

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Year ended 31 December 2024

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Statement of directors' responsibilities	2
Financial review of the outturn performance compared to the RP3 performance plan	4
Independent auditor's report	7
Profit and loss account	9
Balance sheet	10
Notes forming part of the regulated entity accounts	11

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Directors and Other Information

Directors	Bryan Bourke (<i>Chairman</i>) Cian Blackwell Anne Bradley Lourda Moloney Emer Murray James O'Loughlin Eimer O'Rourke Aidan Skelly
Chief Executive	Gerald Caffrey
Company secretary	Ewan Murtagh
Registered office	The Times Building 11-12 D'Olier Street Dublin 2, D02 T449 T: 353 1 603 1505 Website: www.airnav.ie
Auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte and Touche House 29 Earlsfort Terrace Dublin 2, D02 AY28
Bankers	Allied Irish Banks, p.l.c. BNP Paribas
Company registered number	734291
Business registered number	721281

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Statement of directors' responsibilities in respect of the financial review and the regulated entity accounts

Regulation (EC) No 550/2004 for the provision of air navigation services in the single European sky provides that air navigation service providers shall draw up, submit to audit and publish their financial accounts. These accounts, prepared by the Irish Air Navigation Service trading as AirNav Ireland ("AirNav Ireland", "the Company"), are separate and distinct from those required to be prepared pursuant to the Companies Act, 2014. The content and format of the accounts was agreed between AirNav Ireland and the Irish Aviation Authority ("the IAA"), as National Supervisory Authority, in April 2025. For the period up to 30 April 2023, the air navigation service provider division of the IAA was the air navigation service provider in Ireland. As a legal entity, the IAA was the Regulated Entity. From 1 May 2023, pursuant to the Air Navigation and Transport Act 2022, the IAA was restructured whereby its air navigation services functions (ANSP) were transferred to a new commercial semi-State Company, the Irish Air Navigation Service trading as AirNav Ireland. AirNav Ireland is now the Regulated Entity for the purposes of Regulation (EC) No 550/2004.

In order for the IAA to fulfil its National Supervisory Authority obligations under the EU performance and charging scheme, it requested that AirNav Ireland prepare regulated entity accounts showing its regulated activities (Regulated Entity Accounts) separate from its other activities, made up to the year end date of 31 December 2024, the same date to which the statutory accounts of AirNav Ireland are made up. The regulated entity accounts may be published. The directors of AirNav Ireland are responsible for preparing the regulated entity accounts up to 31 December 2024.

For the purpose of preparing these accounts, the regulated entity accounts include only the regulated activities that are en route and terminal activities of AirNav Ireland. The financial results of other activities carried out by AirNav Ireland and its subsidiary undertaking are not included for the purpose of these accounts as these activities are separate to those providing en route and terminal services.

The regulated profit and loss account on page 9 shows a statement of operating income and expenditure for the year with the 2023 comparatives reflecting the position from date of incorporation, 2 February 2023, to 31 December 2023. AirNav Ireland acquired the ANSP business from the IAA on 30 April 2023 and commenced operations on 1 May 2023.

The regulated entity accounts, comprising a profit and loss account, balance sheet, accounting policies and selected notes, represents an extract from the statutory financial statements of AirNav Ireland for the year ended 31 December 2024. The accounts have been prepared solely to present the results for the regulated entity, based on the statutory financial statements as already reported for AirNav Ireland for the year ended 31 December 2024. The accounts have been prepared in accordance with the statement of accounting policies on pages 11 to 15 to present fairly the profit and loss account and balance sheet attributable to the regulated entity.

In preparing the regulated entity accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the regulated entity accounts.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of AirNav Ireland, of which the regulated entity forms a part, and which enable them to ensure that the financial statements of the Company, from which the regulated entity accounts have been derived, comply with statutory requirements. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Statement of directors' responsibilities *(continued)*

The directors are responsible for establishing and maintaining the system of internal control throughout the Company, of which the regulated entity is a part. In 2024, the directors of AirNav Ireland were responsible for a system of internal controls to enable the Company to comply with Commission Implementing Regulation (EU) 2019/317 which apply to the Company's regulated activities. The system of internal control comprises the ongoing processes for identifying, evaluating and managing significant risks faced by AirNav Ireland in pursuing its business objectives. Such a system is designed to manage rather than eliminate the risk of failure and therefore can only provide reasonable and not absolute assurance that AirNav Ireland will achieve those objectives or that AirNav Ireland would not suffer material misstatement or loss.

On behalf of the Board

Bryan Bourke
Chairman

Cian Blackwell
Director

23 June 2025

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Financial review of the outturn performance compared to the RP3 Performance Plan for 2024

In May 2022, Ireland's Performance Plan for the third reference period 2020-2024 ("RP3") was adopted by the State. This followed an assessment by the EC for the consistency of the Performance Plan with the Union-wide targets in the key performance areas of safety, environment, capacity and cost efficiency. The Performance Plan meets the requirements of Commission Implementing Regulation (EU) 2019/317, laying down a performance and charging scheme in the single European sky, and applies to the air navigation service provider (AirNav Ireland from 1 May 2023 and previously the IAA), the National Supervisory Authority (the IAA) and MET Éireann.

AirNav Ireland was incorporated on 2 February 2023. On 30 April 2023, pursuant to the Air Navigation and Transport Act 2022, the air navigation service provider functions, being en route and terminal activities (regulated activities) along with aeronautical communications and commercial activities were transferred from the IAA to AirNav Ireland. The profit and loss account on page 9 sets out the results of the regulated activities of AirNav Ireland for 2024 with comparatives for 2023 from the date of its incorporation in February 2023 to 31 December 2023.

Financial overview

Turnover from regulated activities in 2024 was €176.8 million comprising en route revenue of €139.2 million, terminal revenue of €32.7 million, exempt air traffic revenue of €1.2 million and other revenue attributable to regulated activities of €3.7 million. Total operating expenses of €170.0 million incurred in the provision of regulated activities are split between AirNav Ireland own costs (ANSP) of €143.5 million, the NSA (the IAA) €6.2 million, MET Éireann €8.7 million and EUROCONTROL subscriptions and other State costs of €11.6 million. AirNav Ireland staff costs were €92.1 million or 64% of total AirNav Ireland own costs. Operating profit for the year was €6.7 million.

En route and terminal service units

En route service units, a function of distance flown and aircraft weight, were 4,988,412 in 2024, an increase of 1.9% over planned service units of 4,893,147. Terminal service units in 2024, based on aircraft weight, were 194,440, an increase of 6.1% over planned service units of 183,265. Planned service units are service units as included in the State Performance Plan adopted in May 2022.

AirNav Ireland (ANSP) Outturn 2024 compared with Determined Costs in the Performance Plan 2020 - 2024

Actual regulated costs in 2024 compared to determined costs, reported to the European Commission in compliance with the EU performance and charging scheme regulation, comprising staff costs, other operating costs, costs of depreciation and cost of capital for AirNav Ireland (ANSP) are set out below.

AirNav Ireland (ANSP)	2024 Actual €'000	2024 Determined Costs* €'000	Variance %
Staff costs	90,343	79,025	+14.3%
Other operating costs	38,250	36,891	+3.7%
Depreciation	9,598	13,457	-28.7%
Cost of capital	5,620	7,321	-23.2%
Total AirNav Ireland costs	143,811	136,694	+5.2%

*Determined costs are the costs included in the State Performance Plan adopted in May 2022. Further narrative on the variances between actual and determined costs are provided on page 5.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Financial review (*continued*)

AirNav Ireland (ANSP) (*continued*)

Actual staff costs of €90.3 million were higher than the determined costs included in the Performance Plan by 14.3%. The increased staff costs were principally due to higher general pay increases awarded driven by the inflationary environment during RP3. In addition, there were higher costs of overtime compared to the Plan partially offset by lower headcount than planned.

Other operating costs comprise training, systems and equipment maintenance, telecommunications, spares, power and administration costs including rent and rates, insurance, security, building repairs and maintenance. Total operating costs were up by 3.7% from €36.9 million in the Performance Plan to actual outturn of €38.3 million. AirNav Ireland has strong procurement and budgeting procedures in place with competitive quotes being sought on significant transactions. Operating budgets are actively monitored throughout the year.

Depreciation costs of €9.6 million were 28.7% lower than planned while cost of capital, the regulated return on the regulated asset base, were also lower than planned by 23.2%. AirNav Ireland has a technology plan in place and a capital budget is approved annually. The RP3 depreciation and cost of capital costs were lower than planned principally due to a shortfall in technical and operational staff required to deliver capital projects and pandemic related supply issues. Under the provisions of Commission Implementing Regulation (EU) 2019/317, the difference between actual costs of depreciation and cost of capital and the costs included in the Performance Plan will be returned to the airspace users in future years through a reduction in the related en route and terminal charges. In its October 2024 RP4 decision, the IAA decided that underspends in en route capital-related costs will be returned to the airspace users in 2025 and 2026 while underspends in terminal capital-related costs will be returned to the airspace users over 5 years to 2029.

NSA (the IAA)

Costs attributable to the NSA, included in the State's Performance Plan for its regulated activities, for 2024 were €5.4 million. In 2024, AirNav Ireland recorded a charge from the NSA, in relation to its regulated activities, of €6.2 million. This represents 88% of the total NSA charge to AirNav Ireland (73% to en route activities and 15% to terminal activities). The shortfall of €0.8 million will be recovered from the airspace users in 2026 through an adjustment to the en route and terminal charges.

Other State Costs

Other State Costs, comprising International subscriptions and Department of Transport policy costs, included in the State's Performance Plan for its regulated activities, for 2024 were €10.8 million. In 2024, AirNav Ireland recorded a regulated charge of €11.2 million. The shortfall will be recovered from the airspace users through an adjustment to the en route and terminal charges in future years.

MET Éireann

Costs attributable to MET Éireann, included in the State's Performance Plan for 2024, were €8.7 million. In 2024, AirNav Ireland recorded a charge from MET Éireann of €8.7 million. Costs for meteorological services are allocated 80% to en route and 20% to terminal activities. This allocation, agreed with the NSA, has been in place since 2001.

Reconciliation of actual regulated costs in 2024 to operating expenses

Total regulated costs for 2024 reported to the European Commission for AirNav Ireland (ANSP), the NSA (the IAA), other State costs and MET Éireann amounted to €169.9 million. This compares with total operating expenses reported in the Profit and Loss account on page 9 of €170.0 million. A reconciliation has been provided separately to the NSA.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Financial review (*continued*)

Financial overview (continued)

Inflation

For 2024, the Performance Plan forecasted an inflation rate for Ireland of 2.0%, consistent with the International Monetary Fund (IMF) forecast available at the time the Performance Plan was developed and consistent with the EU regulations. Actual inflation in 2024 was 1.3%.

Costs exempt from risk sharing

Costs exempt from risk sharing comprise EUROCONTROL subscriptions. The planned charge in 2024, included in the 2024 determined costs, was €7,488,163. Actual outturn was €7,944,589 giving rise to an amount of €456,426 to be recovered from the airspace users in future years. The actual outturn includes an adjustment to return unspent credits used by EUROCONTROL for CEF Funding of €560,854.

Other revenue

In calculating the en route and terminal charges for 2024, other revenues of €1.6 million for en route and €0.9 million for terminal, were reimbursed to the airspace users through a reduction in the 2024 unit charges. Other revenues include EU funding which, in general, is reimbursed within two years of the funding claim being audited, if the claim is for operating expenditure, and in line with the depreciation profile if the claim is for capital expenditure.

Capacity Incentive Scheme

In 2024, the actual terminal delay at the relevant airports (Dublin, Shannon, Cork) of 0.32 average minutes per arriving flight exceeded the target of 0.30 average minutes per arriving flight, which results in 0.5% of terminal determined costs to be returned to airspace users in future years. The value to be returned through lower terminal unit charges is €0.1 million. A significant portion of the delay was due to adverse weather conditions in 2024. The target for en route delays was not exceeded in 2024.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF THE IRISH AIR NAVIGATION SERVICE

Opinion on the Financial Statements

We have audited the balance sheet of the Regulated Activities of the Irish Air Navigation Service (the "Company") as at 31 December 2024 and the profit and loss account for the year then ended with related notes on pages 11 to 24, including a summary of significant accounting policies (together "the financial statements").

In our opinion, the financial statements have been prepared, in all material respects, in accordance with:

- the recognition and measurement requirements of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council, and
- the financial reporting framework established by the National Supervisory Authority ("NSA") as set out in the Framework for AirNav Ireland's Regulated Entity Accounts in 2024 dated 28 April 2025 ("financial reporting framework").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) including ISA (Ireland) 800. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter- Basis of Preparation

We draw attention to Note 1 to the financial statements, which describes the basis of preparation for these financial statements. The financial statements are prepared to assist the Company to meet the regulatory reporting requirements of the Company. As a result, the financial statements may not be suitable for another purpose and do not necessarily represent a true and fair view of the financial position of the company as shown in financial statements prepared in accordance with the Companies Act.

Our opinion is not modified in respect of these matters.

Other Matters

The Company has prepared a separate set of statutory financial statements for the year ended 31 December 2024 in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council on which we issued a separate auditor's report to the directors of the Company dated 27 March 2025.

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF
THE IRISH AIR NAVIGATION SERVICE**

Responsibility of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the recognition and measurement requirements of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the financial reporting framework established by the National Supervisory Authority ("NSA") as set out in the Framework for AirNav Ireland's Regulated Entity Accounts in 2024 dated 28 April 2025 ("financial reporting framework") and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The nature, form and content of the financial statements and therefore its basis of preparation, is set out by NSA to assist the Company in meeting its regulatory requirements. We make no assessment as to whether the basis of preparation, as set out on page 11 is appropriate or sufficient for the Company's purposes.

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

Use of our report

Our report is intended solely for the Company. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's directors as a body, for this report, or for the opinions we have formed.

Daniel Murray

For and on behalf of Deloitte Ireland LLP Chartered
Accountants and Statutory Audit Firm

Deloitte & Touche House

Earlsfort Terrace Dublin 2

Date: 30 June 2025

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial statements since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Profit and Loss Account

for the year ended 31 December 2024

	<i>Note</i>	2024	Feb – Dec
		€'000	2023 €'000
Turnover – continuing activities	3	176,778	120,634
Operating expenses		(170,045)	(109,369)
		<hr/>	<hr/>
Operating profit – continuing activities		6,733	11,265
Interest receivable and similar income	5	20,405	13,809
Interest payable and similar charges	6	(16,153)	(11,406)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		10,985	13,668
Tax on profit on ordinary activities	7	(1,950)	(2,575)
		<hr/>	<hr/>
Profit for the financial year		9,035	11,093
		<hr/> <hr/>	<hr/> <hr/>

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Balance sheet

at 31 December 2024

	Note	2024 €'000	2023 €'000
Fixed assets			
Tangible assets	8	105,443	100,779
Pension asset	16	42,429	54,074
		<hr/>	<hr/>
		147,872	154,853
		<hr/>	<hr/>
Current assets			
Debtors			
- due within one year	9	66,370	59,136
- due after more than one year	9	66,118	80,015
Short term deposits		48,660	35,550
Cash and cash equivalents		30,123	36,923
		<hr/>	<hr/>
		211,271	211,624
		<hr/>	<hr/>
Creditors: amounts falling due within one year	10	(44,570)	(42,345)
		<hr/>	<hr/>
Net current assets		166,701	169,279
		<hr/>	<hr/>
Total assets less current liabilities		314,573	324,132
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	12	(40,763)	(47,561)
		<hr/>	<hr/>
Provisions for liabilities			
Retirement benefit obligations	16	(3,012)	(2,783)
		<hr/>	<hr/>
Net assets		270,798	273,788
		<hr/>	<hr/>

On behalf of the board:

Bryan Bourke
Chairperson

Cian Blackwell
Director

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes

forming part of the regulated entity accounts

1. Accounting policies

General information and basis of preparation

The Irish Air Navigation Service trading as AirNav Ireland (“AirNav Ireland”, “the Company”) is a designated activity company (DAC) limited by shares, formed on 2 February 2023 under the Air Navigation and Transport Act 2022 (“the Act”), and registered under the Companies Act 2014. From 1 May 2023, AirNav Ireland is responsible for the provision of air traffic management services in Irish-controlled airspace and voice communications to aircraft operating halfway across the North Atlantic. Prior to 1 May 2023, these air traffic management functions were provided by the IAA.

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

The directors consider that the format and content of the regulated entity accounts meets the requirements of the NSA as set out in the “Framework for the 2024 IANS Regulated Entity Accounts to IAA (NSA)”, dated 28 April 2025, (“the framework agreement”) and comply with Article 12 of EC Regulation No 550/2004 and EU Regulation 2019/317.

The regulated entity accounts include the en route and terminal activities of AirNav Ireland. The financial results of other activities carried out by AirNav Ireland and its subsidiary undertaking are not included for the purpose of these accounts as these activities are separate to those providing en route and terminal services. The basis on which turnover, operating expenses, assets and liabilities have been allocated to en route and terminal activities is set out below.

The regulated entity accounts are prepared under the historical cost convention. The accounts are extracted from the audited Group and Company financial statements of the Irish Air Navigation Service trading as AirNav Ireland and are prepared according to the recognition and measurement requirements of FRS 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ issued by the Financial Reporting Council, and the financial reporting framework established by the NSA. The presentation currency of the accounts is Euro. All amounts in the regulated entity accounts have been rounded to the nearest €1,000.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the regulated entity accounts. These accounting policies are in agreement with those used in the preparation of the audited Group and Company financial statements of the Irish Air Navigation Service trading as AirNav Ireland for the year ended 31 December 2024. Judgements made by the directors, in the application of these accounting policies that have a significant effect on the regulated entity accounts and estimates with a significant risk of material adjustment in the next year, are discussed in note 17.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

1. Accounting policies (*continued*)

True and fair view override

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

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

Regulated profit and loss account and balance sheet

Turnover and costs have been determined on the bases set out below:

Turnover is the actual turnover of regulated activities as described below.

AirNav Ireland's cost base reporting system records cost by nature and by cost centre. Cost centres are attributed to business activities by location and then allocated by reference to the regulated activities of en route and terminal and non-regulated activities other than:

- Interest income and expense on defined benefit pension assets and liabilities is allocated to the regulated entity on the basis of the proportion of regulated entity pension costs to total pension costs as per the cost base reporting system.
- Bank interest payable, bank loan facility fees and bank interest receivable are allocated to the regulated entity on the basis of the proportion of regulated entity turnover to total turnover.
- The deferred tax charge has been calculated on the basis of the proportion of the net book value of the regulated entity fixed assets to total fixed assets and the proportion of regulated entity pension costs to total pension costs.

Assets and liabilities have been determined on an actual basis other than:

- The cash balance acquired at 30th April 2023 as part of the transfer of the ANSP business is allocated to the regulated entity on the basis of the proportion of regulated entity turnover to total turnover at 30th April 2023.
- The pension asset acquired at 30th April 2023 as part of the transfer of the ANSP business is allocated to the regulated entity on the basis of the proportion of regulated entity pension costs to total pension costs as per the cost base reporting system. Retirement benefit obligations are allocated in a similar manner.

Turnover

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

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

1. Accounting policies (*continued*)

Turnover (*continued*)

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

En route and terminal revenues

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

Tangible fixed assets and depreciation

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

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

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

*Included in 'Buildings' is the Dublin tower building held under leasehold; the cost of the building was €36.5 million and it was brought into operational use in 2021. The net book value included in the financial statements as at 31 December 2024 relating to this asset is €32.2 million (2023: €33.6 million).

Leased assets

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

Foreign currencies

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

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

1. Accounting policies (*continued*)

Taxation

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

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

Employee benefits

AirNav Ireland provides pensions to its employees under four superannuation schemes. Three of these schemes are defined benefit schemes: "The AirNav Ireland Staff Superannuation Scheme 1996", for staff whose employment commenced prior to 1 April 2008; "The AirNav Ireland Staff Superannuation Scheme 2008", for staff whose employment commenced from 1 April 2008 to 31 December 2011; "The AirNav Ireland Hybrid Pension Plan 2012", for staff whose employment commenced from 1 January 2012. From 1 May 2023, The AirNav Ireland Hybrid Pension Plan 2012 was closed to new entrants with new employees of AirNav Ireland joining a defined contribution scheme, "The AirNav Ireland Defined Contribution Plan 2023".

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

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

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

The difference between the interest income on assets and the return actually achieved, and any changes in the liabilities due to changes in assumptions, or because actual experience during the year was different to that assumed, are recognised as re-measurement gains and losses in the statement of other comprehensive income ("OCI"). The OCI includes an offset amounting to the additional pension charge, described in paragraph (b), expected to be recovered under the provisions of the EUROCONTROL agreement. The Company thus departs from the requirements of FRS 102 in order that the results comply with the requirements of the agreements under which its operations are governed and, in the context of these agreements, that the financial statements give a true and fair view.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

1. Accounting policies (continued)

Basic financial instruments

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

Trade and other debtors and creditors

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

Cash, cash equivalents and short-term deposits

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

2. Transfer of ANSP Undertaking from the IAA to AirNav Ireland

The transaction took place on 30 April 2023 whereby AirNav Ireland acquired the assets and liabilities of the ANSP division from the IAA at their carrying value. The basis on which the regulated assets and liabilities are reported in the regulated entity accounts is set out in note 1.

3. Turnover

	2024	Feb-Dec
	€'000	2023
		€'000
<i>Activity</i>		
En route	139,185	95,450
Terminal	32,695	22,139
Exempt air traffic	1,181	861
Other	3,717	2,184
	<hr/>	
	176,778	120,634
	<hr/>	

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

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

4. Staff numbers and costs

The average number of persons employed during the year in the provision of regulated activities, excluding non-executive directors, analysed by category, was as follows:

	2024	Feb-Dec
	Number	2023* Number
Air traffic controllers	303	298
Engineers	93	92
Other operational	110	110
Corporate services	59	57
Total employees	565	557
Student air traffic controllers	26	19

*The Company commenced operations from 1 May 2023 following the transfer, on 30 April 2023, of ANSP-related employees from the IAA to AirNav Ireland. Average headcount is for the period 1 May to 31 December 2023.

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

	2024	Feb-Dec
	€'000	2023** €'000
Wages and salaries†	69,754	46,276
Social welfare costs	6,697	4,184
Pension costs *	15,678	12,792
	92,129	63,252

† Included in wages and salaries in 2023 is a once-off payment to employees of €3.7 million. In May 2023, the IAA's Industrial Disputes Resolution Board (IDRB) recommended that a payment should be made to staff who were the subject of a pay reduction, implemented as a cost containment measure in 2021 in response to COVID-19. The recommendation was in response to a dispute referred by the IAA Staff Panel to the IAA's IDRB prior to the transaction on 30 April 2023. The recommendation was a matter for both AirNav Ireland and the IAA. The Board of AirNav Ireland approved the recommendation in respect of employees in AirNav Ireland and payment was made in October 2023. When employer's PRSI is included, the cost of the payment was €4.1 million.

* Included in pension costs is €6.7 million (2023: €3.2 million) attributable to the cost of a 3% (2023: 2%) discretionary pension increase applied to pensions in payment and deferred pensions. The increase was approved by the Minister and was effective from 1 January 2024 (2023: 1 January 2023).

**The Company commenced operations from 1 May 2023 following the transfer, on 30 April 2023, of ANSP-related employees from the IAA to AirNav Ireland.

The Irish Air Navigation Service trading as AirNav Ireland Regulated Entity Accounts

Notes (*continued*)

5. Interest receivable and similar income

	2024 €'000	Feb-Dec 2023 €'000
Interest income on defined benefit assets	18,214	13,021
Bank interest	1,838	539
Other interest	353	249
	20,405	13,809

6. Interest payable and similar charges

	2024 €'000	Feb-Dec 2023 €'000
Interest expense on defined benefit assets	15,958	11,315
Bank loan facility fees	195	91
	16,153	11,406

7. Tax on profit on ordinary activities

	2024 €'000	Feb-Dec 2023 €'000
Analysis of tax charge in the year		
<i>Current tax</i>		
Corporation tax	1,361	1,837
Adjustments in respect of prior years	(30)	-
	1,331	1,837
<i>Deferred tax</i>		
Origination and reversal of timing differences	619	738
Tax on profit on ordinary activities	1,950	2,575
Profit and loss tax reconciliation		
Profit on ordinary activities before tax	10,985	13,668
Expected current tax at 12.5%	1,373	1,708

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

7. Tax on profit on ordinary activities (*continued*)

	2024 €'000	Feb-Dec 2023 €'000
<i>Effects of:</i>		
Permanent differences	255	317
Expenses not deductible for tax purposes	122	481
Income not taxed at standard rate	230	69
Corporation tax in respect of prior years	(30)	-
Tax on profit on ordinary activities	1,950	2,575

8. Tangible fixed assets

	Buildings €'000	Completed installations and other works €'000	Installations in progress €'000	Office equipment €'000	Total €'000
Cost					
At beginning of year	71,731	180,635	23,827	12,507	288,700
Additions in year	-	-	14,542	714	15,256
Brought into use in year	-	7,324	(7,324)	-	-
Disposals in year	-	(2)	-	(595)	(597)
At end of year	71,731	187,957	31,045	12,626	303,359
Accumulated depreciation					
At beginning of year	32,177	145,984	-	9,760	187,921
Charge in year	1,953	7,605	-	1,034	10,592
Disposals in year	-	(2)	-	(595)	(597)
At end of year	34,130	153,587	-	10,199	197,916
At 31 December 2024	37,601	34,370	31,045	2,427	105,443
At 31 December 2023	39,554	34,651	23,827	2,747	100,779

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

9. Debtors

	2024 €'000	2023 €'000
Trade debtors, net	27,369	22,772
Prepayments	4,819	2,724
Accrued income	93,705	101,867
Other debtors	709	5,927
Corporation tax	1,644	317
Value added tax	615	1,735
Deferred tax asset (note 13)	3,627	3,809
	132,488	139,151
Due within one year	66,370	59,136
Due after more than one year	66,118	80,015
	132,488	139,151

Included in trade debtors are amounts past due of €15,974,000 (2023: €13,442,000) of which €2,253,000 (2023: €2,491,000) is provided for within bad debt provisions.

Included in debtors is accrued income of €65,873,000 (2023: €78,897,000) in the Company relating to the balance of eligible costs owing in respect of the years 2020 and 2021, being recovered over 7 years 2023 to 2029. This balance is measured at the present value of the future receipts discounted at a market rate of interest.

Included in other debtors is €681,860 (2023: €787,549) due in relation to the ATM Voluntary Temporary Solidarity Fund. In November 2022, the Member States of EUROCONTROL, including Ireland, approved the creation of a temporary special solidarity fund to provide support to States whose air traffic management systems have been affected by the Russia-Ukraine war. Ireland's commitment to this fund is €787,549. In 2024, €105,689 was reimbursed. The balance of €681,860 (2023: €787,549) is included in other debtors and will be repaid by the beneficiary States in 2025.

10. Creditors: amounts falling due within one year

	2024 €'000	2023 €'000
Trade creditors	2,537	3,465
Other creditors including tax and social welfare (note 11)	3,825	2,307
Accruals†	20,536	24,312
Deferred income	17,672	12,261
	44,570	42,345

† Included in accruals is €4.6 million (2023: €4.3 million) in the Group and in the Company relating to an Income Continuation Fund which provides income protection to air traffic controllers who are unable to control aircraft because of medical or other reasons.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

11. Taxation and social welfare included in other creditors

	2024 €'000	2023 €'000
PAYE	3,365	2,035
Relevant contracts tax	76	5
Professional services withholding tax	57	92
Deferred tax liability (note 13)	327	175
	3,825	2,307

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

	2024 €'000	2023 €'000
Deferred income	31,832	36,993
Deferred tax liability (note 13)	8,931	10,568
	40,763	47,561

13. Deferred tax liability

	2024 €'000	2023 €'000
Deferred tax liability– excluding employee benefits-related	(i) (327)	(175)
Deferred tax liability – employee benefits-related (non-current)	(ii) (5,300)	(6,759)
Deferred tax asset – buildings – (non-current)	3,627	3,809
Deferred tax liability – buildings – (non-current)	(3,627)	(3,809)
	(5,627)	(6,934)

(i) Deferred taxation – excluding employee benefits-related

	2024 €'000	2023 €'000
At beginning of year	(175)	(81)
Charged to profit and loss account (note 7)	(152)	(94)
	(327)	(175)

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

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

13. Deferred Tax liability (*continued*)

(ii) *Deferred taxation – employee benefits-related*

	2024 €'000	2023 €'000
At beginning of year	(6,759)	(7,146)
Changes in actuarial assumptions recognised in OCI	1,926	1,031
Charged to profit and loss account (note 7)	(467)	(644)
	(5,300)	(6,759)

14. Related parties

In common with many other government bodies, AirNav Ireland deals in the normal course of business with other government bodies and departments, such as daa, Shannon Airport Authority DAC, ESB, the Irish Aviation Authority (IAA) and Met Éireann. In addition, in the normal course of business, AirNav Ireland transacts with certain Irish banks which have become wholly or partially owned by the Irish State. All of AirNav Ireland's transactions with such banks are on normal commercial terms. The ultimate controlling party is the Department of Public Expenditure, National Development Plan Delivery and Reform.

AirNav Ireland is party to a commercial arrangement to provide air traffic management training services to Entry Point North Ireland DAC, a 100% owned subsidiary of Entry Point North AB (EPN), an associate of AirNav Ireland. Entry Point North Ireland DAC also provides air traffic management training services to AirNav Ireland on an arm's-length basis. Included in the regulated accounts is revenue of €3.7 million (2023: €2.2 million) and costs of €9.0 million (2023: €3.5 million) in transactions with Entry Point North Ireland DAC. As at 31 December 2024, there were no balances outstanding between AirNav Ireland and Entry Point North Ireland DAC (2023: net payable owing to Entry Point North Ireland DAC €0.2 million).

15. Commitments

Company	2024 €'000	2023 €'000
(i) <i>Capital commitments</i>		
Future capital expenditure approved by the directors:		
Not contracted for	70,473	62,692
Contracted for	37,508	12,091
	107,981	74,783

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

15. Commitments (*continued*)

(ii) Operating lease commitments

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

	2024 Buildings €'000	2024 Motor Vehicles €'000	2023 Buildings €'000	2023 Motor Vehicles €'000
Company				
<i>Payable:</i>				
Within one year	2,334	111	2,191	91
Between one and five years	3,748	191	3,959	165
More than five years	4,997	-	5,934	-
	11,079	302	12,084	256

16. Employee benefits

	2024 €'000	2023 €'000
Defined benefit pension asset (see A below)	42,429	54,074
Supplementary ex-gratia pension liability (see B below)	(3,012)	(2,783)
Total retirement benefit obligations	39,417	51,291

For the purpose of the regulated accounts, employee benefits are allocated to the regulated entity on the basis of the proportion of regulated entity pension costs to total pension costs as per the cost base reporting system. Pension benefits for all permanent employees, engaged in regulated and non-regulated activities, are funded through common defined benefit pension schemes, the assets of which are vested in independent trustees. These schemes are not managed to separate its members into those engaged in regulated and non-regulated activities.

AirNav Ireland undertakes actuarial valuations of the defined benefit pension schemes at least every three years. The date of the latest actuarial valuations is 1 January 2024 and covers all accrued benefits. These valuations were conducted by qualified independent actuaries.

The valuations employed for FRS 102 purposes have been based on the most recent funding valuations for the schemes adjusted by the independent actuaries to allow for the accrual of liabilities up to 31 December 2024 and to take account of financial conditions at this date. The valuations used for FRS 102 purposes have been completed using the projected unit method, and assets for this purpose have been valued at market value.

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

AirNav Ireland has no unfunded schemes with the exception of the supplementary ex-gratia liability. There are no outstanding or prepaid contributions at year-end.

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

16. Employee benefits (*continued*)

A The AirNav Ireland Defined Benefit Schemes

(i) Actuarial assumptions

	2024 Projected unit	2023 Projected unit
<i>Weighted average assumptions to determine benefit obligations</i>		
Discount rate	3.60%	3.60%
Rate of general compensation increase †	2.50%	2.65%
Rate of price inflation	2.00%	2.15%
Rate of pension increase †	0.00%	0.00%

† This is the long-term assumption in respect of general salary increases. In addition, the 2024 disclosure takes account of pay increases above the long-term general rate which the Company expects will be paid under a five-year Collective Labour Agreement covering the period from 1 January 2025 to 31 December 2029. Prior to 1 May 2023, the principal employer of the Schemes was the IAA. The board of the IAA decided, given the deficit position of the Schemes at the time, and communicated to all staff and pension trustees, that there would be no further increases granted on pensions payable under the Schemes with effect from 1 January 2015.

As part of the outcome of an independent binding arbitration process, concluded in February 2023, on a number of pension issues, and following Ministerial approval, the Company agreed to make a special contribution of €7.7 million (2023: €3.8 million) to the main pension fund to facilitate an increase of 3% (2023: 2%) to pensions in payment and deferred pensions. The regulated cost of the special contribution was €6.7 million (2023: €3.2 million) – see note 4. The Company agreed to review its current position relating to the payment of pension increases. Furthermore, arising from recent high inflation rates and the improvement in the financial condition of the Scheme, the Company intends to develop a policy which will outline the conditions necessary to support a discretionary increase in pensions in payment. Any proposal by the Company to provide a discretionary pensions increase will be subject to relevant Ministerial approval.

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

	2024	2023
<i>Life expectancy for a male member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	24.3	24.3
Current pensioner members	22.6	22.6
<i>Life expectancy for a female member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	26.2	26.1
Current pensioner members	24.4	24.3

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

The Irish Air Navigation Service trading as AirNav Ireland

Regulated Entity Accounts

Notes (*continued*)

16. Employee benefits (*continued*)

(ii) Other required disclosure amounts	€'000
--	-------

Contributions expected to be paid by the regulated entity in 2025	8,086
---	-------

B Supplementary ex-gratia pension liability

This is a provision of €3,012,000 (2023 €2,783,000) for supplementary ex-gratia pension payments, up to age 65, outside of the AirNav Ireland pension schemes, to bridge the gap for certain employees who are eligible to retire between the ages of 60 and 65, however are not eligible for the state pension until they reach the state retirement age.

C The AirNav Ireland Defined Contribution Pension Schemes

During the year, AirNav Ireland operated two defined contribution schemes – “The AirNav Ireland Defined Contribution Pension Plan 2012” and “The AirNav Ireland Defined Contribution Plan 2023”. Employees who joined from 1 January 2012 to 30 April 2023 are members of the 2012 Scheme. The Scheme was closed to new entrants from 30 April 2023. Employees who joined the Company from 1 May 2023 are members of the 2023 scheme. The pension charge represents the total contributions payable to the schemes and amounted to €867,728 (2023: €283,495) in the regulated entity.

17. Accounting estimates and judgements

Key sources of estimation uncertainty

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

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

Pension assumptions

The valuation of the defined benefit pension schemes is a significant estimate in AirNav Ireland’s regulated entity accounts. The directors have reviewed and assessed as reasonable the assumptions made by independent professional actuaries in assessing the fair value of the defined benefit pension schemes.

18. Approval of the Regulated Entity Accounts

The regulated entity accounts were approved by the directors on 23 June 2025.