport for Winter 2023/2024

In 2023, following consultation, the Commission published its capacity declaration for Winter 2023/2024 in line with the International Air Transport Association calendar for slot coordination.

### 2.5.2. Sanctions for Slot Misuse

A number of warnings, but no financial sanctions, were issued in the period January to April 2023.

## 2.6. CHARGING AND PERFORMANCE OF AIR NAVIGATION SERVICES UNDER SINGLE EUROPEAN SKY REGULATIONS

### 2.6.1. Capex Monitoring and Reporting

In 2022, following submission of the Irish Performance Plan for 2020-2024, we started publishing updates on the progress made by the IAA ANSP (now Air Navigation Ireland, ANI) in delivering its Capex program. We publish updates on the timelines for delivery of ANI Capex projects biannually, and we will publish cost reports on major Capex projects and major Capex groupings annually. The latest update was published in April 2023.

## 2.7. REGULATION THAT REPRESENTS BEST INTERNATIONAL PRACTICE

### 2.7.1. Actively Participate in the Thessaloniki Forum of European Airport Charges Regulators

We are part of the writing team for two Thessaloniki Forum papers this year. The first paper is aiming to map, describe, and advise on, the powers of independent supervisory authorities ("ISAs") that are necessary to exercise the economic oversight functions and objectives under the Airport Charges Directive ("ACD"). The second paper examines environmental modulations and investments. This paper will be an update to the 2021 paper "Airport Charges and Environmental issues and considerations"; it will examine new instances of environmental legislation or modulations.

We are chairing the writing team for the second paper. From January to April 2023, we continued to work on these papers with our colleagues from other European regulators, as well as holding a workshop with industry representatives.

## 2.8. LOOKING FORWARD

As the IAA, work has begun on our RP4 Performance Plan, which is intended to be published towards the end of 2024. Our key deliverable in this area for 2023 is expected to be an issues paper laying out our initial views and seeking stakeholder feedback on key issues.

We will continue to engage with the appeal process commenced by Dublin Airport in respect of the maximum level of Airport Charges at Dublin Airport.

Finally, we will continue work on the two Thessaloniki Forum papers commenced in 2022. These are expected to be adopted by the Forum by the end of 2023.



# 3. Air Carrier Licensing and Groundhandling Approvals

Licensing and approval regimes for air carriers and groundhandlers were administered in Ireland by the Commission. The table below summarises licensing and approval activity during the period January 2022- April 2023. During the period, licence and approval holders were monitored for compliance with the legislative regimes governing these sectors.

Table: Number of Licences and Approvals, January 2022-April 2023

	Air Carriers	Groundhandlers (Approvals)	
	(Operating Licence)	Self-Handling airlines	Third Party suppliers
Licence holders, 1 Jan 2022	15	9	37
New licences/approvals	0	1	4
Licences revoked/ surrendered	1	2	4
Licence holders, 30 April 2023	14	8	37

## 3.1. AIR CARRIER LICENSING



At the end of April 2023, 14 Irish based air carriers were licensed by the Commission to engage in commercial air transport operations. There were no new operating licences issued during the period.

One application for an operating licence which was received during the last quarter of 2020 remained in progress at the end of April 2023. A full list of up-to-date operating licence holders is available on the IAA's website.

During the year, all licence holders were subject to regular monitoring to ensure compliance with the relevant licensing legislation concerning financial fitness, insurance cover and ownership and control. We continued to closely monitor the financial situation of air carriers, particularly those in a weaker financial position, through the submission of more frequent financial data and regular meetings.

Licences are subject to a review two years after they are first granted. During the period, one such review took place. There was no change to the relevant licence.

To provide a readily identifiable means of confirming an operator is licensed, small aircraft and helicopter operators were issued with licence discs to display in each of their registered aircraft as listed on their Air Operators Certificate issued by the Irish Aviation Authority.

### 3.2. AIR CARRIER LICENCE DISC

We received six submissions during the period from Irish air carriers made under Article 8 (5) of the Licensing Regulation which requires the Commission to be notified in advance of any substantial changes in the scale of their activities, in advance of any intended mergers/acquisitions or where there is a change in ownership and control. In addition to the air carrier setting out the precise changes in detail, the Commission can require the submission of a revised business plan if the changes notified are deemed to have a significant bearing on the finances of an air carrier. Where changes relate to the operation of new aircraft, the Commission is required to examine insurance details to ensure they meet the relevant requirements and details of the method of acquisition (e.g., purchase/leasing) and the terms and conditions associated with the contract. At the end of April 2023, one of these submissions, received in the last quarter of 2022, was still under consideration.

The table below shows a summary of the numbers of submissions received under this Article from January 2022-April 2023 by type of notification:

Table: Article 8 (5) Submissions January 2022-April 2023

Article 8 (5) Notification Type	Number of submissions January 2022-April 2023
In advance of any substantial changes to scale of activities (includes changes in the type or number of aircraft used).	5
In advance of any intended mergers or acquisitions.	0
Change in ownership and control.	1

### 3.3. OPERATING AN EFFICIENT LICENSING SYSTEM

In line with our strategic goals and objectives to operate an efficient licensing system, we commenced an exercise in November 2022 to update our files in relation to the continued compliance of Irish air carriers with the good repute requirements under Article 7 of Regulation (EC) No 1008/2008 and also in relation to compliance with relevant requirements under the Regulation relating to aircraft acquisition.

In January 2023, we issued our compliance calendar to licence holders which highlights key compliance dates arising during the year in order to assist licence holders with the various information requirements arising during 2023. A summary of all monitoring and compliance requirements which arise, details of expected information for each submission plus a reminder of the list of events which require prior approval from or notification to the Commission accompanies the compliance calendar. The information summary

sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

### 3.4. REVIEW OF REGULATION (EC) NO 1008/2008 (AIR SERVICES REGULATION)

During the period January 2022-April 2023, we continued to monitor the EC Review of the Air Services Regulation. We provided contributions as appropriate to the Department of Transport in response to a public consultation launched by the EC to support this piece of work and also engaged directly with the Directorate-General for Mobility and Transport (DG MOVE) on possible measures to consider in the context of the review. In addition, we also engaged with consultants appointed by the EC regarding this review. We will continue to monitor developments in this area and contribute as appropriate.

### 3.5. COOPERATION

During the period, we also held a number of meetings/discussions with our colleagues in other Member States on matters arising under Regulation (EC) 1008/2008, in particular in relation to air carriers who are part of Group structures and have a number of separate operating licences across the EU.

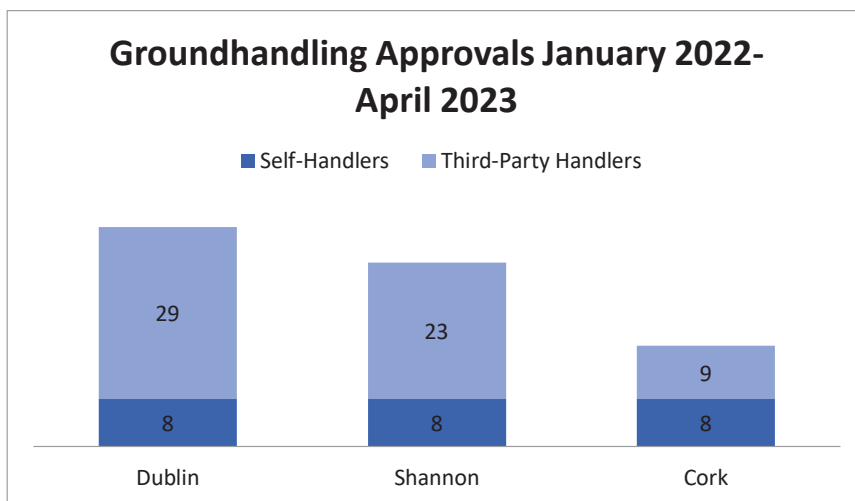
We intend to further identify any opportunities for closer cooperation with our colleagues in other Member States as they arise to strengthen our monitoring role.



### 3.6. GROUNDHANDLING APPROVALS

At the end of April 2023, there were 8 approved self-handlers (i.e. where an airline chooses to provide groundhandling services for itself) and 37 approved suppliers of groundhandling services or third party handlers (i.e. a company engaged in the provision of groundhandling services, be it an airline or a dedicated groundhandling company). Of the approved self-handlers, 3 are also approved to provide groundhandling services to third parties. A full list of approval holders is kept up to date on the IAA's website. The chart below presents an analysis of the numbers of approved self-handlers and suppliers of groundhandling services by airport.

Chart: Approved handlers by type and Airport January 2022-April 2023



One application remained under consideration at the end of April 2023 with further documentation awaited from the applicant company.

Approvals are issued for a period of five years. We renewed five approvals during the period January 2022-April 2023 following successful completion of the renewal process, all five were third party handling approvals.

### 3.7. OPERATING AN EFFICIENT APPROVALS PROCESS

During the period, all approval holders were subject to regular monitoring to ensure compliance with the relevant Regulations concerning financial fitness and insurance cover in particular.

In early 2023, all approval holders were issued with a compliance calendar which highlights key compliance dates arising during the year. The compliance calendar was accompanied by a summary of all monitoring and compliance requirements which arise, the information expected for each submission plus a reminder of the events which require prior approval from or notification to the Commission. The information summary sheet also includes the name of a contact person nominated by each company to liaise with the Commission on all compliance monitoring matters.

### 3.8. WORKING WITH AIRPORTS

We continued to work with airports to improve monitoring arrangements for groundhandlers and enforcement compliance with the Rules of Conduct.

We intend to continue this important work with airports during 2023.

### 3.9. DRAFT EU GROUNDHANDLING REGULATION

In 2018, the new EASA Basic Regulation (Regulation (EU) 2018/1139) entered into force and includes requirements for the safe provision of groundhandling services. Work continued to progress during the period at EASA level on the draft EU Groundhandling Regulation and future implementing rules for the safe provision of groundhandling services.

A focused consultation was launched in June 2022 and, as part of this, EASA held a webinar to clarify the approach in developing the first draft of the EU Groundhandling Regulation and to take questions. CAR participated in this webinar.

In August 2022, the EASA representative leading the rule making task for the new Regulation attended a meeting of the Ground Operations Working Group at the Irish Aviation Authority (IAA) to clarify the approach in developing the first draft of the EU Groundhandling Regulation and to take questions from relevant stakeholders. CAR attended this meeting and also separately made a presentation to the EASA representative on the role of CAR as the competent authority in Ireland for the purposes of Council Directive 96/67/EC on access to the groundhandling market at Community Airports.

The IAA is the competent authority for the new Basic Regulation. Further engagement will be necessary in this area as work at EASA level progresses as it will be necessary to consider how the implementing rules, once published, will sit with the existing groundhandling regime in place in Ireland and the Approvals process currently administered by the CAR. The intention is to work towards developing guidelines and an enforcement process for non-compliance going forward. It is anticipated that the upcoming CAR-IAA merger will facilitate further engagement and collaboration on these issues.



## 4. Travel Trade Licensing

The Commission has a consumer protection role in relation to the customers of travel agents, tour operators and package organisers in the event that a business goes out of business (that is, the provider can no longer meet its obligations). The Commission achieves this by delivering the following functions:

1. Licensing travel agents and tour operators, established in Ireland, buying and selling overseas travel.
2. Administering a bonding scheme for travel agents and tour operators established and licenced in Ireland. A bond is a sum of money that may be used to refund or reimburse consumers for monies paid for overseas travel, if the license holder goes out of business or to repatriate customers who are abroad at the time of collapse.
3. Administering the Travellers' Protection Fund which is used to refund or repatriate in situations where the above bond is insufficient.
4. Processing claims for refunds and repatriation in the event of a regulated business being unable to meet its obligations. This relates to claims under the bonding scheme and also the refund credit note scheme introduced as a temporary measure in 2020. The Refund Credit Note scheme was discontinued on 31 December 2022, meaning no Refund Credit Notes can be issued after this date. Those already issued will expire on 31 December 2024.
5. Ensuring organisers established within the EU, selling or offering for sale packages and linked travel arrangements in Ireland comply with the requirement to inform the Commission of the security they have in place.
6. Ensuring organisers established outside the EU, selling or offering for sale packages and linked travel arrangements in Ireland provide security for their Irish sales.
7. Investigating instances of alleged illegal trading and, when necessary, prosecuting illegal traders.
8. A full list of licensed/bonded travel agents and tour operators including those that have provided Insolvency Protection cover is published on the IAA's website to help consumers identify businesses that provide such protection.

### 4.1. LICENSING AND BONDING

Licences are issued to travel agents and tour operators who are established in Ireland and who are buying and selling overseas travel. Normally, the majority of an entity's sales meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982. Where an entity has sales that do not meet this definition, but which are package travel/linked travel arrangements under the Package Holidays and Travel Trade Act, 1995, it provides the Commission with separate insolvency protection.

There are two licensing rounds each year, in May and November.

At the end of April 2023, 157 travel firms were licensed by the Commission to operate as a travel agent or tour operator in Ireland. Some of these held both a travel agent and tour operator licence as illustrated by the table below.

Table 4: Number of Licences April 2023

	Travel Agents	Tour Operators	Total
Licence holders, 30 April 2023	146	28	174

## 4.2. ENTITIES ESTABLISHED IN ANOTHER MEMBER STATE

The Commission also verifies that security is in place for two organisers established in another Member State, enabling them to trade in Ireland. As the central contact point for Ireland under Directive (EU) 2015/2302, the Commission responds to queries from other Member States about the security in place for entities in Ireland.

## 4.3. ENTITIES ESTABLISHED OUTSIDE THE EUROPEAN UNION

As of April 2023, the Commission has received security from 15 organisers established outside the EU, enabling them to trade in Ireland. Full details are on the IAA website.

## 4.4. TRADERS FACILITATING LINKED TRAVEL ARRANGEMENTS

The Commission also received and verified security from two airlines established in Ireland in respect of the sale of travel packages/linked travel arrangements in the EU.

## 4.5. FINANCIAL MONITORING

Each business undergoes an assessment of its financial fitness as part of the licensing process and is also subject to ongoing monitoring.

Bonding levels are also the subject of ongoing monitoring. As the market opened in 2022 we have seen a significant increase in Licensable Turnover Projections and we expect this trend to continue.

We receive a combination of annual financial statements and management accounts on a quarterly or monthly basis.

For entities outside the licensing regime i.e., entities established outside the EU, we also perform an assessment of their financial fitness. Such businesses are also subject to financial monitoring albeit at a reduced level. This is because they are providing the Commission with full indemnity insurance for their Irish sales.

## 4.6. CONSUMER PROTECTION

Under current legislation, travel agents, tour operators, retailers and organisers are required to put in place arrangements to provide protection to the travelling public in the event of a collapse.

Licensed entities must provide a bond. The bond is calculated as a percentage of the firm's projected licensable turnover. Bonds are currently set at 4% for travel agents and 10% for tour operators. For all other package travel/linked travel arrangements, where the travel commences in any other EU Member State, they provide additional security to the Commission for these sales in the form of full indemnity insurance.

In the event of a collapse, if the bond does not cover the cost of all claims, the shortfall is covered by the Travellers' Protection Fund. This only relates to licensed entities and only to their sales that meet the definition of an overseas travel contract as per the Transport (Tour Operators and Travel Agents) Act, 1982 (as amended).

Since January 2023, one travel agent, Manasik Tours Limited, collapsed and the administration of the 35 claims received by 28 April 2023 is ongoing.

It is worth noting that the bond and the Travellers' Protection Fund are designed to cover overseas travel contracts. Therefore, there must be a travel element to the booking, and this must have a departure from Ireland. Many non-travel related services are not covered, including travel insurance, visa applications and accommodation only bookings.

For traders established in Ireland who are facilitating linked travel arrangements in the EU, they have to provide full indemnity insurance for this exposure.

For entities established elsewhere in the EU, the consumer protection in place is in line with the requirements of that EU Member State.

For entities, established outside the EU, they need to provide the Commission with full indemnity insurance for any package travel/linked travel arrangements for sale/sold in Ireland.

In 2017, the Commission initiated a review of both the bonding arrangements in place and the operation of the Travellers' Protection Fund to ensure they continue to efficiently meet the objectives of the scheme and provide the travelling public with an appropriate level of protection.

In 2019, following the transposition of the Directive 2015/2302, we proceeded with this review and this culminated with the Commission issuing Commission Paper 9/2019 Travel Trade Consumer Protection Measures-Advice to the Department of Transport. Due to the pandemic, this work did not progress any further. We will prioritise this work with the Department in 2023.

## 4.7. LOOKING FORWARD

2023 will be another busy year for the team. We will work with the Department of Transport to implement the consumer protection arrangements raised in the 2019 Consultation.

We will oversee two licensing rounds and continue to ensure that organisers selling or offering for sale packages and linked travel arrangements in Ireland/EU have the requisite security in place. We will continue to work with stakeholders to invest.

## 5. Air Passenger Rights

The Commission for Aviation Regulation the National Enforcement Body for two Air Passenger Rights Regulations:

1. EC261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights, and
2. EC1107/2006 concerning the rights of disabled persons and persons with reduced mobility when travelling by air.

From January to April 2023, the Air Passenger Rights team received 1,270 complaints in relation to Regulation (EC) 261 of 2004. It also handled 410 queries by post and email and another 343 by telephone call. It received 15 complaints in relation to Regulation (EC) 1107 in the same period.

### Regulation EC 261/2004

The Commission for Aviation Regulation is the National Enforcement Body for Regulation EC 261/2004 which sets out the rights of Air Passengers in the event that their flight is cancelled or delayed or if they are denied boarding or downgraded.

Passengers may submit complaints to the Commission who will investigate instances in relation to flight cancellations, delays of at least two hours and instances of denied boarding or downgrading for all flights due to depart from Irish airports and for flights arriving into Irish airports from non-EU countries (if operated by EU-licensed carriers).

Since the Air Passenger Rights Regulation came into effect in 2005 and the Commission became the National Enforcement Body for EC261/2004, there has been an increase in the number of complaints. This is partly due to the impact that Covid 19 had on passengers and the resulting disruption to travel, which has increased passengers' awareness of their air passenger rights under the EU Regulations and of the role of the Air Passenger Rights Team in the Commission in investigating complaints.

### Regulation EC 1107/2006

The Commission is also the National Enforcement Body for Regulation EC 1107/2006 concerning Passengers with Reduced Mobility. The Commission monitors compliance by both airlines and airport management bodies to ensure that the rights of passengers with reduced mobility are upheld. If a passenger wishes to make a complaint, the Commission will investigate complaints relating to the assistance received by passengers with reduced mobility when making a reservation, travelling through an airport within Ireland or boarding a flight leaving from an Irish airport. The European Regulation state that any person who suffers from a disability – whether temporary or permanent and regardless of the reason – is entitled to certain types of assistance when taking a flight. Most importantly any assistance provided is free of charge to the passenger.

The Commission also undertakes an annual airport compliance inspection programme to monitor assistance provided by airports to Persons with Reduced Mobility. The purpose of the inspections is to ensure that airports provide assistance that meets requirement under Regulation (EC) 1107 / 2006. This also inputs to the development of Quality of Service metrics that take account of the views and needs of passengers.

Similar to trends in previous years, a proportion of the queries received by the Commission were in relation to issues that are outside of our regulatory remit and included:

- lost and damaged baggage;
- refunds sought where the passenger was unable to travel on operating flights due to travel restrictions;
- refunds sought for airport charges and taxes where the passengers cancelled their travel plans; and
- difficulty redeeming vouchers accepted in place of refunds during the pandemic.

## 5.1. CANCELLATIONS, DELAYS, DENIED BOARDING AND DOWNGRADES

In total, the Air Passenger Rights team has closed 902 (EC) 261/2004 complaints in the period January to April 2023.

A total of 1,535 potentially valid complaints were ongoing at the end of April.

## 5.2. PERSONS WITH REDUCED MOBILITY

Since January 2023, 15 complaints have been submitted using the Regulation (EC) 1107/2006 complaint form, however, 9 were non-function – this means the passenger used the form to contact us about a matter that does not relate to the subject matter of the Regulation.

Regulation 1107/2004 requires that persons with reduced mobility who require assistance notify the airline at least 48 hours in advance of the time of departure. However, this does not mean that assistance can be refused to those who do not pre-notify as airlines and airports are required to make all reasonable efforts to provide assistance. Failure to pre-notify, whether on the part of the passenger or by an airline failing to transmit the information to the airport, can be disruptive to the service in general as it makes it more difficult for airports and service providers to plan adequately. One of the challenges faced by airlines and airport authorities/service providers is the high number of passengers who present at the airport as requiring assistance without having pre-notified.

## 6. Corporate Services

### 6.1. HUMAN RESOURCES

The Commission employed an average of 26 full-time equivalent staff in 2023. Staff members are paid at rates that compare directly with Public Service posts and all rates have been sanctioned by the Department of Public Expenditure and Reform. As a post Pandemic world reopened for business the majority of Commission employees began working on a hybrid basis during the year as we evaluated different patterns of working in order to find a balance that worked for staff and service delivery.

The Commission continued to adapt its Work Force Plan to meet the business needs within existing resources while also taking account of the challenges and resource needs for the future merged organisation, particularly in the areas of Finance, HR and Corporate Services.

The Commission Employee Wellbeing Programme continued throughout 2023 with delivery of both on- line and in house activities which proved invaluable to all our staff, content was focused on Physical Health and Nutrition, Mental Health, Connecting and Teambuilding, Social Responsibility, and Learning.

### 6.2. SUPERANNUATION SCHEMES

The Commission operates two pension schemes. A defined benefit scheme was established under the Aviation Regulation Act, 2001. The Single Public Service Pension Scheme applies to all new employees from 1st January 2013 (unless otherwise permitted to join the Commission's defined benefit scheme). Both pension schemes are administered in accordance with legislative requirements and the current active employees are divided 70/30 between SPSPS and DB schemes, respectively.

### 6.3. HEALTH AND SAFETY

In 2023, the Commission continued to update relevant changes to the evacuation procedures, risk assessment and safety protocols in line with public health advice and adherence to Government Policy. The Commission continued to encourage staff to practice physical distancing, we continued to provide Personal Protective Equipment (PPE) and hand sanitiser in the office environment, as on site attendance numbers increased. In 2023, it continued to promote safe practices in the office and ensure compliance with our Health and Safety statement as well as with public health provisions.

### 6.4. OUTSOURCING AND PROCUREMENT

The Corporate Services team continued to outsource some non-core administrative functions relating to internal audit, temporary staff recruitment, media relations, and IT support and payroll, while still playing an active role in quality service provision and management.

The Corporate Services team endeavoured to procure service providers that have environmentally sustainable practices in place, as well as offering cost-efficient and quality services, utilising OGP frameworks, e-tendering, and competitive pricing as appropriate. The Commission's procurement is carried out in line with Public Sector requirements as set out in our policies and procedures. The Corporate

Services function continues to review its current OGP frameworks and other service level agreements and implement changes as appropriate.

The Commission's procurement procedures comply with national and EU guidelines and directives, where applicable. The value of the majority of the contracts is such that national guidelines tend to apply. The Commission has a procurement plan, setting out the areas in which it expects to tender for services.

## 6.5. ICT

The success of our Cloud migration and hardware upgrade project has been fundamental to ensuring the Commission maintaining business continuity throughout 2023. The Commission continued to update its security and systems policies and procedures, carried out systems audits, penetration tests and operates to the highest cyber security protocols. The Commission maintains a satisfactory rating arising from these evaluation processes. All the investment in our systems to date have facilitated the preparation for a smooth transition as part of the Regulatory Reform programme.

## 6.6. OFFICIAL LANGUAGES ACT, 2003

The Commission for Aviation Regulation is listed as a public body in the First Schedule of the Official Languages Act, 2003. It was therefore required to both comply with the direct provisions of the Act, and to prepare and implement Language Schemes. The Language Scheme details how the Commission will improve Irish language service provision and take measures to make members of the public aware that they can make use of our services through Irish, over an agreed time period. To this end, staff email signatures are now bilingual, details in relation to submitting Freedom of Information requests are published in both languages, and it amended our websites so that it is clear that Air Passenger Rights related complaints can be made in either language.

## 6.7. FACILITIES

Our energy consumption and activity level in 2023 was maintained at a substantially reduced rate resulting in energy cost and environmental disposal savings. We continued to implement our policy to reduce energy consumption by powering off lights and equipment when not in use. The Commission procures energy efficient and environmentally friendly products from third-party suppliers.

In 2023, we will be working a hybrid working model which will see a balance between office and remote working which should deliver both energy and environmental savings throughout the year as we progress the Regulatory Reform programme.

## 6.8. DIVERSITY AND INCLUSION

The Commission is an equal opportunities employer and does not discriminate against individuals on the basis of gender, age, race, colour, nationality, ethnic or national origin, religion, marital status, family status, sexual orientation, disability or membership of the travelling community. The Commission is committed to a proactive approach towards diversity and inclusion initiatives and will continue to review its policies and practices surrounding diversity and inclusion in 2023 through an evidence-based assessment of equality and human rights issues at the Commission as part of the wider Regulatory Reform programme. The Commission continues to organise events and discussions surrounding global social justice events, such as International Women's Day and PRIDE and looks forward to building on this and future initiatives.

## 6.9. DATA PROTECTION

The Commission's Data Protection Officer is registered with the Office of the Data Protection Commissioner in line with our responsibilities under the General Data Protection Regulation 2016/679 as supplemented by Data Protection Act, 2018. Our Data Protection Officer facilitates, monitors, and implements necessary policies and procedures to ensure compliance with relevant Data Protection legislations. The Commission was prepared for remote working prior to the pandemic and was able to fulfil its regulatory obligations while promoting data security and data processing in accordance with the GDPR and Data Protection Act, 2018.

## 6.10. CORPORATE GOVERNANCE

The Commission remains committed to maintaining the highest standards of corporate governance. It complies with the Code of Practice for the Governance of State Bodies 2016, where applicable for an organisation of its size. The Commissioner, as accountable person, was responsible to the Minister for Transport for good corporate governance.



Table 12: Summary of Corporate Governance

<b>Commission Code of Conduct</b>	There is a code of conduct for Commission employee.
<b>Investment Appraisal</b>	The Commission did not incur any capital expenditure in 2023 coming within the scope of the activities envisaged in the Department's 2005's Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector.
<b>Remuneration of Senior Management and Directors' Fees</b>	The HR section of this document sets out the information in this area. The payment of director fees does not apply.
<b>Reporting Arrangements</b>	The Commission prepares reports for the Minister for Transport as required. The Commission has a fully developed accounting system, provided detailed monthly management and financial reports to senior management. We adopt Financial Reporting Standards 102 for our accounting. We calculate our accounts on an accrual accounting system, except where specified in the notes to the financial statements. These statements are audited by the Comptroller and Auditor General. The Commission has taken measures to comply with the obligation to keep proper books of accounts. These are kept at its sole office.
<b>Strategic and Corporate Planning</b>	The Commission's functions and responsibilities are set out in the Aviation Act 2001, the State Airports Act 2004, the Aviation Act 2006 and the State Airports (Shannon Group) Act 2014 together with various Statutory Instruments. The Commission reports annually to the Minister for Transport on the manner in which its functions have been discharged in the previous year. While we started a consultation to extend our 2017-2019 strategic plan in conjunction with the Regulatory Reform programme, we did not finalise this process given the impact that COVID-19 had on many aspects of our work and the need to refocus our efforts during this period.
<b>Travel Policy</b>	The Commission complies with Governmental travel policy requirements.
<b>Disclosure of Interests</b>	The Commission, its staff and all consultants and advisers are required to comply with the relevant disclosure requirements arising out of Section 18 of the Ethics in Public Office Act 1995 and Sections 17-18 of the Aviation Regulation Act, 2001.
<b>Risk Management</b>	The Commission maintains a risk register which is regularly reviewed by senior management and works with the audit committee to manage risks.

## 6.11. TRANSPARENCY

The Commission carries out its functions as transparently as possible. All documents relating to consultations are published on our website (a list for 2021 is included in the appendix to this report). Since March 2012, the Commission has published quarterly notes on our website detailing its purchase orders for amounts in excess of €20,000.

The Commission responded to 8 Freedom of Information Requests and one Data Subject Access Request in the period January – April 2023.

## 6.12. REGULATORY REFORM

During 2023, the Commission worked with the Department of Transport and our colleagues in the Irish Aviation Authority to implement the regulatory reform process resulting in the merger of the Commission and the Safety Regulation Division of the Irish Aviation Authority on 1 May 2023. The Air Navigation and Transport Act 2022 was enacted on 7th December 2022 and formed the basis for the simultaneous dissolution of the Commission and the establishment of the unified civil aviation.



## 7. Financial Information

In December 2022, the Commission made a levy for the period January to December 2023. This will be the final levy made by the Commission under section 23 of the Aviation Regulation Act, 2001 as that provision was repealed by section 8 of the Air Navigation and Transport Act, 2022.

The Statement of Financial Position at 30 April 2023 includes €35.9m in travel trade cash bonds at the end of the period. This is an increase of €1.0m and reflects the recovery in trade in the sector during the year. It is also affected by individual large Travel Agents changing to cash bonds from insurance bonds.

The deficit on the Commission's superannuation scheme(s) has decreased to €421k as at 30 April 2023 from €1m as at 31 December 2022. The decrease is due to the combined effect of scheme experience and assumption changes due to changing financial conditions. The liability on the SPSPS scheme stood at €371k at period end.

### 7.1. STATEMENT ON SYSTEM OF INTERNAL CONTROLS

The Commissioner was responsible for ensuring that an effective system of internal control was maintained and operated in the Commission for Aviation Regulation. This responsibility took account of the requirements of the Code of Practice for the Governance of State Bodies (2016). The system of internal control was designed to manage risk to a tolerable level rather than to eliminate it.

In order to discharge this responsibility in a manner that ensures compliance with legislation and regulations, the Commissioner established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Commission had an Audit and Risk Committee (ARC) which operated under a written charter approved by the Commissioner, and which consisted of three external members, with financial and audit expertise, one of whom was the Chair. The ARC met once 2023.

The Commission also had an internal audit function that was outsourced. The work of internal audit was informed by analysis of the risks to which the Commission was exposed, and annual internal audit plans were based on this analysis and agreed with the ARC. All internal audit reports were presented to the ARC.

The Commission developed a risk management policy which set its risk appetite, outlined the risk management processes in place and detailed the roles and responsibilities of staff in relation to risk.

The Chief Executive Officer of the Irish Aviation Authority has confirmed, in the Draft Financial Statements for the period to 30 April 2023 that the Commission conducted a review of the effectiveness of the system of internal financial control and risk management.

The Statement on System of Internal Controls is reviewed by the OCAG on an annual basis.

## 7.2. INTERNAL AUDIT

Crowe were the Commission's internal auditors and were appointed in August 2020. Crowe's contract runs to 31 August 2023 (with the option to extend for a further year), and has been transferred to the Irish Aviation Authority on 1st May 2023. The internal auditor operates under the guidance of an external Audit and Risk Committee.

## 7.3. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee met once from January to April 2023. At this meeting, the Committee was updated by the Commissioner on the Commission's activities, ongoing work, and key issues. Key management staff attended meetings as required and where appropriate. The independent internal auditors also attended the meeting to update the Committee on the annual audit plan and related audit reports.

The Office of the Comptroller and Auditor General's (OCAG) staff and seconded firm, Mazars, primarily conducted their work virtually.

## 7.4. PROMPT PAYMENT OF ACCOUNTS

The Commission acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 ("the Regulations"). Procedures were put in place to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provided reasonable assurance against material non-compliance with the Regulations. The payment policy complied with the requirements of the Regulations.

## 7.5. DISPOSAL OF ASSETS AND ACCESS TO ASSETS BY THIRD PARTIES

No significant asset disposals (i.e., over €150,000 as specified by the guidelines) took place during January to April 2023.

Pursuant to the Dissolution Day Order made by the Minister of Transport under the provisions of the Air Navigation and Transport Act, 2022, effective 1 May 2023, all Commission assets and liabilities transferred to the Irish Aviation Authority.

## 7.6. INVESTMENT APPRAISAL

The Commission did not incur significant capital expenditure in 2023 which comes within the scope of the activities envisaged in the Department's 2005 Guidelines for the Appraisal and Management of Capital Expenditure Proposals in the Public Sector:

## 7.7. TAX COMPLIANCE

The Commission is liable to pay PAYE, VAT and PSWT. The Commission has submitted all relevant tax returns for 2023 and is fully tax compliant.

## 7.8. LEVY

Under Section 23 of the Aviation Regulation Act 2001, the Commission could make regulations that imposed a levy to meet properly incurred expenses in discharging its functions. The levy was payable by such classes of undertakings as could be specified by the Commission.

On 9th December 2022, the Commission made S.I. 643 of 2022 imposing the Levy for 2023. The Commission expected to receive revenues of €5.1m from the levy in 2023. Any uncharged portion of this levy will be invoiced by the Irish Aviation Authority during 2023.

Levy income fluctuated in line with expected expenditure needs and cashflow requirements. Licence fee income remained stable in the four-month period to 30 April 2023.

Other Income is comprised of cost recharges to the IAA and Income from the Travellers' Protection Fund. The former related to staff time and other expenditure related to the merger with the IAA. The latter related to instances where the Commission incurred expenditure in the administration of the Travellers' Protection Fund and Bond Accounts and recouped these costs from the fund or bond accounts.

## 7.9. FINANCIAL STATEMENTS

The Commissions audited financial statements for the four month period ended 30th April 2023 are presented below.

# Financial Statements

## for the four-month period ended 30 April 2023

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## Governance Statement and Board Members' Report

On 1st May 2023 in accordance with the Air Navigation and Transport Act 2022, the Commission for Aviation Regulation ("the Commission") was dissolved, and the staff, assets, rights and obligations of the Commission were transferred to the Irish Aviation Authority ("the Authority").

### GOVERNANCE

The Commission for Aviation Regulation was established in accordance with the Aviation Regulation Act, 2001. The Commissioner was accountable to the Minister for Transport and was responsible for ensuring good governance and performed this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. Since 1st May 2023 the regular day to day management, control and direction of the of the Commission's statutory functions has transferred to the Irish Aviation Authority and are the responsibility of the Chief Executive Officer (CEO) and the senior management team. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

In order to discharge this responsibility in a manner that ensures compliance with legislation and regulations, the Authority has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorization limits, segregation of duties and delegated authority.

The Commission had an Audit and Risk Committee (ARC) which operated under a written charter approved by the Commissioner, and which consisted of three external members, with financial and audit expertise, one of whom was the Chair. The ARC met once in 2023.

Name	Attendance	Fees 2023	Expenses 2023
Alan Richardson	1	845	-
Nicolas Marcoux	1	-	-
Ciara Lynch (Chair)	1	1,127	-
<b>Total</b>		-	-

The Commission also had an internal audit function that was outsourced. The work of internal audit was informed by analysis of the risks to which the Commission was exposed, and annual internal audit plans were based on this analysis and agreed with the ARC. All internal audit reports were presented to the ARC.

The Commission developed a risk management policy which set its risk appetite, outlined the risk management processes in place and detailed the roles and responsibilities of staff in relation to risk.

The governance arrangements in place also applied to the Travellers' Protection Fund and Travel Agents' and Tour Operators Bond Accounts' responsibility for which, transferred from the Commission to the Authority. The responsibilities are set out under the Transport (Tour Operators and Travel Agents) Act 1982.

## AUTHORITY'S RESPONSIBILITIES

Section 116 of the Air Navigation and Transport Act, 2022 requires the Authority to prepare final accounts of the Commission and to submit them for audit to the Comptroller and Auditor General. In preparing these financial statements, the Authority is required to:

- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis, unless that basis is inappropriate
- disclose and explain any material departures from applicable accounting standards

The Commission was responsible for keeping adequate accounting records, which disclosed with reasonable accuracy at any time the financial position of the Commission for Aviation Regulation and which enabled it to ensure that the financial statements complied with Section 26 of the Aviation Regulation Act, 2001. The Commission was also responsible for safeguarding its assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority considers that the financial statements of the Commission for Aviation Regulation give a true and fair view of the financial performance and the financial position as at 30 April 2023.

## DISCLOSURES REQUIRED BY THE CODE OF PRACTICE FOR THE GOVERNANCE OF STATE BODIES (2016)

The Commissioner was responsible for ensuring that the Commission complied with the requirements of the Code of practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform. The following disclosures are required by the Code:



## EMPLOYEE SHORT – TERM BENEFITS BREAKDOWN

Employees' annualised short-term benefits in excess of €60,000 are categorized into the following bands:

Band	2023	2022
	No of employees	No of employees
€60,000-€70,000	1	4
€70,001-€80,000	1	1
€80,001-€90,000	1	2
€90,001-€100,000	2	2
€100,001-€110,000	2	0
€110,001-€120,000	0	0
€120,001-€130,000	0	0
€130,001-€140,000	0	0
€140,001-€150,000	0	0
€150,001-€160,000	0	1
€160,001-€170,000	1	0
€170,001-€180,000	1	1

Short term benefits include salary and other payments made on behalf of the employee but exclude employer's PRSI.

## CONSULTANCY COSTS

Consultancy costs include the cost of external advice to management and exclude outsourced "business as usual" functions.

	2023	2022
	€	€
IT	-	-
Economic *	131,644	1,247,680
Legal	99,046	149,440
<b>Total Consultancy Costs</b>	<b>230,690</b>	<b>1,397,120</b>

\* A portion of Economic consultancy costs are classified within slot coordination costs on the Statement of Income and Expenditure.

## LEGAL COSTS AND SETTLEMENTS

Other than general legal advice received by the Commission in 2023 as disclosed under consultancy costs above, no legal costs, settlements and conciliation and arbitration costs relating to contracts with third parties were incurred in the reporting period (2022: €nil).

## TRAVEL AND SUBSISTENCE EXPENDITURE

	2023	2022
	€	€
Domestic	2,573	2,261
International	3,678	10,721
<b>Total</b>	<b>6,251</b>	<b>12,982</b>

## HOSPITALITY EXPENDITURE

	2023	2022
	€	€
Staff	137	3,348
External	-	-
<b>Total</b>	<b>137</b>	<b>3,348</b>

## STATEMENT OF COMPLIANCE

The Commissioner adopted the Code of Practice for the Governance of State Bodies (2016). The Commission was fully compliant with all aspects of the Code of Practice that applied to it as a non-commercial semi-state regulatory body.

The Commission had an Oversight Agreement in place with the Department of Transport, as required by the Code of Practice.



**Declan Fitzpatrick**  
**Chief Executive Officer**  
**Date: 19th October 2023**

## Statement on Internal Control

On 1st May 2023 in accordance with the Air Navigation and Transport Act 2022, the Commission for Aviation Regulation was dissolved, and the staff, assets, rights and obligations of the Commission were transferred to the Irish Aviation Authority ("the Authority"). Up to the date of dissolution the Commissioner had overall responsibility for ensuring that an effective system of internal control was maintained and operated in respect of the Commission and the Travellers' Protection Fund and Travel Agents' and Tour Operators' Bond Accounts. This responsibility took account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

The Authority has relied upon the work of the internal and external auditors, the Audit and Risk Committee which oversaw their work, the senior management within the Commission (who transferred to the IAA on 1st May 2023) and the established system of internal control in preparing these financial statements.

### PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control was designed to manage risk to a tolerable level rather than to eliminate it. The system could therefore only provide reasonable and not absolute assurance that assets were safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way. The system of internal control has been in place in the Commission for Aviation Regulation for the period ended 30 April 2023 and up to the date of the approval of the financial statements.

### CAPACITY TO HANDLE RISK

The Commission had an Audit and Risk Committee (ARC) which operated under a written charter approved by the Commissioner, and which consisted of three external members, with financial and audit expertise, one of whom was the Chair. The ARC met once in 2023.

The Commission also had an internal audit function that was outsourced. The work of internal audit was informed by analysis of the risks to which the Commission was exposed, and annual internal audit plans were based on this analysis and agreed with the ARC. All internal audit reports were presented to the ARC.

The Commission developed a risk management policy which set its risk appetite, outlined the risk management processes in place and detailed the roles and responsibilities of staff in relation to risk. The policy had been issued to all staff who were expected to work within the Commission's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

## RISK AND CONTROL FRAMEWORK

The Commission implemented a risk management system which identified and reported key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

A risk register was in place which identified the key risks facing the Commission and these had been identified, evaluated and graded according to their significance. The register was reviewed and updated by the Commissioner and management on a quarterly basis. The register was also placed before the ARC at each meeting for their review. The outcome of these assessments was used to plan and allocate resources to ensure risks were managed to an acceptable level.

The risk register detailed the controls and actions needed to mitigate risks and responsibility for the operation of controls was assigned to specific staff. I confirm that a control environment containing the following elements was in place until dissolution:

- Procedures for all key business processes had been documented;
- Financial responsibilities had been assigned at management level with corresponding accountability;
- There was an appropriate budgeting system with an annual budget which was kept under review by senior management;
- There were systems aimed at ensuring the security of the information and communication technology systems; and
- There were systems in place to safeguard the assets.

## ONGOING MONITORING AND REVIEW TO DISSOLUTION

Formal procedures had been established for monitoring control procedures and control deficiencies were communicated to those responsible for taking corrective action and to management, where relevant, in a timely way. I confirm that the following ongoing monitoring systems were in place until dissolution:

- Key risks and related controls had been identified and processes had been put in place to monitor the operation of those key controls and report any identified deficiencies;
- Reporting arrangements had been established at all levels where responsibility for financial management had been assigned; and
- There were regular reviews by senior management of periodic and annual performance and monthly financial reports which indicated performance against budgets.

## PROCUREMENT

I confirm that the Commission had procedures in place to ensure compliance with current procurement rules and guidelines and that during 2023 the Commission complied with those procedures.

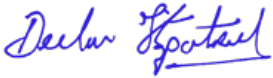
## REVIEW OF EFFECTIVENESS

I confirm that the Commission had procedures to monitor the effectiveness of its risk management and control procedures. During the period to dissolution date, the Commission's monitoring and review of the effectiveness of the system of internal control was informed by the work of the internal and external auditors, the Audit and Risk Committee which oversaw their work, and the senior management within the Commission responsible for the development and maintenance of the internal control framework.

I confirm that the Commission conducted an annual review of the effectiveness of the internal controls for 2022 which concluded in March 2023. Due to the short time frame since the most recent review, no further reviews were conducted for the period to 30th April 2023.

## INTERNAL CONTROL ISSUES

No weaknesses in internal control were identified that require disclosure in the financial statements.



**Declan Fitzpatrick**  
**Chief Executive Officer**  
**Date: 19th October 2023**

# Report of the Comptroller and Auditor General for the Houses of the Oireachtas



## Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

### Report for presentation to the Houses of the Oireachtas

### Commission for Aviation Regulation

#### Opinion on the financial statements

I have audited the financial statements of the Commission for Aviation Regulation (now dissolved) for the period from 1 January 2023 to 30 April 2023 as required under the provisions of section 116 of the Air Navigation and Transport Act 2022. The financial statements were prepared by the Irish Aviation Authority and comprise

- the statement of income and expenditure
- the statement of comprehensive income
- the statement of financial position
- the statement of changes in reserves and capital account
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Commission for Aviation Regulation at 30 April 2023 and of its income and expenditure for the period 1 January 2023 to 30 April 2023 in accordance with Financial Reporting Standard (FRS) 102 — *The Financial Reporting Standard applicable in the UK and the Republic of Ireland*.

#### *Basis of opinion*

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Commission for Aviation Regulation and of the Irish Aviation Authority, and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Report on information other than the financial statements, and on other matters

The Irish Aviation Authority has presented certain other information together with the financial statements. This comprises the governance statement and Commission report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

**Seamus McCarthy**  
Comptroller and Auditor General  
20 October 2023

## Appendix to the report

### Responsibilities of the Commission and of the Irish Aviation Authority

The Commission for Aviation Regulation was dissolved on 30 April 2023 and its assets, liabilities and staff transferred to the Irish Aviation Authority.

The governance statement and Commission report sets out the respective responsibilities of the Commission and the Irish Aviation Authority for

- the preparation of the financial statements in the form prescribed under section 26 of the Aviation Regulation Act 2001
- ensuring that the financial statements give a true and fair view in accordance with FRS 102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Responsibilities of the Comptroller and Auditor General

I am required under section 116 of the Air Navigation and Transport Act 2022 to audit the final financial statements of the Commission for Aviation Regulation and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- I conclude on the appropriateness of the use of the going concern basis of accounting.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

### Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

## Statement of Income and Expenditure for the period ended 30 April 2023

	Notes	2023 €	2022 €
<b>Income</b>			
Levy Income	2	1,676,302	4,504,663
Licence Fees	2	35,006	119,594
Other	2	108,186	302,675
<b>Gross Income</b>		1,819,494	4,926,932
Transfer (to)/from Capital Account	9	6,767	(183,236)
<b>Net Income</b>		1,826,261	4,743,696
<b>Expenditure</b>			
Staff Costs	4	694,625	1,841,730
Retirement Benefit Costs	10(a) 11(a)	121,814	420,231
Consultancy (excluding legal)		83,024	1,181,925
Legal Fees		99,046	149,440
Rent		99,500	298,500
Slot Coordination & related consultancy		117,909	284,901
Operating Expenses		257,177	518,570
	3	1,473,095	4,695,297
Operating Surplus	14	353,166	48,399

The Statement of Cashflows and Notes 1 to 18 form part of these Financial Statements.

**Declan Fitzpatrick**  
**Chief Executive Officer**  
**Date: 19th October 2023**



## Statement of Comprehensive Income for the period ended 30 April 2023

	Notes	2023 €	2022 €
Operating Surplus		353,166	48,399
Experience gain/(losses) arising on retirement benefit scheme liabilities	10 (d)	17,260	(303,228)
Actuarial gains/(losses) on scheme assets	10 (b iii)	129,067	(1,228,924)
Changes in assumptions underlying the present value of the retirement benefit scheme liabilities	10 (b ii)	429,071	2,567,943
Actuarial gain		575,398	1,035,791
Experience gain/(losses) SPSPS		8,523	(63,963)
Changes in assumptions SPSPS		34,216	200,550
		42,739	136,587
Adjustment to deferred retirement benefits funding	11 (b)	(42,739)	(136,587)
Total Comprehensive Income for the Period		928,564	1,084,190

The Statement of Cashflows and Notes 1 to 18 form part of these Financial Statements.

**Declan Fitzpatrick**  
Chief Executive Officer  
Date: 19th October 2023

## Statement of Financial Position as at 30 April 2023

	Notes	€	2023 €	€	2022 €
<b>Non-Current Assets</b>					
Property, Plant, Equipment and Software	5		495,955		502,722
<b>Current Assets</b>					
Cash and Cash Equivalents	6	39,921,619		37,541,446	
Receivables and Prepayments	7	289,745		229,960	
		40,211,364		37,771,406	
<b>Current Liabilities:</b>					
<b>Amounts falling due within one year</b>					
Payables and Accruals	8	(1,695,441)		(649,499)	
Cash Bond Accounts	6	(35,882,776)		(34,839,572)	
		(37,578,217)		(35,489,071)	
<b>Net Current Assets</b>			2,633,147		2,282,335
<b>Total Assets less Current Liabilities</b>			3,129,102		2,785,057
			3,129,102		2,785,057
<b>Retirement Benefits</b>					
	10(b i)				
Retirement benefit obligations	11(b)		(791,963)		(1,378,343)
Deferred retirement benefit funding asset (SPSPS)	11(b)		370,881		379,509
<b>Net Assets including Retirement Benefit Liability</b>			2,708,020		1,786,223
<b>Representing</b>					
			2,633,147		2,282,335
Capital Account	9		495,955		502,722
Retirement Benefit Reserve	10(b i)		(421,082)		(998,834)
			2,708,020		1,786,223

The Statement of Cashflows and Notes 1 to 18 form part of these Financial Statements.



**Declan Fitzpatrick**  
**Chief Executive Officer**  
**Date: 19th October 2023**

## Statement of Changes in Reserves and Capital Account as at 30 April 2023

	Statement of Income & Expenditure Account	Capital Account	Retirement Benefit Reserve (Note 10)	Total
<b>Balance as at 1 January 2022</b>	<b>2,150,802</b>	<b>319,485</b>	<b>(1,951,491)</b>	<b>518,796</b>
Operating Surplus	48,399	-	-	48,399
Movement during the period	-	183,237	-	183,237
Actuarial Gain	-	-	1,035,791	1,035,791
Transfer	83,134	-	(83,134)	-
<b>Balance as at 31 December 2022</b>	<b>2,282,335</b>	<b>502,722</b>	<b>(998,834)</b>	<b>1,786,223</b>
<b>Balance as at 1 January 2023</b>	<b>2,282,335</b>	<b>502,722</b>	<b>(998,834)</b>	<b>1,786,223</b>
Operating Surplus	353,166	-	-	353,166
Movement during the period	-	(6,767)	-	(6,767)
Actuarial Gain	-	-	575,398	575,398
Transfer	(2,354)	-	2,354	-
<b>Balance as at 30 April 2023</b>	<b>2,633,147</b>	<b>495,955</b>	<b>(421,082)</b>	<b>2,708,020</b>

The Retirement Benefit Reserve represents the difference between the cumulative cost of retirement benefits less amounts paid out to date. The transfer in the period represents the difference between the full cost of retirement benefits recognised in the Statement of Income and Expenditure in the period and the amount paid out in the period.

The Statement of Cashflows and Notes 1 to 18 form part of these Financial Statements.

**Declan Fitzpatrick**  
Chief Executive Officer  
Date: 19th October 2023

## Statement of Cashflows

### for the period ended 30 April 2023

	Notes	2023 €	2022 €
<b>Net cash flows from operating activities</b>			
Surplus on Income and Expenditure		353,166	48,399
Difference between Retirement Benefit Costs and Employer Contribution		(2,354)	83,134
Depreciation & loss on disposals	5	12,771	37,251
Bank Interest and charges paid		208	6,734
Amortisation of capital asset		(6,767)	183,236
Decrease in Receivables	7	32,724	80,133
(Increase)/Decrease in Prepayments	7	(92,509)	17,684
Increase in Payables	8	1,070,922	15,242
(Decrease)/Increase in Accruals	8	(24,981)	80,165
<b>Net Cash (Outflow) From Operating Activities</b>		<b>1,343,180</b>	<b>551,978</b>
<b>Cash flows from Financing activities</b>			
Bank Interest Received		-	52
Bank Interest and Charges Paid		(208)	(6,786)
Payments to Acquire Tangible Fixed Assets	5	(6,004)	(220,487)
<b>Net Cash Flows from Financing Activities</b>		<b>(6,212)</b>	<b>(227,221)</b>
<b>Cash flows from Investing activities</b>			
Increase in Cash Bond Accounts & TPF	6	1,043,205	24,463,432
<b>Net Cash Flows Provided from Investing Activities</b>		<b>1,043,205</b>	<b>24,463,432</b>
<b>Net Increase in Cash and Cash Equivalents</b>		<b>2,380,173</b>	<b>24,788,189</b>
Cash and cash equivalents at 1 January		37,541,446	12,753,257
Cash and cash equivalents at 30 April	6	39,921,619	37,541,446

# Notes to the Financial Statements

## for the period ended 30 April 2023

### 1. ACCOUNTING POLICIES

The basis of accounting and significant accounting policies adopted by the Commission for Aviation Regulation are set out below. They have all been applied consistently throughout the period and for the preceding year.

#### a) General Information

The Commission for Aviation Regulation was an independent body set up pursuant to the Aviation Regulation Act, 2001. The principal functions of the Commission were the regulation of airport charges at Dublin Airport, licensing of tour operators and travel agents operating in Ireland, the implementation of Ireland's obligations under EU slot allocation legislation, licensing of Irish air carriers and the approval of ground handling service providers. The Commission was also responsible for ensuring that the minimum rights of air passengers in the event of delays, cancellations and denied boarding are met and for ensuring that persons with reduced mobility are offered opportunities for air travel comparable with those of other citizens. On 1st May 2023 on the dissolution of the Commission, these responsibilities were transferred to the Irish Aviation Authority.

#### b) Statement of Compliance

The financial statements of the Commission for Aviation Regulation for the four-month period ended 30 April 2023 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC).

#### c) Basis of Preparation

The financial statements have been prepared under the historical cost convention, except for certain assets and liabilities that are measured at fair values as explained in the accounting policies below. The financial statements are in the form approved by the Minister for Transport with the concurrence of the Minister for Public Expenditure and Reform under the Aviation Regulation Act, 2001. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Commission for Aviation Regulation's financial statements.

#### d) Income Recognition

Aviation Levy income is brought to account over the period to which it relates. Licence fee income from travel trade applications is brought to account in the period in which the licence is issued. Interest income is recognised on an accruals basis using the effective interest rate method.

#### e) Property, Plant, Equipment, and Software

Property, plant, equipment, and software are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant, equipment, and software, other than freehold land and artwork, at rates estimated to write off the cost less the estimated residual value of each asset on a straight-line basis over their estimated useful lives, as follows:

Fixtures and Fittings	20% per annum
Office Equipment	10% per annum
Computer Equipment	20% per annum
Software Development	20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life. The Commission's capitalisation threshold was €1,500. If there is objective evidence of impairment of the value of an asset, an impairment loss was recognised in the Statement of Income and Expenditure.

#### **f) Receivables**

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts was a specific provision and was established when there was objective evidence that the Commission for Aviation Regulation would not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure.

#### **g) Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure over the life of the lease. Expenditure is recognised on a straight-line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

#### **h) Period of Account and Transfer of Balances**

These financial statements have been prepared for the four-month period from 1st January 2023 to the date of dissolution.

The financial statements recognise:

- a. all income and expenditure up to the date of dissolution
- b. all assets and liabilities at the date of dissolution which are set out in the Statement of Financial Position, and which transferred to the Irish Aviation Authority upon dissolution.

#### **i) Dissolution of the Body**

The Commission was dissolved on the 1st of May 2023 under the Air Navigation and Transport Act 2022. The Act sets a range of transfer provisions which include inter alia, the transfer to the Irish Aviation Authority of all property which, immediately before that day was vested in the Commission. All rights and liabilities of the Commission arising by virtue of any contract or commitment (express or implied) entered into before that date stand transferred to the Irish Aviation Authority. The Act also contains provisions whereby all staff of the Commission transferred to the Irish Aviation Authority on terms and conditions no less favourable than heretofore. Other provisions included in the Act relate to the continuation after dissolution of anything commenced and not completed, in so far as it relates to a function conferred on the Irish Aviation Authority, and provisions with regard to liability for losses (including claims for loss or injury) occurring before the date of dissolution. As all of its functions, operations, assets and liabilities were transferred to the Irish Aviation Authority, these financial statements have been prepared on a going concern basis.

## j) Employee Benefits

### Short Term Benefits

Short term benefits such as holiday pay are recognised as an expense in the period, and benefits that are accrued at period-end are included in the Payables figure in the Statement of Financial Position.

### Retirement Benefits

The Commission operated funded contributory defined benefit retirement benefit schemes under Sections 20 and 21 of the Aviation Regulation Act, 2001. The Commission's superannuation schemes were approved by the Minister for Transport and the Minister for Public Expenditure and Reform in June 2015. The retirement benefit charge in the Income and Expenditure account comprises the current service cost and the interest cost of the scheme liabilities. Actuarial gains and losses are recognised in the statement of comprehensive income for the period in which they occur. Retirement Benefit scheme assets were measured at fair value. Retirement Benefit scheme liabilities were measured on an actuarial basis using the projected unit method. An excess of scheme liabilities over scheme assets is presented on the Statement of Financial Position as a liability.

New employees, not being former members of a public service superannuation scheme, joined the Single Public Service Pension Scheme since 1 January 2013. Pension costs reflect pension benefits earned by employees and are shown net of staff pension contributions which were remitted to the Department of Public Expenditure and Reform. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable and offset by grants received in the period to discharge pension payments. Actuarial gains or losses arising on scheme liabilities are reflected in the Statement of Comprehensive Income, and a corresponding adjustment is recognised in the amount recoverable from the Department of Public Expenditure and Reform. The financial statements reflect, at fair value, the assets and liabilities arising from the Commission for Aviation Regulation's pension obligations and any related funding and recognises the costs of providing pension benefits in the accounting periods in which they are earned by employees. Retirement benefit scheme liabilities were measured on an actuarial basis using the projected unit credit method.

## k) Travel Trade Bonds and the Travellers' Protection Fund

Responsibility for administering the licensing of travel agents and tour operators in accordance with the Transport (Tour Operators and Travel Agents) Act, 1982 as amended, was transferred from the Department of Public Enterprise (at the time) to the Commission on its establishment day, 27 February 2001. This responsibility was transferred to the Irish Aviation Authority on 1st May 2023.

Monies lodged as cash bonds by travel agents and tour operators pursuant to Section 13 of that Act were held in separate bank accounts under the control of the Commission. The Commission made payments on foot of claims made on the bonds as they arise. Unspent balances on bond accounts as at 30 April 2023 are accounted for as creditors.

The Travellers' Protection Fund was established under Section 15 of the Transport (Tour Operators and Travel Agents) Act, 1982 to provide for any shortfall on the travel bonds in covering losses or liabilities incurred by customers of travel agents and tour operators.

The bond accounts and the Fund were administered by the Commission whose expenses were reimbursed from the bonds or the Fund under the terms of the 1982 Act. Separate financial statements are prepared for the called bond accounts and the Travellers' Protection Fund and are also audited by the Comptroller and Auditor General.

#### **l) Capital Account**

The Capital Account represents the unamortized value of income used for capital purposes.

#### **m) Foreign Currencies**

Transactions denominated in foreign currencies relating to revenues and costs were translated into Euro at the rates of exchange prevailing on the dates on which the transactions occurred.

#### **n) Significant Judgements and Estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

#### **o) Retirement Benefit Obligation**

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the retirement benefit and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds;
- (ii) future compensation levels, future labour market conditions; and
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

## **2. INCOME**

The Commission for Aviation Regulation received income from two main sources, levy income and travel trade licence fee income.

#### **Levy Income**

Under Section 23 of the Aviation Regulation Act, 2001 the Commission for Aviation Regulation was empowered to make regulations providing for the imposition of levies. The purpose of the Levies was to meet the costs and expenses of the Commission. See Note 15.

#### **Licence Fees & Other Income**

Under Section 12 of the Transport (Tour Operators and Travel Agents) Act, 1982 the Commission was empowered to issue licences and charge fees to the Travel Trade Industry. Other income comprises staff seconded to the IAA for merger-related work (€101,905) and TPF Income (€6,281).



**3. EXPENDITURE**

	<b>2023</b>		<b>2022</b>
Staff Cost		694,625	1,841,730
Retirement Benefit Cost including administration and FRS adj		121,814	420,231
Consultancy		83,024	1,181,925
Legal Fees		99,046	149,440
Rent		99,500	298,500
Slot Coordination		117,909	284,901
Operating Expenses:			
Advertising & Public Relations	13,461		20,956
Travel & Subsistence	3,618		12,167
Conferences	3,324		4,003
Training & Recruitment	9,523		22,257
Audit Fee	13,750		14,500
Audit & Risk Committee Fees	1,972		8,395
Internal Audit	4,398		19,637
Web Maintenance	9,273		26,636
Cleaning	4,877		17,442
Electricity	3,491		5,948
Office Maintenance	2,775		5,557
Insurance	22,221		65,176
Office Stationery	1,510		8,108
Postage & Carriage	1,312		4,390
Telephone	3,818		12,881
Depreciation & Loss on Disposals	12,771		37,251
Service Charge	25,512		67,644
Rates	9,392		27,658
Storage Costs	1,083		7,020
Administrative Professional Fees	3,967		13,961
Office IT Support	16,646		47,857
Software	7,143		36,168
Office Fit Out	75,000		4,291
Other	6,340	257,177	28,667
<b>Total</b>		<b>1,473,095</b>	<b>4,695,297</b>

## 4. REMUNERATION

### (a) Aggregate Employee Benefits

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Staff short-term benefits	584,226	1,571,843
Employer's contribution to social welfare	61,095	163,520
Agency Staff	49,304	106,367
	<u>694,625</u>	<u>1,841,730</u>
Retirement benefit costs	121,814	420,231
	<u>816,439</u>	<u>2,261,961</u>

The total number of staff employed at period end was 22 (2022: 23).

### (b) Staff Short-Term Benefits

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Basic pay	584,226	1,571,843
Overtime	-	-
Allowances	-	-
	<u>584,226</u>	<u>1,571,843</u>

### (c) Key Management Personnel

Key management includes the Deputy Commissioner and three managers.

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Salary	<b>185,319</b>	<b>512,232</b>
Allowances	-	-
Termination benefits	-	-
Health insurance	-	-
	<u>185,319</u>	<u>512,232</u>

This does not include the value of retirement benefits earned in the period. The key management personnel were members of either the Commission's Pension Scheme or the Single Public Service Pension Scheme.

From 1 January 2019 onwards, members of public service defined benefit pension schemes paid an additional superannuation contribution (ASC) arising from the Public Service Stability Agreement (2018 - 2020) and the Public Service Pay and Pensions Act 2017. ASC of €4,973 (2022: €54,157) was deducted from staff salaries and paid over to the Department of Transport for 2023.

During 2023, retirement benefit related deductions of €27,454 (2022: €77,564) were made from staff and paid over to the Department of Public Expenditure and Reform (SPSPS) and Irish Life (CAR pension scheme).

**(d) Commissioners Salary and Benefits**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Basic pay	60,860	170,239
	<b>60,860</b>	<b>170,239</b>

The figures show the salary of the Deputy Commissioner who was acting in place of the Commissioner. The Commissioner and Deputy Commissioners were members of the CAR superannuation scheme. Their pension entitlements do not extend beyond the terms of the model public service pension scheme. The value of retirement benefits earned in the period is not included above.

**5. PROPERTY, PLANT EQUIPMENT AND SOFTWARE**

	<b>Office Equipment €</b>	<b>Furniture &amp; Fittings €</b>	<b>Computer Equipment €</b>	<b>Software €</b>	<b>Total €</b>
Cost at the beginning of the period	4,738	106,793	164,550	401,204	677,285
Additions in the period	-	-	6,004	-	6,004
Disposals in the period	-	-	-	-	-
At the end of the period	4,738	106,793	170,554	401,204	683,289
Accumulated depreciation					
at the beginning of the period	1,264	95,036	78,263	-	174,563
Charge for the period	158	1,342	11,271	-	12,771
Disposals in the period	-	-	-	-	-
At the end of the period	1,422	96,378	89,534	-	187,334
Net Book Value as at					
31 December 2022	3,474	11,757	86,287	401,204	502,722
<b>Net Book Value as at 30 April 2023</b>	<b>3,316</b>	<b>10,415</b>	<b>81,020</b>	<b>401,204</b>	<b>495,955</b>

Note: the software in development was not in use at 30th April 2023, therefore no depreciation has been charged.

## 6. CASH AND CASH EQUIVALENTS

	2023	2022
	€	€
Bank Accounts - Travel Trade Bond Accounts	35,779,012	34,806,242
Bank Account - Travellers' Protection Fund	103,764	33,330
	<hr/> 35,882,776	<hr/> 34,839,572
Bank Account - CAR Current A/C	2,126,463	289,491
Bank Account - CAR Demand Deposit A/C	1,018,737	1,518,737
	 893,529	 893,529
Bank Account - CAR Demand Deposit A/C	893,529	893,529
Petty Cash	114	117
	<hr/> <b>39,921,619</b>	<hr/> <b>37,541,446</b>

The Travel Trade Bond Accounts are cash sums deposited in the name of the Commission for Aviation Regulation that can be called upon in the event of default by related Tour Operators or Travel Agents. The Commission cannot use this money for any other purpose. This money is returned to the Bond Provider if not needed. Therefore, the corresponding liability is shown as a Creditor: Amounts falling due within one year.

## 7. RECEIVABLES & PREPAYMENTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	€	€
Receivables	100,074	132,798
Prepayments	189,671	97,162
	<hr/> 289,745	<hr/> 229,960

## 8. PAYABLES & ACCRUALS FALLING DUE WITHIN ONE YEAR

	2023	2022
	€	€
Accruals	167,069	85,003
Deferred income	1,175,240	-
Payables - Consultancy Fees	115,726	279,261
- Judicial review	56,488	-
- Revenue Commissioners PAYE/PRSI	64,319	48,673
- Revenue Commissioners VAT	11,043	16,799
- Revenue Commissioners PSWT	21,765	27,271
- Other	83,791	192,492
	<hr/> 1,695,441	<hr/> 649,499

**9. CAPITAL ACCOUNT**

	2023	2023	2022	2022
	€	€	€	€
Balance at 1 January				
Transfer from Statement of Income and Expenditure Account		502,722		319,486
Amount released on disposal of property, plant and equipment	-		-	
Funds allocated to acquire property, plant and equipment	6,004		220,487	
Amount amortised in line with asset depreciation	(12,771)		(37,251)	
Net amount to transfer		(6,767)		183,236
Balance at the 30 April		495,955		502,722

**10. RETIREMENT BENEFITS**

	2023	2022
	€	€
<b>a) Retirement Benefit costs</b>		
Current service cost	58,333	254,000
Net Interest Cost	12,109	30,393
Less Employee Contributions	(12,510)	(35,934)
	57,932	248,459
Administration and actuarial fees	26,374	57,481
<b>Total Operating Charge</b>	84,306	305,940
<b>b i) Net retirement benefit liability</b>		
Present value of funded obligations	5,924,401	6,271,694
Fair value of scheme assets	5,503,319	5,272,860
<b>Net liability (asset)</b>	421,082	998,834
<b>b ii) Present value of scheme obligations at the Beginning of the period</b>	6,271,694	8,253,269
Current service cost	58,333	254,000
Interest cost	75,610	125,704
Experience Losses/(Gains)	(17,260)	303,228
Changes in Assumptions	(429,071)	(2,567,943)
Past Service Losses/(Gains)	-	-
Transfer In	-	-
Premiums paid	-	-
Benefits paid	(34,905)	(96,564)
<b>Present value of scheme obligations at the end of the period</b>	5,924,401	6,271,694

## 10. RETIREMENT BENEFITS (continued)

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>b iii) Change in scheme assets</b>		
Fair value of scheme assets at the beginning of the period	5,272,860	6,301,778
Expected Return	63,501	95,311
Actual Return less interest income	129,067	(1,228,924)
Settlements	-	-
Employee Contributions	12,510	35,934
Employer Contributions	60,286	165,325
Assets acquired	-	-
Premiums paid	-	-
Benefits paid	(34,905)	(96,564)
<b>Fair value of scheme assets at the end of the period</b>	<b>5,503,319</b>	<b>5,272,860</b>
<b>b iv) Net Interest on pension scheme liabilities</b>		
Interest cost of liabilities	(75,610)	(125,704)
Interest gain on assets	63,501	95,311
Net interest on pension scheme liabilities	(12,109)	(30,393)

The current practice of increasing retirement benefits in line with price inflation is taken into account in measuring the defined benefit obligation.

### c) Description of scheme and actuarial assumptions

The retirement benefit scheme is a defined benefit final salary retirement benefit arrangement with benefits defined by reference to current "model" public sector scheme regulations. Employer contribution rates are set having regard to actuarial advice and periodic review of the funding rate required for the scheme. The scheme provides a retirement benefit (one eightieth per year of service), a gratuity or lump sum (three eightieths per year of service) and spouses' and children's retirement benefits. Normal retirement age is a member's 65th birthday. Retirement benefits in payment (and deferment) normally increase in line with price inflation.

The financial assumptions used were:

	<b>2023</b>	<b>2022</b>
Discount rate	3.8%	3.6%
Salary increases	3.0%	3.15%
Rate of Pension Increase	2.5%	2.65%
Inflation increases	2.5%	2.65%

Assumptions regarding future mortality experience are set based on published mortality tables (PML002/PFL00) prepared for the actuarial profession by the Continuous Mortality Investigation Bureau. The mortality assumptions chosen are based on standard tables reflecting typical pensioner mortality and they allow for increasing life expectancy over time.

The average life expectancy, in years, of a pensioner retiring is as follows:

Current Age	Male Life Expectancy at 65	Female Life Expectancy at 65
45	24.4 years	26.5 years
65	21.9 years	24.4 years

The scheme assets at the period-end comprised:

	2023	2022
Equities	2,664,564	2,543,650
Bonds	1,764,328	1,731,898
Other	1,018,621	941,333
Cash	55,806	55,979
Market Value of Assets	5,503,319	5,272,860
Expected Return	3.8%	3.6%

In developing the expected long-term rate of return on assets assumption, regard was had to the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

#### d) History of defined benefit obligations, assets and experience gains and losses

	2023	2022	2021	2020
	€	€	€	€
Defined benefit obligation	5,924,401	6,271,694	8,253,269	5,707,572
Fair value of scheme assets	5,503,319	5,272,860	6,301,778	4,085,083
Deficit for funded scheme	421,082	998,834	1,951,491	1,622,489
Experience (gains)/losses on scheme liabilities	(17,260)	303,228	730,929	16,841
Percentage of scheme liabilities	-0.3%	4.8%	8.9%	0.3%

#### e) Funding of retirement benefits

The Commission defined benefit pension scheme has been taken over by the Irish Aviation Authority.

f) The information on retirement benefits has been presented in line with disclosure requirements required under FRS 102. The most recent actuarial valuation report was dated 22nd May 2023 in respect of the period ended 30th April 2023.

## 11. RETIREMENT BENEFITS-SPSPS MEMBERS

	2023	2022
	€	€
<b>a) Retirement Benefit costs</b>		
Current service cost	20,449	88,378
Net Interest Cost	13,662	6,321
Less Employee Contributions	(14,974)	(41,679)
	19,137	53,020
Adjustment to Deferred Pension Funding	(19,137)	(53,020)
Employer Contribution	37,508	114,291
Total Operating Charge	37,508	114,291
<b>b) Movement in Net Retirement Benefit Liability during the financial period</b>		
Net liability at 1 January	379,509	421,397
Current service cost	20,449	88,378
Interest costs	13,662	6,321
Actuarial loss/(gain)	(42,739)	(136,587)
Retirement benefit paid in the period	-	-
<b>Closing Value</b>	370,881	379,509

### c) Deferred Retirement Benefit Funding

The Commission for Aviation Regulation operated the Single Public Services Pension Scheme ("Single Scheme"), which is a defined benefit scheme for pensionable public servants appointed on or after 1 January 2013. Single Scheme members' employee and employer contributions were paid over to the Department of Public Expenditure and Reform (DPER). The Commission recognised an asset corresponding to the unfunded deferred liability for Retirement Benefits on the basis of the provisions of Section 44 of the Public Service Pensions (Single Scheme and Other Provisions) Act, 2012.

The Net Deferred Funding for Retirement Benefits is recognised in the Statement of Income and Expenditure.

The deferred funding asset for Retirement Benefits as at 30 April 2023 amounted to €370,881 (2022: €379,509).

As the Irish Aviation Authority is a semi-state body, the Commission's Single Pension Scheme members whose contracts of employment were taken over by the Authority on 1st May 2023 were no longer entitled to stay in the SPSPS. A mirror scheme with the same rules as the SPSPS has been created by the Authority for these employees. At 1st May 2023 they become deferred members of the SPSPS based on their contributions to 30th April 2023.

### d) Description of the Scheme and Actuarial Assumptions

The Single Scheme provides for a pension and retirement lump sum based on career-average pensionable remuneration, and spouses' and children's pensions. The minimum pension age is 66 years (rising in line with State pension age changes). It includes an actuarially-reduced early retirement facility from age 55. Pensions in payment increase in line with the consumer price index. The relevant financial assumptions are set out in note 10 (c) above.



## 12. Capital and Other Commitments

The Commission had capital commitments of €740,000 relating to the digitalisation of Travel Trade, Air Passenger Rights and Air Licensing & Ground Handling systems in progress at the reporting date. There are no other commitments at the reporting date. These commitments were taken over by the Authority at 1st May 2023.

## 13. Operating Lease Commitments

Commitments under operating leases to pay rentals during the period following the period of these Financial Statements are given in the table below, analysed according to the period in which the lease expires.

Obligations under operating leases comprise

Land and buildings	2023	2022
Expiry within 1 year	298,500	298,500
Expiry after 1 year but not more than 5 years	646,750	746,250

Leasehold is on 3rd Floor, 6 Earlsfort Terrace, Dublin 2. The lease expires on 30th June 2026. Rent is payable quarterly in advance. Lease paid in the four months to 30 April 2023 was €99,500.

## 14. SURPLUS OR DEFICIT

Under Section 23 of the Aviation Regulation Act, 2001, the Commission for Aviation Regulation was empowered to make regulations providing for the imposition of a Levy. The purpose of the Levy was to meet the costs and expenses of the Commission. Any surplus or deficit in any one year is carried forward and taken into account in setting future levies. The 2023 Levy was provided for through Statutory Instrument 643/2022 Aviation Regulation Act 2001 (Levy No 23) Regulations 2022.

## 15. DECLARATION OF INTERESTS-COMMISSIONER AND STAFF

The Deputy Commissioner and staff complied with the requirements of Section 17 (Declaration of Interests) of the Commission for Aviation Regulation Act, 2001. There were no transactions in the period in relation to the Commission's activities in which the Deputy Commissioner had any interest.

## 16. RESTRUCTURING

In September 2017, the Department of Transport, Tourism and Sport issued a Policy Statement on Airport Charges. This Policy Statement set out the revised Government policy on how airport charges are regulated for Dublin Airport. In that document, it was proposed that the regulatory and safety functions of the Irish Aviation Authority would be merged with the regulatory and consumer protection functions of the Commission. The Air Navigation and Transport Act 2022 which provided for this merger was enacted in December 2022. The merger resulted in the formal dissolution of the Commission. This dissolution was made by a Ministerial Order and came into effect on 1st May 2023 under the 2022 Act.

## 17. EVENTS AFTER END OF REPORTING PERIOD

The Commission was dissolved on 1 May 2023 and its functions transferred to the Irish Aviation Authority as promulgated by the Air Navigation and Transport Act, 2022. However, as the assets and liabilities of the Commission were transferred to the IAA, it is deemed appropriate to report on a going concern basis.

## 18. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Irish Aviation Authority Chief Executive Officer on 19th October 2023.

## Notes

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