IRISH AVIATION AUTHORITY

ANNUAL REPORT 2011

IAA PERFORMANCE 2011

International Income 80%

IAA supports Irish aviation leasing industry which manages €100 billion in assets

Total Assets ▲6.7% to €207m

IAA, a commercial semi-State company, profitable since its establishment in 1994

International traffic ▲2.6%

IAA services over 90% of all aircraft travelling from Europe to North America

IAA receives no State funding

Ireland/UK **FAB** delivering savings of c€336m to airline customers 2008–2020

ICAO Safety Oversight Audit 3rd in Europe

COOPANS ATM Programme €50m delivered on time, to specification, within budget

Operating Profit ▲20% to €18m

Profit before tax ▲53% to €14m

CONTENTS

IAA

IRISH AVIATION AUTHORITY

ANNUAL REPORT 2011

AIR NAVIGATION SERVICES IN THE NORTH ATLANTIC

FINANCIAL AND OPERATING HIGHLIGHTS

	2011 €'000	2010 €'000	% Change
Financial Highlights			
Turnover	**179,036**	168,488	+6.3
Profit after Tax	**7,869**	6,599	+19.2
Total Assets	**207,128**	194,034	+6.7

	2011 Number	2010 Number	% Change
Air Traffic Activity			
En Route Overflights	**300,408**	292,813	+2.6
Terminal Commercial Traffic	**195,905**	195,489	+0.2
North Atlantic Communications	**403,534**	389,174	+3.7
Employment			
Average Number Employed	**695**	679	+2.4

DIRECTORS AND OTHER INFORMATION

Directors
Ms Anne Nolan
Chairman
Mr Eamonn Brennan
Chief Executive
Ms Lorraine Burke
Mr Pat Dalton
Mr Peter G Ledbetter
Dr Rosheen McGuckian
Mr Michael Norton
Mr Geoffrey O'Byrne-White

Secretary
Ms Aideen Gahan

Auditor
KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Bankers
AIB Bank plc
40/41 Westmoreland Street
Dublin 2

Bank of Ireland
Lower Baggot Street
Dublin 2

Solicitors
A & L Goodbody
IFSC
North Wall Quay
Dublin 1

Registered office
The Times Building
11-12 D'Olier Street
Dublin 2

Tel: +353-1-671 8655
Fax: +353-1-679 2934
Web site: www.iaa.ie

Registered number
211082

Senior management

Eamonn Brennan
Chief Executive

Denis J Daly
Deputy Chief Executive and Chief Financial Officer

Anthony Eiffe
Internal Audit

Aideen Gahan
Company Secretary and Solicitor

Philip Hughes
Technology and Training

Kevin Humphreys
Safety Regulation

Paddy Kennedy
Corporate Affairs

Donie Mooney
Operations

Brendan Mulligan
Human Resources

Attendance at 2011 board and committee meetings

Director	Board meetings attended	Max number of board meetings director could have attended	Number of committee meetings attended	Max number of committee meetings director could have attended
Anne Nolan *Chairman*	6	6	3	3
Eamonn Brennan *Chief Executive*	6	6	1	1
Lorraine Burke	6	6	3	3
Pat Dalton	6	6	6	6
Peter G Ledbetter	6	6	6	6
Rosheen McGuckian	6	6	4	4
Michael Norton	1	1	0	0
Geoffrey O'Byrne-White	6	6	3	3
Claire O'Donoghue	6	6	3	3

CHAIRMAN'S STATEMENT

Anne Nolan
Chairman

The Irish Aviation Authority (IAA), during the past year, turned in another exemplary performance, both as a safety regulator and as a provider of air navigation services, always mindful of the fact that aviation-safety is our primary objective.

I mentioned in my statement last year that I looked forward, with cautious optimism, towards growth in traffic during 2011. Traffic growth did occur throughout 2011 in our international businesses of en route and North Atlantic communications, while our domestic business of terminal commercial traffic remained static. The outlook for the IAA in 2012 is very much dependent upon increased economic activity, and therefore, on air travel. The IAA services over 90% of all aircraft travelling from Europe to North America.

The IAA is a self-financing commercial semi-State company and receives no financial support from the Exchequer.

Operating Environment

As a safety regulator, as well as a service provider, we must remain vigilant and ensure that, in the current economic climate, safety standards remain high. The IAA operates to the highest international safety standards promulgated by the International Civil Aviation Organisation (ICAO); the European Aviation Safety Agency (EASA); the European Union (EU); EUROCONTROL; the European Civil Aviation Conference (ECAC).

The new operational efficiencies, introduced by the IAA in December 2009, and implemented in 2010, continued to bring financial benefits to airlines in 2011, through savings in route kilometres flown, savings in carbon emissions and other operational cost savings. These operational efficiencies, which brought savings to the industry since their introduction, will continue to do so in the years ahead. They are dealt with in more detail in the Chief Executive's Review.

The IAA will continue to plan for, and manage, the many objectives and challenges it faces in the years ahead. In particular, it will:

- continue to provide efficient safety-regulation for the Irish aviation industry to the highest international standards
- meet the tests of technological and environmental change in the aviation industry
- remain a safe, efficient and cost-effective air navigation service-provider
- develop the opportunities provided by the Single European Sky
- maintain Ireland's leading position in aviation.

I am confident that these objectives will be met and that we will demonstrate our commitment to the provision, on a sound commercial basis, of safe, efficient and cost-effective air navigation and regulatory services which meet the needs of our customers.

Financial Performance

As mentioned above, an increase in en route overflights was recorded, up 2.6% in traffic, to a total of just over 300,000 flights. North Atlantic communications traffic grew by 3.7% to over 403,000 flights. Combined terminal commercial traffic at Cork, Dublin and Shannon airports remained static at 196,000 movements.

Total revenue for the year was €179 million, and after tax profits showed an increase to €7.9 million in 2011 (up from €6.6 million in 2010).

The balance sheet of the IAA discloses, that at 31 December 2011, shareholders' funds amounted to €24.9 million, compared with €49.8 million at 31 December 2010.

This fall in the value of shareholders' funds is due entirely to the very significant increase in the pension liability under the accounting treatment outlined in Financial Reporting Standard 17 "Retirement Benefits". The increase in pension liability reflects the uncertain economic conditions experienced in European and global economies and markets, as evidenced by the reduction in the discount rate used in valuing pension plan liabilities and the significant underperformance in the return on pension plan assets during the year. The resulting net pension liability prevents consideration of the payment of a dividend to the shareholder at this time. The Chief Executive, in his review, deals more comprehensively with this matter and the corrective measures which the IAA and its staff have taken and which, it is planned, will eliminate the pension deficit within an acceptable timeframe.

Corporate governance

The IAA continues to apply best practice in the area of corporate governance, as appropriate, in the context of the IAA being a commercial semi-State body. Its compliance procedures are outlined in the directors' report.

Acknowledgements

The work of the IAA is complex and challenging and many people contribute hugely to it. I would like to express sincere thanks to my board colleagues who provided significant guidance to the IAA during 2011, not just as members of the board, but also as members of the various board committees on which they serve.

I wish to welcome Michael Norton, who was appointed to the board on 6 October 2011 by the Minister for Transport, Tourism and Sport. My thanks to Claire O'Donoghue who retired from the board on 9 January 2012. My special appreciation goes to Aideen Gahan for her dedicated and professional service as secretary to the board of the IAA.

Thanks also go to the Secretary General of the Department of Transport, Tourism and Sport, Mr Tom O'Mahony; the Assistant Secretary, Mr John Fearon; together with their respective staffs, for their constant assistance and support during 2011. They have always been readily available to us and have ensured an outstanding partnership with the IAA.

On behalf of the board, I wish to commend the management and staff of the IAA for their dedication, enthusiasm and professionalism. Their expertise and experience are vital assets to the IAA and I congratulate them on their many achievements during the year. I wish to thank the Chief Executive and board member, Eamonn Brennan, for his vision, inspirational leadership and motivation in achieving another successful performance by the IAA in 2011.

Finally, I am most grateful to the Minister for Transport, Tourism and Sport, Dr. Leo Varadkar TD, for his support of our activities during the year.

Anne Nolan
Chairman

CHIEF EXECUTIVE'S REVIEW

Eamonn Brennan
Chief Executive

Before commenting on the financial performance of the year, I wish to refer to two significant achievements by the IAA within the last twelve months, namely:

- success of the ICAO Safety Oversight Audit Programme in relation to Irish civil aviation, and
- delivery of the COOPANS Air Traffic Management Programme.

ICAO Safety Oversight Audit Programme

Safety is – and always has been – the primary objective of the IAA, both in regulating the Irish civil aviation industry and in managing the 451,000 square kilometres of Irish-controlled airspace. I can confirm that the official results – published in March 2011, of the ICAO Safety Oversight Audit Programme and carried out in 2010 – show that Ireland is ranked among the best in the world, and placed third in Europe for its safety oversight of civil aviation. The IAA, principally through the Safety Regulation Directorate – with assistance from the Department of Transport, Tourism and Sport – was the chief focus for the intensive audit of the State under the relevant Annexes of the Chicago Convention. To all concerned in the Department of Transport, Tourism and Sport, and in the IAA, I say: "well done".

COOPANS Air Traffic Management Programme

I mentioned, in my review last year, that the major operational and technological priority during 2011 would be that the IAA should pilot the implementation of a common air traffic management (ATM) platform with our partners in the COOPANS (Co-operation in Procurement of Air Navigation Systems) initiative. This first step – under which the IAA, Naviair (Denmark), the LFV Group (Sweden) and AustroControl (Austria) are working with Thales ATM to develop a common air traffic management platform – plays an important role in increasing the IAA's future technological efficiency.

I am very pleased that all key objectives were achieved and the project was successfully implemented in Shannon and Cork on 18 April, and in Dublin on 11 May. The project was delivered on time, to specification and within budget. This was a major achievement, not just for the IAA, but for all of the COOPANS partners and Thales ATM who worked together to bring about this successful outcome.

The new system is the first in Europe to be introduced under such a cooperative procurement agreement between air navigation service providers and the system manufacturer, Thales ATM. The system, implemented in 2011, represents a collective investment of almost €200 million, of which the IAA share is €50 million. According to independent analysts, the cooperative procurement methodology adopted, effected savings of around 30% of the total cost.

Great credit is due to the IAA management and staff for the successful delivery of the new systems. All contributed to the success of this major programme of investment, which has been ongoing since 2006, when the original COOPANS agreement was signed. This accomplishment was the result of teamwork. It is worth noting that all major objectives for the new system were achieved between 2006 and 2011 when the new system went fully operational.

Safety Regulation

Aviation-safety standards are set internationally by the International Civil Aviation Organisation (ICAO); and, in a European context, by the European Aviation Safety Agency (EASA); the European Union (EU); EUROCONTROL; the European Civil Aviation Conference (ECAC); and, in the North Atlantic, by the North Atlantic Systems Planning Group (NAT SPG).

The Safety Regulation Directorate (SRD) of the IAA oversees and regulates the implementation of these standards for the Irish civil aviation industry in full compliance with ICAO, EASA and EUROCONTROL standards. We continued in 2011 to maintain high standards of safety in the civil aviation industry despite the difficulties of the times.

The IAA actively promotes the implementation of safety-management systems throughout the airline and aircraft maintenance industries, at licensed aerodromes, and in the provision of air-navigation services.

There were 1,233 aircraft on the aircraft register at the end of 2011, (comprising 669 large aircraft and 564 small aircraft); 15 operators have an Irish Air Operator's Certificate (with a total fleet of 421 aircraft of various sizes). The number of Irish aircraft on overseas "dry leases", or in storage, was 276 at year-end. The IAA also approves facilities for training, maintenance, manufacturing and storage.

Financial Performance

Despite the current economic downturn and the uncertain economic situation in Europe, the IAA turned in a successful financial performance in 2011, with increased traffic, turnover and operating profit. The IAA's key performance indicators of air traffic in 2011 disclosed that:

- *En route overflights* (throughout the 451,000 square kilometres of Irish-controlled airspace) amounted to 300,408, an increase of 2.6% over 2010.
- *North Atlantic communications* (served by the IAA's High Frequency (HF) communications centre at Ballygirreen) provided 403,534 flights with high-frequency voice communications services, an increase of 3.7%. The centre is responsible for communications via long-range radio, with up to 1,250 transatlantic crossings per day.
- *Terminal* (the combined number of terminal commercial aircraft movements at Cork, Dublin and Shannon) remained static at 195,905.

Monthly traffic updates are available on our website:
www.iaa.ie

I am encouraged by indications that pointed towards an improvement in the aviation industry during 2011, although recent EUROCONTROL forecasts are less optimistic for the current year. According to recent reports from IATA; international air travel rose 6.9% last year; European carriers experienced traffic growth of 9.5% (second only to growth by Latin American carriers of 10.2%); North American carriers had the industry's highest load factors of 80.7%.

Financial Results

Performance: The IAA's financial results for 2011 reflect the improvement in industry activity, resulting in an operating profit of €17.9 million, compared to €14.9 million in 2010.

Turnover: The IAA generated revenues of €179 million (up from €168.5 million in the previous year), an increase of 6.3%. Overflights and communications revenue amounted to 74% of turnover and related to aircraft, the vast majority of which did not land in Ireland.

En route navigation services (overflights) accounted for €113.6 million (or 63.5% of turnover), while North Atlantic communications services accounted for €17.6 million (or 9.8% of turnover).

Turnover from terminal navigation services (provided to aircraft for approach, landing and take-off at Cork, Dublin and Shannon Airports) accounted for €25.2 million (or 14.1% of turnover).

Turnover from fees received on behalf of the safety regulation functions carried out by the IAA, such as registration and certification of aircraft, aircraft personnel, aircraft-operating and maintenance organisations, and aerodromes amounted to €19.5 million (or 10.9% of turnover).

Turnover from fees generated from commercial activities, relating to consultancy and training assignments carried out, accounted for €1 million (or 0.6% of turnover).

Costs: Operating expenses amounted to €161.1 million and represented 90% of turnover in 2011, as against 91.1% in 2010.

Balance Sheet: The IAA's tangible fixed assets decreased to €101.4 million from €119.2 million in 2010, reflecting the excess of depreciation of existing air traffic management systems and equipment over new investments and additions during the year. Current assets increased from €74.8 million in 2010 to €105.7 million in 2011, reflecting the improvement in aviation industry activity. Total assets grew by 6.7% to €207.1 million.

The net pension liability, FRS 17 basis, increased significantly and amounted to €132.5 million in 2011, compared to €92.5 million in 2010. The increase reflects the uncertain economic conditions experienced in European and global economies and markets as evidenced by the reduction in the discount rate used in valuing pension plan liabilities, coupled with the significant underperformance in the return on pension plan assets during the year.

The IAA remains cost-effective and its en route charges, once again, are among the best value-for-money in the EUROCONTROL charging States, as the accompanying graph shows.

We aim to continue to provide safe value-for-money en route, terminal and communications services at charges that are stable, and as low as possible, consistent with appropriate service-quality levels.

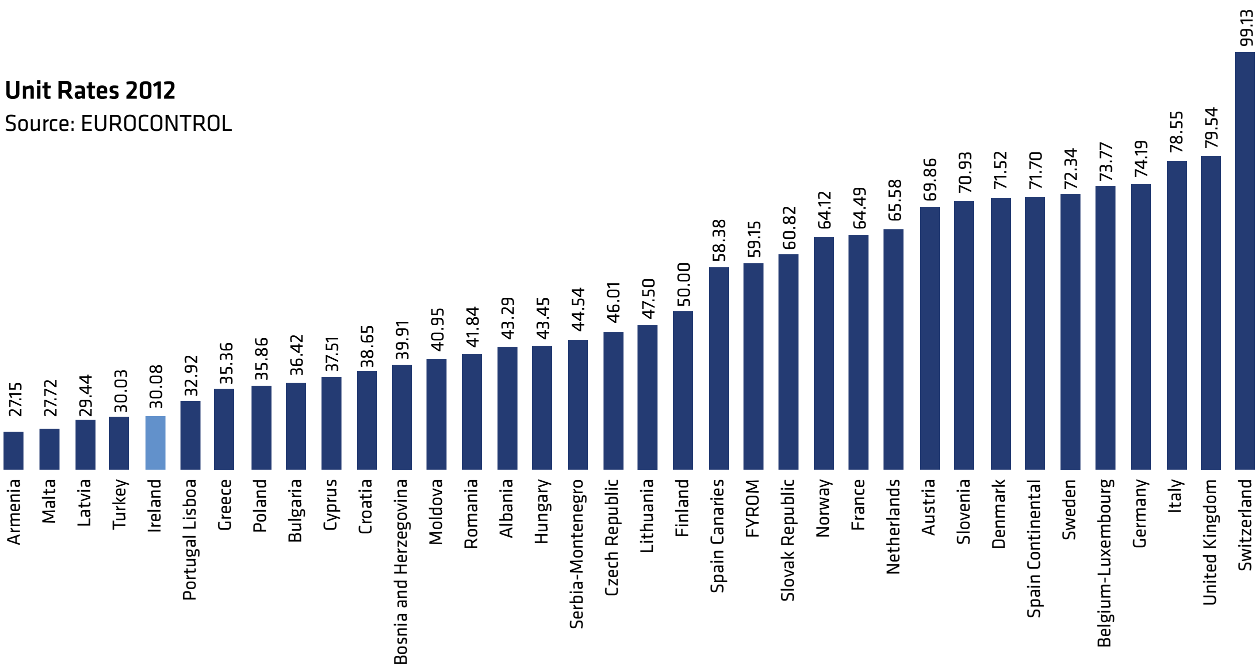
Air Navigation Services

The Operations Directorate, together with the Technology and Training Directorate, are tasked with providing a safe, efficient and reliable Air Traffic Management (ATM) service, at an acceptable cost, and of meeting the changing needs of our customers.

I referred earlier to the successful implementation of the COOPANS project. This initiative is based on an "open door" concept so that other air-navigation service providers can join COOPANS and take advantage of the programme's benefits. It also enables the IAA to meet its commitment to the European Commission's blueprint SESAR ATM master plan, which was published in 2009, and accepted by the European Commission. It represents the blueprint for all major ATM development in Europe between 2010 and 2020.

EUROCONTROL En route unit rates €

Unit Rates 2012
Source: EUROCONTROL



The objective of the SESAR programme is to deliver a European Air Traffic Management (ATM) System for 2020 and beyond, which can, relative to today's performance:

- enable a three-fold increase in capacity which will also reduce delays, both on the ground and in the air
- improve safety performance by a factor of 10
- enable a 10% reduction in the environmental effects of flights, and
- provide ATM services at a cost to the airspace users which are at least 50% less.

It is expected that all major technology developments will be aligned with this blueprint. Convergence to the SESAR system is expected to be effected through the delivery of successive implementation packages on a phased basis through the European ATM master plan. The implications of SESAR are wide ranging, as it is expected to address all aspects of ATM technology.

The IAA aims to address alignment with SESAR through progressive builds of COOPANS between 2012 and 2018. Following on from the successful introduction of Phase 1 in 2011, the IAA and the other COOPANS partners – which now include AustroControl and Croatia Control – signed an order in June 2011 for COOPANS Phase 2, which will go into operation from May 2012 onwards.

Plans are at an advanced stage to introduce a new system for managing aircraft arrivals at Dublin airport towards the end of 2012 or early in 2013. "Point Merge" will be introduced as part of the IAA's reorganisation of the airspace in the vicinity of Dublin airport and will allow aircraft to make a continuous descent approach when coming in to land, thus saving fuel and CO_2 emissions. This concept was developed by EUROCONTROL and was tested through a joint study with the Paris air traffic control centre. It was introduced at Gardermoen airport in Oslo in April 2011, and Dublin will be the second European airport to introduce "Point Merge".

I am very pleased to report that Europe's first operational functional airspace block (FAB), under the Single European Sky regulations, between the IAA in Ireland and NATS in the UK continued to deliver on our commitments towards the Single European Sky. Throughout 2011, the FAB focused on additional operational integration and adding value to transatlantic aircraft crossing Irish and UK airspace. The operational efficiencies and savings in route-kilometers flown, flight times, fuel tonnage, carbon (CO_2) emissions, to which I referred last year, all continued to add value to the airlines, while at the same time, helping to minimise the environmental impact of air traffic management activities.

The quantitative savings outlined in a recent FAB Cost Benefit Analysis, confirm that the FAB is delivering significant added value to airline customers. It is estimated that annual savings in each year from 2012 to 2020 are likely to be €36 million, comprising savings of 35,000 tonnes of fuel and 111,000 tonnes of CO_2. The total cumulative savings from 2008–2020 will amount to over €336 million, including reduced fuel-burn of 332,000 tonnes and reduced CO_2 emissions of over 1 billion tonnes. I am confident that further efficiencies will be achieved during the period of the next FAB Plan from 2012 to 2015 and I look forward to reporting on the further savings in future years.

I referred previously to a major initiative in which the air navigation service providers of the Ireland/UK and Denmark/Sweden FABs signed a memorandum of co-operation, in March 2011, designed to achieve further progress towards greater flight efficiency, cost-effectiveness and operational consistency in line with SES performance goals. Under the terms of the memorandum of co-operation, the IAA, NATS, Naviair and LFV are investigating the possible benefits of a closer, more integrated working relationship. The air navigation service providers are focused on practical performance improvements, such as enhanced flight efficiency in combined airspace; a common transition altitude; network performance; and development of centres of excellence. In doing so, they will continue to co-operate closely with other Northern European ANS Providers.

Environment Policy

The IAA received a special award from the Sustainable Energy Authority of Ireland last November for its work in optimizing airline routes to cut travel distances by 2.2 million kilometers, thus saving 16 million litres of airline fuel per annum. The IAA's strategy is now being implemented by other air traffic control authorities, including the Maastricht Air Traffic Control Centre which controls traffic over Northern Germany, Belgium, the Netherlands and Luxembourg.

The IAA's environment policy aims to adopt best practice in environmental management and to minimise the impact of the IAA's safety regulation and air traffic management activities. While aviation represents only 2% approximately of global carbon dioxide emissions, air transport generates an estimated 0.6 billion tonnes of carbon dioxide annually.

The IAA, in conjunction with all other stakeholders, is active in meeting the challenge to achieve an environmentally sustainable air traffic system and simultaneously meet air traffic demand. As already mentioned, initiatives taken under the functional airspace block between Ireland and the UK have already delivered benefits to airlines with considerable positive impact on the environment through reductions in CO_2 emissions.

New Surface Surveillance System

Following an extensive period of site-tuning and data validation, Runway Incursion Monitoring (RIM) and Stop Bar Violation capabilities were enabled in June 2011 on the new surface surveillance system known as Advanced Surface Movements Guidance and Control System (A-SMGCS), first introduced at Dublin airport in October 2009. RIM is a major safety enhancement, and will assist in reducing the risk of runway incursions at Dublin airport. Further upgrades are planned to improve coverage in the vicinity of Terminal 2.

ATC Training Centre

The IAA's Training Centre is licensed by the National Supervisory Authority (NSA) in line with EASA requirements. It is primarily charged with the development and delivery of technical training to the Operations Directorate. Training services are also supplied to external customers on a commercial basis, subject to capacity constraints. The internal training demand, year-on-year, continues to be high, thereby limiting the supply of training services to external customers. During 2011, internal training concentrated on training SCP (Student Controller Programme) 8, 9 and 10 and also the COOPANS operational staff training requirements. More than 6,500 man-days of training were conducted in 2011, amounting to about 3.6% of our cost base.

College Ireland

The IAA, throughout 2011, continued its support for College Ireland in promoting Ireland as a centre of excellence for aviation and transport and in providing a "one stop shop" for education, training and consultancy in the sector. In all, more than twenty Irish organisations from aviation, emergency services, transport and the university sector are active participants in this initiative.

Strategic Alliances and Other International Developments

The IAA remained active throughout 2011 in various international fora, making major contributions to the Single European Sky regulations and proposals. We continue to actively contribute, and to influence, where possible, the implementation of the SES Package II through the various committees of CANSO, EUROCONTROL and the European Commission.

The IAA actively supports CANSO through participation on the executive and in its various working groups. Its mission is to provide a global platform for customer – and stakeholder-driven civil air navigation services, with paramount emphasis on the provision of safety, efficiency and cost-effectiveness.

The IAA now represents the ABIS Group on the International Civil Aviation Organisation (ICAO) Council, based in Montreal. The ABIS Group, founded in 1980, represents seven European States – Austria, Belgium, Ireland, Luxembourg, the Netherlands, Portugal and Switzerland. The Civil Aviation Authorities of the seven States co-operate closely by fostering continued representation of the Group through one of its members participating in the permanent bodies of ICAO.

Staff and Pensions Issues

In my review last year, I referred to the agreement, reached with staff representatives, on measures to address the IAA pension fund deficit, which, at the date of the last triennial valuation on 1 January 2009, stood at €234 million. The agreement reached in late 2010 was accepted subsequently by the Pensions Board in 2011 as a satisfactory funding proposal for the purpose of returning our pension fund to a requisite solvency level by 2018. The agreement involved increases, in both employer and employee contributions, to the pension scheme, as well as a freeze on pay and pensions, to last until the end of 2013.

In addition, agreement was also reached in 2011 on a new hybrid pension scheme for new appointments to a permanent position from 1 January 2012. The new scheme is representative of developments in pension benefit provision generally across the industry. The new hybrid scheme will operate as a separate fund and continue to provide an element of defined benefit provision for new appointments up to a defined benefit salary cap. Employees earning in excess of the cap will have the option of contributing into a defined contribution arrangement.

The pension levy introduced by Government in the Finance Act (No 2) 2011, imposed a 0.6% levy on the assets of our pension fund in respect of the years 2011, 2012, 2013 and 2014. The levy cost our pension fund €1.8 million in 2011, and an actuarial valuation predicts the total cost of the levy, over the four year period, to be €8.2 million. Agreement was reached with staff representatives to fund the cost of the levy by extending the pay and pensions freeze, currently in place, by a period of eighteen months, to 30 June 2015.

During 2011 major progress was recorded in concluding a revised continuity of service agreement. A fresh initiative entitled "Working Through Partnership" was introduced which provides a basis for a new approach to managing employee relations in the IAA. It includes, inter alia, an industrial peace clause and a clear time-specific process for managing change, and also the appointment of a staff-side convenor.

Career and personal development continued to receive priority in 2011. To support succession-planning an Executive Leadership Programme was introduced for senior managers. In addition, training for line managers in HR policies and procedures was undertaken to facilitate devolved people-management skills to front-line managers.

In 2011 forty-eight students were selected to join our Student Air Traffic Controller Programme, following a recruitment campaign which had over 4,100 applicants seeking a place.

Acknowledgements

On behalf of the management, I would like to express appreciation for the work carried out by the Department of Transport, Tourism and Sport under the direction of Mr. Tom O'Mahony, Secretary General; and Mr. John Fearon, Assistant Secretary, together with their colleagues.

In conclusion, I thank all of the staff of the IAA for delivering another successful year. In particular, I express gratitude to my management colleagues for their hard work and support in what was another challenging year. Thanks are also due to our Chairman, Anne Nolan, for her guidance and support.

The economic challenges facing our customers place ever-increasing demands on us to improve operational efficiency for them, while, at the same time, maintaining and improving safety levels. In my view, we are well positioned to respond to these needs – as we have done over the last few years – and can look forward with confidence to facing whatever the future holds.

Go raibh míle maith agaibh go léir.

Eamonn Brennan
Chief Executive

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Authority for the year ended 31 December 2011.

Principal activities, financial results and review

The Authority is committed to providing – on a sound commercial basis – safe, efficient and cost-effective air navigation and regulatory services which meet the needs of its customers.

Details of the financial results of the Authority for the year are set out in the profit and loss account on page 23 and in the related notes.

The information required by Section 13 of the Companies (Amendment) Act, 1986 – on the development of the business and important events – is included in the Chairman's Statement and Chief Executive's Review. As described therein, the performance of the Authority in the current year was again positive, with profit for the financial year of €7.9 million on turnover of €179.0 million.

In monitoring the Authority's performance the directors and management have regard to a range of key performance indicators as set out in the Chairman's Statement and Chief Executive's Review, notably:

Key performance indicators	**2011**	2010
	Number	Number
En route overflights	**300,408**	292,813
Terminal commercial traffic	**195,905**	195,489
North Atlantic communications	**403,534**	389,174

The Authority's vision is founded on five key results areas – safety regulation, ATM safety, service excellence, financial and stakeholder relations – which drive its objectives in its day-to-day performance. The key risks and uncertainties facing the future development of the Authority include the maintenance and improvement of safety standards; further development of the Functional Airspace Block; adverse economic and market conditions; the separation of the service provision and safety regulation functions; and the Authority's significant reliance upon its IT infrastructure. The directors have developed a range of strategies to address these and other risks faced by the Authority. The Corporate Governance Statement, on pages 13 to 17, sets out the Authority's policies and approach to risks and the related internal control procedures and responsibilities.

Directors

Mr Eamonn Brennan's term of office expired and he was reappointed to the board on 8 September 2011. Mr Michael Norton was appointed to the board on 6 October 2011. Ms Claire O'Donoghue retired from the board on 9 January 2012.

Interests of directors and secretary

The directors and secretary who held office at 31 December 2011 had no interests in the shares of the Authority at the beginning of the year or at the date of their appointment (if later) nor at the end of the year. The directors of the Authority are appointed by the Minister for Transport, Tourism and Sport and hold office for such term as the Minister specifies when making the appointment, but not for a period exceeding four years.

Corporate governance

The directors are committed to maintaining the highest standards of corporate governance. The 2010 UK Corporate Governance Code (issued by the Financial Reporting Council) ("2010 Code") together with the Code of Practice for the Governance of State Bodies (version 2009) (issued by the Department of Finance) are the foundations on which their corporate governance is based. The directors acknowledge the provisions of the Irish Annex to the 2010 Code and are considering its appropriateness in the context of the IAA being a commercial semi-State body.

Principles of good corporate governance

The directors are accountable to the Authority's shareholders – the Minister for Transport, Tourism and Sport and the Minister for Finance – for good corporate governance. The following statement describes how the relevant principles of good corporate governance set out in the 2010 Code and the Code of Practice for the Governance of State Bodies are applied.

Board of directors

The board of directors comprises seven non-executive directors and one executive director who were appointed by the Minister for Transport, Tourism and Sport. All new directors, on appointment, take part in an induction course, where they receive financial and other information about the Authority, and the roles of the board and board committees. The roles of the chairman and chief executive are separate.

The board meets regularly and is responsible for the proper management of the Authority. It takes the major strategic decisions and retains full and effective control, while allowing executive management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework. The board meets annually to formally evaluate its performance against its strategic objectives. The board has considered a more formal process for evaluation of individual directors, but in light of the manner of appointment of directors, the shareholding structure and existing board procedures, has concluded that such evaluation would not be appropriate.

The board has reserved certain items for its review, including safety; the approval of the annual financial statements; budgets; the corporate plan; significant contracts; significant capital expenditure and senior management appointments. Each director brings an independent judgement to bear on all matters dealt with by the board, including those relating to strategy, performance, resources and standards of conduct.

All directors have access to the advice and services of the company secretary who is responsible to the board for ensuring that board procedures are followed, and applicable rules and regulations are complied with. The Authority's professional advisors are available for consultation by the directors as required. Individual directors may take independent professional advice, if necessary, at the Authority's expense. All of the non-executive directors are independent of management. The remuneration of the executive director, who has a service contract, was approved by the personnel, appointments and remuneration committee and a proportion of that remuneration was performance-related and, in this way, was linked to the Authority's and the individual's objectives. Fees for directors are determined by the Minister for Transport, Tourism and Sport. The disclosures made in these financial statements relating to directors' emoluments and pension information are those required under the Code of Practice for the Governance of State Bodies (version 2009). The board and management maintain an ongoing dialogue with the Authority's shareholders on strategic issues.

The board has considered designating an individual director as the Senior Independent Director, but in view of the manner of appointment of directors, has concluded that this is not appropriate.

The board uses four committees:

1. audit
2. finance, planning and strategy
3. personnel, appointments and remuneration
4. investment planning

to assist in the effective discharge of its responsibilities.

Audit committee

Members during 2011: Mr Peter G Ledbetter (Chairman), Mr Pat Dalton and Dr Rosheen McGuckian.

The committee may review any matters relating to the affairs of the Authority, other than safety matters which are reserved to the board. It reviews the annual financial statements, reports of the internal auditor, the accounting policies, proposed changes in accounting policies, compliance with accounting standards, the accounting implications of major transactions and the appointment and fees of the external auditor. The external auditor meets with the committee to plan and subsequently review the results of the annual audit of the Authority's financial statements. The audit committee considers the independence of the external auditors on an annual basis. The internal auditor reports directly to the audit committee. The audit committee has adopted a policy governing the provision of non-audit services by the external auditor. The audit committee operates under formal terms of reference, which were reviewed during the year. The audit committee met four times during the year.

Meetings are normally attended by the chief executive, deputy chief executive/chief financial officer, head of internal audit and representatives from operations, information technology, insurance, health and safety, legal and compliance, by invitation, as appropriate. It reviews the Authority's risk-management strategy and control processes and considers:

- the resources and co-ordination of those involved in the identification, assessment and management of significant risks faced by the Authority
- responses to the significant risks which have been identified by management and others
- monitoring of the reports from management
- maintenance of a control environment directed towards the proper management of risk, and
- annual reporting procedures.

The audit committee reports to the board, usually at quarterly intervals, or more frequently should the need arise.

Finance, planning and strategy committee

Members during 2011: Mr Eamonn Brennan, Ms Lorraine Burke and Ms Claire O'Donoghue.

The committee may review any matters relating to the financial management of the Authority. It reviews the annual capital and operating budgets, corporate plan, management accounts, treasury policy, insurance and banking and financing arrangements. The committee operates under formal terms of reference and met once during the year.

Personnel, appointments and remuneration committee

Members during 2011: Ms Anne Nolan (Chairman), Ms Lorraine Burke and Mr Geoffrey O'Byrne-White.

This committee determines and approves the remuneration of senior management, having availed of independent advice from a remuneration consultant who had no other connection with the Authority. The committee also approves senior management appointments. Details of directors' fees and emoluments are set out in note 6 of the financial statements in accordance with the requirements of the Code of Practice for the Governance of State Bodies (version 2009). The committee operates under formal terms of reference and met twice during the year.

Investment planning committee

Members during 2011: Mr Pat Dalton (Chairman), Mr Peter G Ledbetter and Ms Claire O'Donoghue.

The role of this committee is to consider the Authority's strategy in relation to capital investment and related expenditure. The committee operates under formal terms of reference and met twice during the year.

Internal control

The board is ultimately responsible for the Authority's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Authority, that accords with the Turnbull Guidance, and that has been in place for the year under review and up to the date of approval of the annual report and financial statements, and that this process is regularly reviewed by the board.

The board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed. This has been reinforced by the adoption of a Code of Ethics, approved by the board, which provides practical guidance for all staff. There are also supporting Authority policies and employee procedures for the reporting and resolution of suspected fraudulent activities.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business, together with the design and operation of suitable internal controls. These risks are assessed on a continual basis and may be associated with a variety of internal or external sources, including control breakdowns, disruptions in information systems, competition, natural catastrophes and regulatory requirements.

A process of corporate-risk workshops and review has been established which provides for a documented and auditable trail of accountability. These procedures are relevant across Authority operations and provide for successive assurances to be given at increasingly higher levels of management and, finally, to the board. This process is facilitated by internal audit, which also provides a degree of assurance as to the operation and validity of the system of internal control. Planned corrective actions are independently monitored for timely completion.

Management reports regularly on its review of risks, and how they are managed, to the audit committee, whose main role is to review, on behalf of the board, the key risks, other than safety, inherent in the business and the system of control necessary to manage such risks, and to present their findings to the board. Internal audit independently reviews the risk-identification procedures and control processes implemented by management, and reports to the audit committee on a quarterly basis. The audit committee reviews the assurance procedures to ensure that an appropriate mix of techniques is used to obtain the level of assurance required by the board. The audit committee presents its findings to the board on a quarterly basis, or earlier, as appropriate.

The chief executive also reports to the board on behalf of management on major changes in the business and the external environment which affect significant risks. The deputy chief executive/chief financial officer provides the board with monthly financial information. Where areas for improvements in the system are identified, the board considers the recommendations made by management and the audit committee.

In addition, the Authority's system of internal financial control comprises those controls established in order to provide reasonable assurance regarding:

- the safeguarding of assets against unauthorised use or disposition, and
- the maintenance of proper accounting records and reliable financial information for use within the business or for publication.

The key elements of the Authority's system of internal financial control are as follows:

- a comprehensive system of financial reporting, accounting, treasury management and project appraisal
- clearly defined limits and procedures for financial expenditure including procurement and capital expenditure
- annual budgets and long-term plans for the Authority and all business units, identifying key risks and opportunities
- monitoring of performance against budgets and reporting on it to the board on a monthly basis
- a clearly defined organisation structure with appropriate segregation of duties and limits of authority
- a formal code of ethics applicable to the business and a formal staff handbook
- an internal audit function which reviews key financial systems and controls and general operations in the organisation, and
- an audit committee which approves audit plans, and deals with significant control issues raised by internal or external audit; and which reviews and recommends the year-end financial statements for approval by the board.

Compliance statement

The Authority has developed its corporate governance policy so as to give effect to the Code of Practice for the Governance of State Bodies (version 2009) issued by the Department of Finance and to apply, as appropriate, the relevant main and supporting principles of good governance in the 2010 Code issued by the Financial Reporting Council.

The directors confirm that the Authority has been in compliance with the Code of Practice for the Governance of State Bodies (version 2009) and the relevant main supporting principles of the 2010 Code throughout the financial year under review, with the exception of a number of areas noted below, where voluntary compliance with provisions of the 2010 Code is not considered necessary for the Authority – given the manner of appointment of directors, the shareholding structure of the Authority and existing board procedures:

- processes and procedures for appointment of chairman and directors
- senior independent director and independence considerations
- evaluation of the performance of individual directors, board and committees
- separate meetings of the non-executive members of the board
- chairmanship of the personnel, appointments and remuneration committee.

Going concern

The directors, after making enquiries, believe that the Authority has adequate resources to continue in operation for the foreseeable future and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Prompt payment of accounts

The Irish Aviation Authority complies with the requirements of relevant prompt payment legislation. The Authority also complies with the European Communities (Late Payment in Commercial Transactions) Regulations 2002–SI 388 of 2002.

The Authority's standard terms of credit taken, unless otherwise specified in specific contractual arrangements, are 30 days from receipt of invoice, or confirmation of acceptance of the goods or services, which are the subject of payment. A report is run on a monthly basis identifying all payments beyond the Authority's stated credit terms which are examined to ensure that the provisions of prompt payment legislation and EC Regulations have been applied. During the year ended 31 December 2011, under the terms of prompt payment legislation and EC Regulations, a total of 119 payments to the value of €1,283,956 were late, by an average of 24 days due to delays in receipt of invoices or confirmation of acceptance of goods or services. These payments constituted 1.15% by number, and 2.75% by value, of all payments to suppliers for goods and services during the year. Interest paid in respect of these payments amounted to €2,756. The Authority continually reviews its administrative procedures in order to assist in minimising the time taken for invoice query and resolution.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990, with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Authority are maintained at The Times Building, 11-12 D'Olier Street, Dublin 2.

Health and safety of employees

The safety, health and welfare of the Authority's employees are safeguarded by the adherence to established safety standards which are in conformity with the requirements of the Safety, Health and Welfare at Work Act, 2007. The safety statement, and its compliance with appropriate legislation, is reviewed on a continuous basis.

Post balance sheet events

There were no significant events affecting the Authority since 31 December 2011 which require adjustment to, or disclosure in, the financial statements.

Electoral Act, 1997

The Authority made no political donations during the year.

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board:

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

30 March 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Authority's financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable Irish law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland as amended for the collection of pension costs included in en route and terminal navigation service charges, as explained in the 'basis of preparation' note on page 21. The charge and related income equalisation for defined benefit pension obligations is accounted for on a cash basis, rather than on a service cost basis, in the profit and loss account for the year-end. This is adjusted through the statement of total recognised gains and losses (STRGL). While such treatment is a departure from Financial Reporting Standard 17 "Retirement Benefits" (FRS 17), the directors consider this necessary in order that the financial statements present a true and fair view of the results for the year and the financial position of the Authority at the balance sheet date.

The Authority's financial statements are required by law to give a true and fair view of the state of affairs of the Authority and of the profit or loss of the Authority for that year. In preparing the financial statements, the directors are required to:

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

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Authority and which enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Authority and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Acts, 1963 to 2009.

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

On behalf of the board:

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

30 March 2012

INDEPENDENT AUDITOR'S REPORT
to the members of the Irish Aviation Authority

We have audited the financial statements of the Irish Aviation Authority for the year ended 31 December 2011, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, the Cash Flow Statement, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Authority's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Statement of Directors' Responsibilities on page 18 sets out the directors' responsibilities for preparing the annual report and financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether, in our opinion: proper books of account have been kept by the Authority; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Authority; and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Authority's financial statements are in agreement with the books of account.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions with the Authority is not disclosed and, where practicable, include such information in our report.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. This information comprises only the directors' report, the chairman's statement, the chief executive's review and the five year summary. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

We review, at the request of the directors, whether:

(1) the voluntary statement on pages 13 to 17 reflects the Authority's compliance with the nine provisions of the UK Corporate Governance Code specified for review by Auditors, as set out in the Listing Rules of the Irish Stock Exchange, and (2) the statement on the system of internal control on pages 15 and 16 reflects the Authority's compliance with the provisions of the Code of Practice for the Governance of State Bodies that is specified for review by Auditors and we report if those statements do not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Accounting for pension costs

As explained in the statement of accounting policies on page 21 the Authority departs from full compliance with the reporting requirements of Financial Reporting Standard 17 "Retirement Benefits" (FRS 17). The pension charge and related income equalisation for defined benefit pension obligations is accounted for on a cash basis, rather than on a service cost basis, in the profit and loss account. This is adjusted through the statement of total recognised gains and losses. The directors consider this necessary in order that the financial statements present a true and fair view of the results for the year and the financial position of the Authority at the balance sheet date. Our audit opinion is not qualified in this regard.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Authority at 31 December 2011 and of its profit for the year then ended
- have been properly prepared in accordance with the Companies Acts, 1963 to 2009, as amended for the collection of pension costs included in en route and terminal navigation service charges detailed in the statement of accounting policies on page 21.

Other matters

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Authority. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report is consistent with the financial statements.

The net assets of the Authority, as stated in the Authority's balance sheet are not less than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 requires the convening of an extraordinary general meeting of the Authority.

Caroline Flynn
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St Stephen's Green
Dublin 2

30 March 2012

STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Authority's financial statements, with the exception of accounting for pension costs as described in the following paragraphs.

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and applicable law and Irish generally accepted accounting practice which includes compliance with the financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland, as amended for the departure from full compliance with Financial Reporting Standard 17 "Retirement Benefits" (FRS 17).

True and fair view override

Ireland is a party to a multilateral agreement (EUROCONTROL) relating to the collection of en route navigation service charges. Under Section 47 of the Irish Aviation Authority Act, 1993, the Authority performs this function on behalf of the State. The participating states have agreed that any difference between income and defined costs should be recovered from or returned to users of en route navigation services by amendment of charges in later years.

The definition of defined costs was clarified in 2007 specifically to include all cash payments to pension funds, whereas previously, parties to the agreement were only entitled to recover the accounting pension charge. Under the provisions of FRS 17, companies are not permitted to charge cash payments to the profit and loss account and must only record the accounting pension charge, as determined by the schemes' actuary.

In order that the results of the Authority and the balance sheet present a true and fair view, the directors believe that it is necessary to depart from the requirements of FRS 17 and include all cash contributions made to the pension fund in operating expenses in each financial year and to record an offsetting credit in the statement of total recognised gains and losses (STRGL) to reflect cash paid in excess of the actuarially determined service cost. The Authority is of the view that this approach is necessary in order that the statutory financial statements accurately reflect the International Civil Aviation Organisation and EUROCONTROL charging principles and the Irish Aviation Authority Act, 1993. The impact of the departure is described in the pension costs note below.

Turnover

Turnover represents the amounts received, and receivable, in respect of services provided to customers, together with fees received in respect of statutory regulatory functions performed in discharge of safety regulation requirements.

En route and terminal revenues

As described above, the Authority is entitled to recover differences between income and defined costs relating to en route navigation service charges. Differences arising between income and defined costs are provided for in an income equalisation account and are adjusted against income arising from en route activity. Income and costs in respect of terminal navigation charges, relating to approach, landing and take-off services, are equalised in a similar manner. Amounts are accrued under the terms of the income equalisation mechanism in turnover and recognised as either receivables or payables in the balance sheet to reflect the substance of the EUROCONTROL agreement.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation. 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, at the following annual rates:

Buildings	*5%*
Completed installations and other works	*8⅓% – 12½%*
Office equipment	*20% – 33⅓%*

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.

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 euro at the rate of exchange ruling at the date of the transactions or at a contracted rate. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the year-end rate of exchange. The resulting profits and losses are dealt with in the profit for the year.

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 balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Authority's taxable profits and its results, as stated in the financial statements, that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net 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.

Pension costs
The Authority provides pensions to its employees under two defined benefit superannuation schemes: "The Irish Aviation Authority Staff Superannuation Scheme 1996" – for staff whose employment commenced prior to 1 April 2008; and "The Irish Aviation Authority Staff Superannuation Scheme 2008" – for staff whose employment commenced since 1 April 2008. For the 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, net of related deferred tax (in respect of any deferred tax asset, to the extent that it is recoverable).

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

(a) the actuarially determined cost of pension benefits promised to employees during the year plus any benefit improvements granted to members during the year (current/past service cost)

(b) the expected return on the pension schemes' assets during the year and the increase in the schemes' liabilities due to the unwinding of the discount rate, such amounts being included in financing costs, and

(c) 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.

Any differences between the expected return on assets and what was 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 actuarial gains and losses in the statement of total recognised gains and losses. The statement of total recognised gains and losses includes an offset amounting to the additional pension charge, described in paragraph (c) above, expected to be recovered under the provisions of the EUROCONTROL agreement as described on page 21.

The Authority thus departs from the requirements of FRS 17 in order that the results present a true and fair view and comply with the requirements of the agreements under which its operations are governed. The impact of the departure is to increase the actuarially determined service cost by €32,797,000 (2010: €9,599,000) for recovery under the equalisation mechanism in the year ended 31 December 2011, and to record an offsetting credit in the STRGL, thereby maintaining the profit and loss reserves and net assets of the Authority in line with the requirements of FRS 17.

Cash flow statement
Cash represents cash held at bank available on demand, offset by bank loans and overdrafts.

Liquid resources comprise bank fixed deposits with maturities of greater than one day. These deposits are readily convertible into known amounts of cash.

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Turnover – continuing activities	1	179,036	168,488
Operating expenses		(161,113)	(153,569)
Operating profit – continuing activities		17,923	14,919
Interest receivable and similar income	3	669	334
Interest payable	4	(742)	(780)
Net finance expense	5	(3,684)	(5,214)
Profit on ordinary activities before taxation	6	14,166	9,259
Tax on profit on ordinary activities	7	(6,297)	(2,660)
Profit for the financial year	23	7,869	6,599

On behalf of the board:

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Profit for the financial year	23	**7,869**	6,599
Adjustments in relation to defined benefit scheme:			
Actuarial (losses)/gains on plan assets	22	**(25,529)**	11,936
Experience gains and losses on scheme liabilities	22	**(9,582)**	(1,239)
Effect of changes in actuarial assumptions	22	**(39,764)**	20,465
		(74,875)	31,162
Related deferred tax asset/(liability)	14 (ii)	**9,360**	(3,896)
Cash in excess of pension service cost	2	**32,797**	9,599
Total recognised (losses)/gains for the financial year	24	**(24,849)**	43,464

BALANCE SHEET

at 31 December 2011

	Notes	2011	2010
Assets		**€'000**	€'000
Fixed assets			
Tangible assets	8	**101,401**	119,185
Current assets			
Debtors	9	**31,385**	32,533
Cash at bank and in hand		**74,342**	42,316
		105,727	74,849
Total assets		**207,128**	194,034
Equity and liabilities			
Capital and reserves			
Called up share capital	15	**22,675**	22,675
Other reserves	16	**43,902**	43,902
Profit and loss account	23	**(41,663)**	(16,814)
Shareholders' funds – equity	24	**24,914**	49,763
Non current liabilities			
Creditors: amounts falling due after more than one year	12	**9,321**	19,633
Provisions for liabilities and charges	14	**524**	–
Current liabilities			
Creditors: amount falling due within one year	10	**39,862**	32,172
Pension liability net of tax – FRS 17 basis	22	**132,507**	92,466
Total equity and liabilities		**207,128**	194,034

On behalf of the board:

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

CASH FLOW STATEMENT
for the year ended 31 December 2011

	Notes	2011	2010
		€'000	€'000
Net cash inflow from operating activities	(see below)	**42,421**	40,060
Returns on investments and servicing of finance	17	**(112)**	(636)
Net taxation paid		**(3,544)**	(1,232)
Capital expenditure	17	**(6,739)**	(15,530)
Net cash inflow before financing		**32,026**	22,662
Financing	17	**–**	–
Increase in cash in year	18	**32,026**	22,662

Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	€'000	€'000
Operating profit	**17,923**	14,919
Depreciation of tangible fixed assets	**24,189**	18,832
Decrease/(increase)in debtors	**618**	(4,045)
(Decrease)/increase in creditors	**(309)**	10,328
Loss on disposal of tangible fixed assets	**–**	26
Net cash inflow from operating activities	**42,421**	40,060

1 Turnover

Activity	2011 €'000	2010 €'000
En route	**113,649**	107,774
Terminal	**25,245**	23,241
North Atlantic communications	**17,592**	16,487
Safety regulation	**19,520**	17,781
Exempt air traffic	**2,001**	2,203
Commercial	**1,029**	1,002
	179,036	168,488

The Authority's turnover is primarily derived from aviation-related services and statutory functions provided in the Republic of Ireland.

2 Staff numbers and costs

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

	2011	2010
Operations	**477**	456
Technology and training	**76**	87
Safety regulation	**86**	80
Finance, human resources, corporate affairs and others	**56**	56
Total employees	**695**	679
Student air traffic controllers	**41**	33
Trainee aeronautical radio officers	**2**	8

2 Staff numbers and costs (continued)

	2011	2010
The aggregate payroll costs of these persons were as follows:	**€'000**	€'000
Wages and salaries	**65,620**	61,165
Social welfare costs	**4,065**	3,739
Pension costs – current service cost *(note 22)*	**3,557**	6,886
Pension costs – past service cost *(note 22)*	**(1,736)**	–
Pension costs – additional cash cost †	**22,761**	9,599
Pension-related accrual	**–**	10,036
	94,267	91,425

† Pension costs – additional cash cost is net of a pension-related amount of €10,036,224 which was accrued in 2010 and paid over to the pension fund in 2011. Total additional cash costs recorded in the statement of total recognised gains and losses amounted to €32,797,032.

Student air traffic controllers undergoing training are included in the above payroll costs and non-executive directors are excluded.

3 Interest receivable and similar income

	2011	2010
	€'000	€'000
Bank interest	**540**	230
Other interest	**129**	104
	669	334

4 Interest payable and similar charges

	2011	2010
	€'000	€'000
On bank loans and overdrafts repayable within one year	**742**	295
On bank loans repayable between one and two years	**–**	485
	742	780

5	**Net finance expense**	**2011**	2010
		€'000	€'000
	Expected return on pension scheme assets *(note 22)*	**17,688**	17,486
	Interest on pension scheme liabilities *(note 22)*	**(21,372)**	(22,700)
		(3,684)	(5,214)

6	**Statutory and other information**	**2011**	2010
		€'000	€'000
	Directors' remuneration		
	Fees paid to directors		
	Ms Anne Nolan *(Chairman)*	**22**	18
	Mr Eamonn Brennan *(Chief Executive)*	**10**	13
	Ms Lorraine Burke	**13**	13
	Mr Pat Dalton	**13**	13
	Mr Donal F Downing	**–**	4
	Mr Peter G Ledbetter	**13**	13
	Mr Jerry V Liston	**–**	2
	Dr Rosheen McGuckian	**13**	13
	Mr Michael Norton	**3**	–
	Mr Geoffrey O'Byrne-White	**13**	–
	Ms Claire O'Donoghue	**13**	13
		113	102

In aggregate, directors were reimbursed expenses of €4,832 in total during 2011 (2010: €391).

6	Statutory and other information (continued)	**2011**	2010
		€'000	€'000
	Emoluments and pension contributions relating to the chief executive's contract of employment		
	- annual basic salary	**232**	232
	- performance-related remuneration paid in respect of previous year	**–**	60
	- other taxable benefits	**20**	20
	- pension contributions	**79**	79
		331	391

The chief executive is a member of the defined benefit superannuation scheme "The Irish Aviation Authority Staff Superannuation Scheme 1996" in common with other staff members. The chief executive voluntarily waived 10% of his official salary in 2009, 2010 and 2011 and waived his board fees from December 2011. The Authority operates a Department of Finance approved performance-related pay scheme for all chief executives of commercial semi-State bodies that provides for a long and short term performance-related pay element based on pre-agreed objectives. No performance-related pay was paid to the chief executive in respect of 2010 or 2011.

	2011	2010
	€'000	€'000
Auditor's remuneration (including expenses)		
- audit	**50**	53
- other assurance	**22**	31
- tax advisory services	**10**	24
- other non-audit	**28**	29
Depreciation	**24,189**	18,832
Met Eireann charges	**7,687**	8,079
Rentals payable under operating leases – buildings	**2,527**	3,399

7	**Tax on profit on ordinary activities**	**2011**	2010
		€'000	€'000
	Corporation taxation	**1,979**	3,327
	Deferred tax charge/(credit) *(note 14):*		
	- Origination and reversal of other timing differences	**679**	(1,215)
	- Origination and reversal of pension timing differences dealt with in the profit and loss account	**3,639**	548
		6,297	2,660

Current tax reconciliation

	2011	2010
Profit on ordinary activities before tax	**14,166**	9,259
Expected current tax at 12.5% (2010: 12.5%)	**1,771**	1,157
Effects of:		
Expenses not deductible/(deductible) for tax purposes	**73**	(22)
Depreciation in excess of capital allowances	**793**	213
Income not taxable at standard rate	**136**	72
Notional finance expense on pension	**461**	652
Other timing differences	**(1,255)**	1,255
Total current tax charge	**1,979**	3,327

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	30,199	177,195	51,444	5,480	264,318
Additions in year	7	39	5,223	1,136	6,405
Brought into use in year	258	53,173	(53,572)	141	–
Disposals in year	–	(74,115)	–	(24)	(74,139)
At end of year	30,464	156,292	3,095	6,733	196,584
Accumulated depreciation					
At beginning of year	10,145	131,678	–	3,310	145,133
Charge in year	1,511	21,603	–	1,075	24,189
Disposals in year	–	(74,115)	–	(24)	(74,139)
At end of year	11,656	79,166	–	4,361	95,183
At 31 December 2011	**18,808**	**77,126**	**3,095**	**2,372**	**101,401**
At 31 December 2010	20,054	45,517	51,444	2,170	119,185

9 Debtors

	2011 €'000	2010 €'000
Trade debtors	**27,466**	24,987
Prepayments and accrued income	**3,543**	3,246
Other debtors	**320**	290
Value added tax	**56**	327
Income equalisation – terminal	**–**	3,528
Deferred tax asset *(note 14)*	**–**	155
	31,385	32,533

Debtors are due within one year except for €nil (2010: €2,902,000) relating to income equalisation terminal debtors due after one year.

10	**Creditors:** amounts falling due within one year	**2011**	2010
		€'000	€'000
	Trade creditors	**735**	1,300
	Other creditors including tax and social welfare *(note 11)*	**2,752**	3,694
	Accruals and deferred income	**16,594**	26,540
	Income equalisation – en route	**4,781**	638
	Bank loans *(note 13)*	**15,000**	–
		39,862	32,172

11	**Taxation and social welfare included in other creditors**	**2011**	2010
		€'000	€'000
	Corporation tax	**29**	1,594
	PAYE/PRSI	**2,723**	2,100
		2,752	3,694

12	**Creditors:** amounts falling due after more than one year	**2011**	2010
		€'000	€'000
	Income equalisation – en route	**9,321**	4,633
	Bank loans *(note 13)*	**–**	15,000
		9,321	19,633

13	**Bank loans**	**2011**	2010
		€'000	€'000
	Within one year	**15,000**	–
	Between one and two years	**–**	15,000
		15,000	15,000

The Authority has unsecured bank loan facilities of €50 million, of which committed facilities total €30 million.

Included in the above the Authority has undrawn facilities amounting to €15 million, which have terms expiring within one year. The loan facilities expire on 31 December 2012.

14	**Deferred tax liabilities/(asset)**	*Ref*	**2011**	2010
			€'000	€'000
	Deferred taxation – excluding pension-related	*(i)*	**524**	(155)
	Deferred taxation – pension-related	*(ii)*	**(18,930)**	(13,209)
			(18,406)	(13,364)
	Less deferred taxation included in pension liability		**18,930**	13,209
			524	(155)

(i)	*Deferred taxation – excluding pension-related*		
	At beginning of year	**(155)**	1,060
	Charged/(credited) to profit and loss account *(note 7)*	**679**	(1,215)
	At end of year	**524**	(155)

The provision at the end of the year represents the full potential liability and arises on timing differences between capital allowances and depreciation and on general accruals.

(ii)	*Deferred taxation – pension-related*	**2011**	2010
		€'000	€'000
	At beginning of year	**(13,209)**	(17,653)
	Changes in actuarial assumptions	**(9,360)**	3,896
	Charged to profit and loss account *(note 7)*	**3,639**	548
	At end of year	**(18,930)**	(13,209)

15	**Called up share capital – equity**	**2011**	2010
		€'000	€'000
	(Authorised, allotted, called up and fully paid) 17,858,000 ordinary shares of €1.27 each	**22,675**	22,675

16	**Other reserves**	**2011**	2010
		€'000	€'000
	Contingency reserve	**43,902**	43,902

17	Gross cash flows	2011	2010
		€'000	€'000
	Returns on investments and servicing of finance		
	Interest paid	**(689)**	(854)
	Interest received	**577**	218
		(112)	(636)

	Capital expenditure	2011	2010
		€'000	€'000
	Payments to acquire tangible fixed assets	**(6,739)**	(15,530)
		(6,739)	(15,530)

	Financing	2011	2010
		€'000	€'000
	Repayment of bank loans	**–**	(15,000)
	Drawdown of new unsecured bank loans in year	**–**	15,000
		–	–

18	Reconciliation of net cash flow to movement in net funds	2011	2010
		€'000	€'000
	Increase in cash in year	**32,026**	22,662
	Repayment of debt	**–**	15,000
	Drawdown of debt	**–**	(15,000)
	Movement in net debt in year	**32,026**	22,662
	Net funds at beginning of year	**27,316**	4,654
	Net funds at end of year	**59,342**	27,316

18 Reconciliation of net cash flow to movement in net funds (continued)

Analysis of net funds	At 1 January 2011 €'000	Cash flow €'000	Other movements €'000	At 31 December 2011 €'000
Cash at bank and in hand	42,316	32,026	–	**74,342**
Bank loans due within one year	–	–	(15,000)	**(15,000)**
Bank loans due after more than one year	(15,000)	–	15,000	–
Net funds	27,316	32,026	–	**59,342**

Reconciliation to balance sheet		
Cash at bank and in hand	42,316	**74,342**
Bank loans due within one year	–	**(15,000)**
Bank loans due after more than one year	(15,000)	**–**
	27,316	**59,342**

19 Related parties

In common with many other government bodies, the Irish Aviation Authority deals in the normal course of business with other government bodies and departments, such as Dublin Airport Authority plc, ESB, the Department of Transport, Tourism and Sport and Met Eireann. In addition, in the normal course of business, the Authority transacts with certain Irish banks which have become wholly or partially owned by the Irish State. All of the Authority's transactions with such banks are on normal commercial terms.

The ultimate controlling party is the Department of Finance.

20 Commitments

	2011	2010
	€'000	€'000
(i) *Capital commitments*		
Future capital expenditure approved by the directors		
Not contracted for	**49,771**	48,186
Contracted for	**2,682**	3,872
	52,453	52,058

20 Commitments (continued)

(ii) Operating lease commitments

	2011		2010	
	Buildings €'000	**Motor Vehicles €'000**	Buildings €'000	Motor Vehicles €'000
Expiring:				
Within one year	**–**	**24**	–	16
Between one and two years	**–**	**81**	–	36
Between two and five years	**98**	**42**	98	79
More than five years	**4,041**	**–**	3,225	–
	4,139	**147**	3,323	131

21 Contingent liabilities

The Authority has one outstanding equal pay claim, initiated in 1998, from a union representing clerical staff. This claim is being considered by the Labour Court and is being vigorously opposed by the Authority. The outcome of this process cannot be determined with reasonable certainty and consequently it is not possible to quantify the outcome of the claim. No provision has been made in the financial statements in respect of this claim.

22 Pension information

Pensions for all permanent employees are funded through two defined benefit pension schemes and the assets accumulated are vested in independent trustees.

The Authority undertakes actuarial valuations of the defined benefit pension schemes at least every three years. The date of the latest actuarial valuation is 1 January 2009 and covers all accrued benefits. This valuation was conducted by qualified independent actuaries.

The valuations employed for FRS 17 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 2011 and to take account of financial conditions at this date. The valuations used for FRS 17 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.

The Authority has no unfunded schemes. There are no outstanding or pre-paid contributions at year-end (2010: €10,036,224).

22 Pension information (continued)

(i) Principal actuarial assumptions

	2011 Projected unit	2010 Projected unit
Weighted average assumptions to determine benefit obligations		
Expected rate of return on plan assets *	**4.89%**	6.46%
Expected return on plan assets at beginning of period *	**5.86%**	6.78%
Discount rate	**5.10%**	5.40%
Rate of compensation increase (staff/senior staff) †	**3.00%**	3.00%
Rate of price inflation	**2.00%**	2.00%
Rate of pension increase	**2.00%**	2.00%

** The expected rate of return on assets for 2011 and 2012 has been reduced by 0.6% to reflect the pension levy paid in 2011 and payable in 2012.*

† This is the long-term assumption applicable from 2019 onwards.

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:

	2011	2010
Life expectancy for a male member from age 65 on post-retirement mortality table used to determine benefit obligations for:		
Current active and deferred members	**26.2**	26.2
Current pensioner members	**23.0**	23.0
Life expectancy for a female member from age 65 on post-retirement mortality table used to determine benefit obligations for:		
Current active and deferred members	**27.2**	27.2
Current pensioner members	**24.5**	24.5

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.

22 Pension information (continued)

(ii) Amounts recognised in the balance sheet

	2011 €'000	2010 €'000
Present value of wholly or partly funded obligations	**(457,969)**	(394,978)
Fair value of plan assets	**306,532**	289,303
Deficit	**(151,437)**	(105,675)
Related deferred tax asset	**18,930**	13,209
Net liability	**(132,507)**	(92,466)

(iii) Movements in fair value of plan assets

	2011 €'000	2010 €'000
Fair value of plan assets at beginning of year	**289,303**	255,711
Expected return on plan assets	**17,688**	17,486
Actuarial (losses)/gains on plan assets	**(25,529)**	11,936
Employer contributions	**34,618**	16,485
Member contributions	**4,049**	1,158
Benefits paid from plan	**(13,597)**	(13,473)
Fair value of plan assets at end of year	**306,532**	289,303

(iv) Movements in present value of defined benefit obligations

	2011 €'000	2010 €'000
Benefit obligation at the beginning of the year	**(394,978)**	(396,933)
Current service cost	**(3,557)**	(6,886)
Past service cost	**1,736**	–
Interest cost	**(21,372)**	(22,700)
Member contributions	**(4,049)**	(1,158)
Losses on liabilities	**(9,582)**	(1,239)
(Losses)/gains due to actuarial assumption changes	**(39,764)**	20,465
Benefits paid from plan	**13,597**	13,473
Benefit obligation at end of year	**(457,969)**	(394,978)

22 Pension information (continued)

(v) Components of pension cost

	2011	2010
	€'000	€'000
Expense recognised in the profit and loss account		
Current service cost *(note 2)*	**(3,557)**	(6,886)
Past service cost *(note 2)*	**1,736**	–
Additional cash cost *(note 2)*	**(32,797)**	(9,599)
Interest on pension scheme liabilities *(note 5)*	**(21,372)**	(22,700)
Expected return on pension scheme assets *(note 5)*	**17,688**	17,486
Total pension cost recognised in the profit and loss account	**(38,302)**	(21,699)

	2011	2010
	€'000	€'000
Analysis of amounts recognised in statement of total recognised gains and losses		
Actuarial (losses)/gains immediately recognised	**(74,875)**	31,162
Cumulative amount of actuarial losses immediately recognised	**(162,262)**	(87,387)

(vi) Plan Assets

The asset allocations as at 31 December 2011:	**2011 Percentage of plan assets**	**2011 Expected return on plan assets**	2010 Percentage of plan assets	2010 Expected return on plan assets
Equity securities	**55.3%**	**7.1%**	72.4%	7.30%
Bond securities	**37.1%**	**3.1%**	18.6%	3.80%
Property	**3.1%**	**6.1%**	3.7%	6.30%
Cash and other	**4.5%**	**4.6%**	5.3%	4.43%
	100.0%	**4.89%**	100.0%	6.46%

Description of basis to determine the overall expected rate of return on assets:

To develop the expected long-term rate of return on assets assumption, the Authority considered 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 schemes' asset allocation, to develop the expected long-term rate of return on assets assumption for the portfolio. The result was then reduced by 0.6% to reflect the pension levy payable in 2012 giving a net expected return of 4.89%.

	2011	2010
	€'000	€'000
Actual return on assets		
Actual return on plan assets	**(7,841)**	29,422

22 Pension information (continued)

(vii) History of experience adjustments

	2011 €'000	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Present value of scheme liabilities	**(457,969)**	(394,978)	(396,933)	(380,809)	(378,018)
Fair value of scheme assets	**306,532**	289,303	255,711	213,311	314,010
Deficit	**(151,437)**	(105,675)	(141,222)	(167,498)	(64,008)

Experience adjustments	**2011 €'000**	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Experience adjustments on scheme assets:					
Amount	**(25,529)**	11,936	21,919	(140,791)	(30,671)
Percentage of plan assets	**8.3%**	4.1%	8.6%	66.0%	9.8%
Experience adjustments on scheme liabilities:					
Amount	**(9,582)**	(1,239)	10,957	5,371	(6,579)
Percentage of plan liabilities	**2.1%**	0.3%	2.8%	1.4%	1.7%

(viii) Other required disclosure amounts

	2011 €'000	2010 €'000
Contributions expected to be paid by the Authority to the plan during the annual period beginning after the balance sheet date	**23,244**	33,253

23 Reconciliation of movement in profit and loss account deficit

	2011 €'000	2010 €'000
Profit and loss account at beginning of year	**(16,814)**	(60,278)
Profit for the financial year	**7,869**	6,599
Other recognised gains and losses	**(32,718)**	36,865
Profit and loss account at end of year	**(41,663)**	(16,814)

24 Reconciliation of movement in shareholders' funds

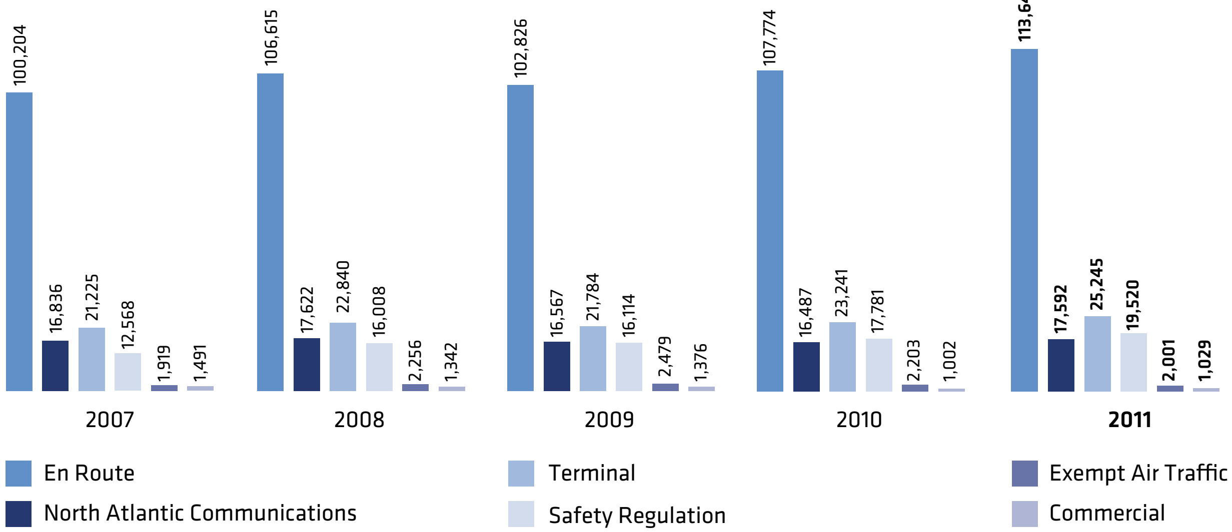
	2011 €'000	2010 €'000
Shareholders' funds at beginning of year	**49,763**	6,299
Total recognised (losses)/gains for financial year	**(24,849)**	43,464
Shareholders' funds at end of year	**24,914**	49,763

25 Approval of the financial statements

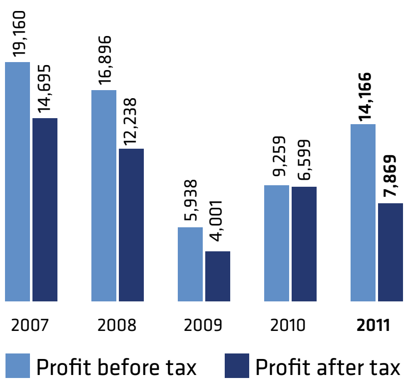
The financial statements were approved by the directors on 30 March 2012.

FIVE YEAR SUMMARY 2007–2011

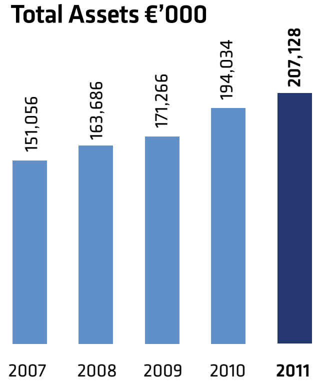
Turnover €'000



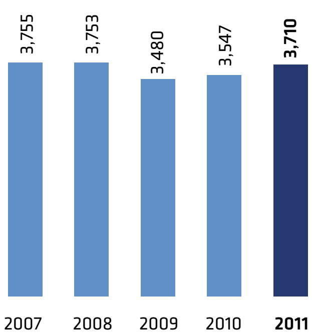
Profit €'000



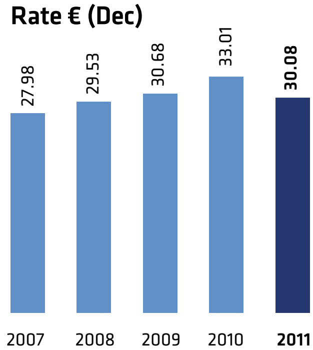
Total Assets €'000



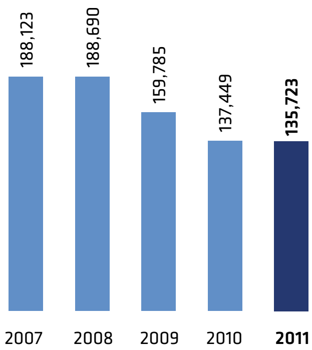
En Route Service Units ('000)



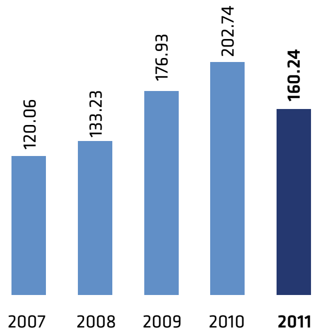
En Route Service Unit Rate € (Dec)



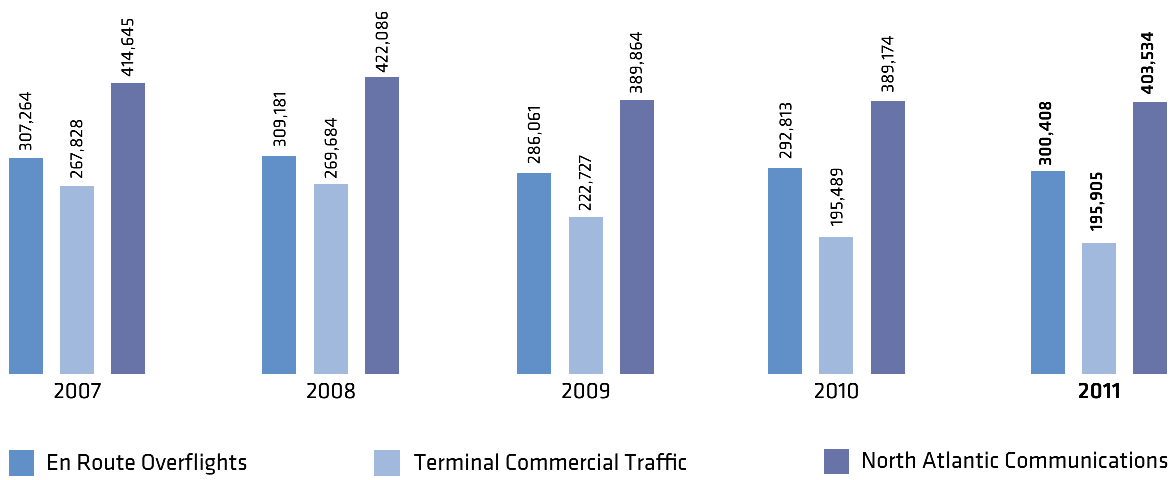
Terminal Service Units



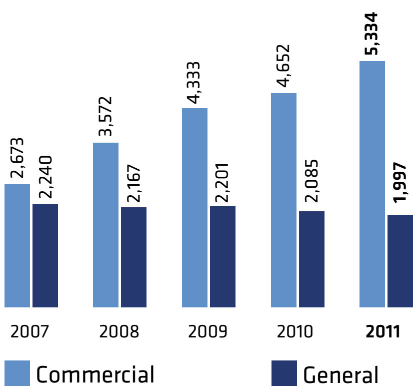
Terminal Service Unit Rate € (Dec)



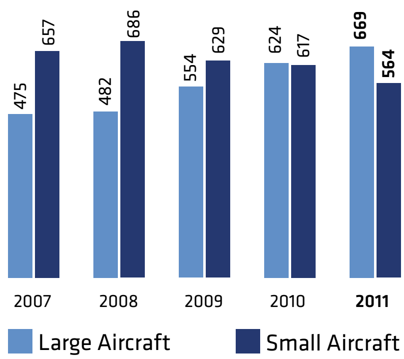
Air Traffic Activity



Valid Licences



Registered Aircraft



GLOSSARY OF ACRONYMS

ANSP	Air Navigation Services Provider
ATCC	Air Traffic Control Centre
ATM	Air Traffic Management
ATMPG	Air Traffic Management Planning Group
CAA	Civil Aviation Authority
CANSO	Civil Air Navigation Services Organisation
CAPEX	Capital Expenditure
COOPANS	Co-operation in Procurement of Air Navigation Systems
DAA	Dublin Airport Authority
EASA	European Aviation Safety Agency
EC	European Commission
ECAC	European Civil Aviation Conference
ECIP	EUROCONTROL Convergence and Implementation Programme
ESARR	EUROCONTROL Safety Regulatory Requirement
EU	European Union
EUIR	European Upper Information Region
FAB	Functional Airspace Block
FAEI	Federation of Aerospace Enterprises in Ireland
FYROM	Former Yugoslav Republic of Macedonia
HF	High Frequency
HR	Human Resources
IAA	Irish Aviation Authority
IATA	International Air Transport Association
ICAA	Icelandic Civil Aviation Authority
ICAO	International Civil Aviation Organisation
MOR	Mandatory Occurrence Reporting
MOU	Memorandum of Understanding
NAT	North Atlantic
NAT SPG	North Atlantic Systems Planning Group
NATS	National Air Traffic Services (UK)
NOTA	Northern Oceanic Transition Area
NSA	National Supervisory Authority
SAARC	Safety Assessment and Assurance Requirements for Contractors
SES	Single European Sky
SESAR	Single European Sky ATM Research Programme
SIDs	Standard Instrument Departures
SLA	Service Level Agreement
SMM	Safety Management Manual
SMS	Safety Management System
SMU	Safety Management Unit
SRD	Safety Regulation Division (IAA)
STARs	Standard Arrivals

Irish Aviation Authority

The Times Building
11-12 D'Olier Street
Dublin 2

Tel: +353-1-671 8655
Fax: +353-1-679 2934

www.iaa.ie