

Irish Aviation Authority

Regulated Entity

Financial statements

Year ended 31 December 2010

Irish Aviation Authority – Regulated Entity

Financial statements

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Irish Aviation Authority – Regulated Entity

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 Geoffrey O’Byrne-White
Ms Claire O’Donoghue

Secretary Ms Aideen Gahan

Auditor KPMG
Chartered Accountants
1 Stokes Place
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Dublin 2

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Dublin 2

Bank of Ireland
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Irish Aviation Authority – Regulated Entity

Statement of directors’ responsibilities

The Commission for Aviation Regulation (“the Commission”) was established under the Aviation Regulation Act of 2001 (“the Act”) to regulate, inter alia, certain aspects of the aviation sector in Ireland. In accordance with the Act, the Commission is required to make determinations governing the maximum levels of aviation terminal services charges that can be levied at Dublin, Shannon and Cork airports by the Irish Aviation Authority.

The first determination made by the Commission was for the five-year period commencing 26 March 2002. Pursuant to Section 28 (1) of the Act, the Commission requested that the Irish Aviation Authority prepare Regulatory financial statements showing its regulated activities, as defined, separate from its other activities. The statutory financial statements of the Irish Aviation Authority are made up to 31 December and the accounting year in which the first determination of the Commission came into effect was during the year ended 31 December 2002. The first full accounting year in which a determination of the Commission applied, and to which the annual accounting provisions of Section 28 (1) applied, was the year ending 31 December 2002.

These financial statements have been prepared solely to present for the Regulated Entity, based on the statutory financial statements as already reported for the year ending 31 December 2010, results and cashflow for that year, and the financial position as at 31 December 2010. They have been prepared in accordance with the statement of accounting policies on pages 5 to 8 to present fairly, in accordance with the basis of preparation as described on pages 5 and 6, the profit and loss account, balance sheet and cashflow of, or reasonably attributable to, the Regulated Entity.

In preparing the statutory 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; and
- 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, of which the Regulated Entity forms part, and to enable them to ensure that the statutory financial statements of the Authority, from which the Regulated Entity financial statements are derived, comply with the Companies Acts, 1963 to 2009 and all regulations to be construed as one with those Acts. They have general responsibility 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.

Irish Aviation Authority – Regulated Entity

Statement of directors' responsibilities (*continued*)

The directors are responsible for establishing and maintaining the system of internal control throughout the Authority, of which the Regulated Entity is a part, including controls to enable the Authority to comply with the determinations as these affect maximum aviation terminal services charges. The system of internal control comprises the ongoing processes for identifying and evaluating and managing significant risks faced by the Authority in pursuing its business objectives. Such a system is designed to manage rather than eliminate the risk of failure and therefore can only provide reasonable and not absolute assurance that the Authority will achieve those objectives or that the Authority would not suffer material misstatement or loss.

On behalf of the board

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

1 June 2011

Independent Auditor's report to the members of the Irish Aviation Authority

We have audited the Regulated Entity financial statements on pages 5 to 37, which have been prepared in accordance with the accounting policies set out on pages 5 to 8. The Regulated Entity financial statements have been prepared by the Irish Aviation Authority for submission to the Commission for Aviation Regulation pursuant to Section 28 (1) of the Aviation Regulation Act of 2001.

This report is made solely to the Authority's members, as a body, in accordance with our letter of engagement, dated 9 February 2009, and our work has been undertaken solely to enable us to report on the matters set out in that letter. 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 auditors

As described on pages 2 and 3, the directors are responsible for the preparation of Regulated Entity financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of 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 Regulated Entity financial statements. It also includes an assessment of the significant estimates and judgements made by the board members in the preparation of the Regulated Entity financial statements and of whether the accounting policies are 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 Regulated Entity financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion the Regulated Entity financial statements have been properly prepared in accordance with the accounting policies set out on pages 5 to 8 and the profit and loss account, statement of total recognised gains and losses, balance sheet and cashflow statement present fairly in accordance with the basis of preparation of financial statements note on pages 5 and 6 the assets and liabilities, results and cashflows of, or reasonably attributable to, the Regulated Entity, as of, and for the year ended 31 December 2010.

KPMG
Chartered Accountants
Registered Auditor

2 June 2011

Irish Aviation Authority – Regulated Entity

Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Regulated Entity's financial statements. These accounting policies are in agreement with those used in the preparation of the audited statutory accounts of the Irish Aviation Authority, and have been consistently applied.

Basis of preparation of financial statements

The financial statements are prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with 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).

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 to specifically include all cash payments to pension funds whereas previously parties to the agreement were only entitled to recover the accounting pension charge. Under the provision 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 pension charge. The Authority is of the view that this approach is necessary in order that its 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.

Separated profit and loss account, balance sheet and cash flow

EUROCONTROL, the European Organisation for the Safety of Air Navigation, comprises 39 Member States. It was founded in 1960 for overseeing air traffic control in the Upper Airspace of Member States, and today has as its most important goal the development of a coherent and co-ordinated air traffic control system in Europe. Among its services is the calculation, billing and collection of charges from users of air traffic services and facilities on behalf of 37 Member States participating in the EUROCONTROL Route Charges System. The Authority has developed, in conjunction with EUROCONTROL, a cost base reporting system in order to arrive at the appropriate costs and allocation of those costs among air traffic services and facilities.

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Statement of accounting policies *(continued)*

Basis of preparation of financial statements *(continued)*

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

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

Costs are based on the cost base reporting system as part of the EUROCONTROL multilateral agreement other than:

- Interest payable is allocated to the regulated entity on the basis of the proportion of regulated entity costs to total costs per the cost base reporting system.
- The corporation tax charge has been calculated on the basis of the proportion of regulated entity profit before tax to total profit before tax.
- The deferred tax movement has been calculated on the basis of the proportion of the net book value of the regulated entity fixed assets to total fixed assets.

Assets and liabilities have been determined either on an actual basis or are based on the cost base reporting system as part of the EUROCONTROL multilateral agreement other than:

- Bank overdrafts and cash are allocated to the regulated entity on the basis of the proportion of regulated entity costs to total costs per the cost base reporting system. Loans are allocated on the basis of the net book value of the respective tangible fixed assets and working capital requirements.
- Pension assets and liabilities determined in accordance with FRS 17 (see below) have not been allocated as it is not practicable to allocate specific pension assets and liabilities between regulated and non regulated activities on a meaningful basis. Pension balance sheet amounts and associated actuarial adjustments are therefore described as ‘unallocable pension balances’ in the Regulated Entity financial statements.

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.

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 regulated activities (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.

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Statement of accounting policies *(continued)*

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	8 ¹ / ₃ % - 12 ¹ / ₂ %
Office equipment	20% - 33 ¹ / ₃ %

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 period 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.

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Statement of accounting policies *(continued)*

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 disclosed 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 of the pension schemes’ assets during the year and the increase in the schemes’ liabilities due to the unwinding of the discount, 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 difference 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 of the additional pension charge described in paragraph (c) above expected to be recovered under the provisions of the EUROCONTROL agreement as described on page 5.

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 profit and loss account pension charge by €9,599,000 (2009: €8,766,000) for recovery under the equalisation mechanism in the year ended 31 December 2010, 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.

Irish Aviation Authority – Regulated Entity

Profit and loss account

for the year ended 31 December 2010

		2010				2009			
	Notes	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
Turnover – continuing activities	1	23,241	145,247	–	168,488	21,784	139,362	–	161,146
Operating expenses		<u>(23,036)</u>	<u>(130,533)</u>	<u>–</u>	<u>(153,569)</u>	<u>(23,769)</u>	<u>(124,155)</u>	<u>–</u>	<u>(147,924)</u>
Operating profit/(loss) – continuing activities		205	14,714	–	14,919	(1,985)	15,207	–	13,222
Interest receivable and similar income	3	87	247	–	334	68	208	–	276
Interest payable	4	(109)	(671)	–	(780)	(123)	(757)	–	(880)
Net finance expense	5	<u>–</u>	<u>–</u>	<u>(5,214)</u>	<u>(5,214)</u>	<u>–</u>	<u>–</u>	<u>(6,680)</u>	<u>(6,680)</u>
Profit/(loss) on ordinary activities before taxation	6	183	14,290	(5,214)	9,259	(2,040)	14,658	(6,680)	5,938
Tax credit/(charge) on profit on ordinary activities	7	<u>312</u>	<u>(2,424)</u>	<u>(548)</u>	<u>(2,660)</u>	<u>(39)</u>	<u>(1,638)</u>	<u>(260)</u>	<u>(1,937)</u>
Profit/(loss) for the financial year	24	<u>495</u>	<u>11,866</u>	<u>(5,762)</u>	<u>6,599</u>	<u>(2,079)</u>	<u>13,020</u>	<u>(6,940)</u>	<u>4,001</u>

On behalf of the board

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

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Statement of total recognised gains and losses

for the year ended 31 December 2010

	Notes	2010			2009			Unallocable Pension Balances €'000	Total €'000
		Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000		
Profit/(loss) for the financial year	24	495	11,866	(5,762)	6,599	(2,079)	13,020	(6,940)	4,001
Difference between expected and actual return on assets	23	–	–	11,936	11,936	–	–	21,919	21,919
Experience gains and losses on scheme liabilities	23	–	–	(1,239)	(1,239)	–	–	10,957	10,957
Effect of changes in actuarial assumptions	23	–	–	20,465	20,465	–	–	(8,686)	(8,686)
		–	–	31,162	31,162	–	–	24,190	24,190
Related deferred tax asset	14(ii)	–	–	(3,896)	(3,896)	–	–	(3,024)	(3,024)
Cash in excess of pension service cost		–	–	9,599	9,599	–	–	8,766	8,766
Total recognised gains and losses for financial year	25	495	11,866	31,103	43,464	(2,079)	13,020	22,992	33,933

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Balance sheet

at 31 December 2010

	Notes	2010				2009			
		Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
Fixed assets									
Tangible assets	8	34,114	85,071	–	119,185	36,072	86,508	–	122,580
Current assets									
Debtors	9	7,889	35,630	–	43,519	7,040	32,233	–	39,273
Cash at bank and in hand		5,924	36,392	–	42,316	2,752	16,902	–	19,654
		<u>13,813</u>	<u>72,022</u>	<u>–</u>	<u>85,835</u>	<u>9,792</u>	<u>49,135</u>	<u>–</u>	<u>58,927</u>
Creditors: amounts falling due within one year	10	<u>(16,649)</u>	<u>(26,509)</u>	<u>–</u>	<u>(43,158)</u>	<u>(29,824)</u>	<u>(20,223)</u>	<u>–</u>	<u>(50,047)</u>
Net current (liabilities)/assets		<u>(2,836)</u>	<u>45,513</u>	<u>–</u>	<u>42,677</u>	<u>(20,032)</u>	<u>28,912</u>	<u>–</u>	<u>8,880</u>
Total assets less current liabilities		<u>31,278</u>	<u>130,584</u>	<u>–</u>	<u>161,862</u>	<u>16,040</u>	<u>115,420</u>	<u>–</u>	<u>131,460</u>
Creditors: amounts falling due after more than one year	12	<u>(15,000)</u>	<u>(4,633)</u>	<u>–</u>	<u>(19,633)</u>	<u>–</u>	<u>(532)</u>	<u>–</u>	<u>(532)</u>
Provisions for liabilities and charges	14	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>(257)</u>	<u>(803)</u>	<u>–</u>	<u>(1,060)</u>
Net assets excluding pension liability		<u>16,278</u>	<u>125,951</u>	<u>–</u>	<u>142,229</u>	<u>15,783</u>	<u>114,085</u>	<u>–</u>	<u>129,868</u>
Pension liability net of tax	23	<u>–</u>	<u>–</u>	<u>(92,466)</u>	<u>(92,466)</u>	<u>–</u>	<u>–</u>	<u>(123,569)</u>	<u>(123,569)</u>
Net assets/(liabilities)		<u>16,278</u>	<u>125,951</u>	<u>(92,466)</u>	<u>49,763</u>	<u>15,783</u>	<u>114,085</u>	<u>(123,569)</u>	<u>6,299</u>
Capital and reserves									
Called up share capital	15				22,675				22,675
Other reserves	16				43,902				43,902
Profit and loss account	24				<u>(16,814)</u>				<u>(60,278)</u>
Shareholders' funds	25				<u>49,763</u>				<u>6,299</u>

On behalf of the board

Anne Nolan
Chairman

Eamonn Brennan
Chief Executive

Irish Aviation Authority – Regulated Entity

Cash flow statement

for the year ended 31 December 2010

	Notes	2010 Regulated €'000	2010 Non Regulated €'000	Total €'000	2009 Regulated €'000	2009 Non Regulated €'000	Total €'000
Net cash inflow from operating activities	17	6,922	33,138	40,060	16,917	20,319	37,236
Returns on investments and servicing of finance	18	(114)	(522)	(636)	(172)	(840)	(1,012)
Net taxation		54	(1,286)	(1,232)	(84)	(1,766)	(1,850)
Capital expenditure	18	(3,690)	(11,840)	(15,530)	(12,095)	(14,985)	(27,080)
Net cash inflow before financing	19	3,172	19,490	22,662	4,566	2,728	7,294
Financing	18	–	–	–	(4,418)	(582)	(5,000)
Increase in cash in year	19	3,172	19,490	22,662	148	2,146	2,294

Irish Aviation Authority – Regulated Entity

Notes

forming part of the financial statements

1 Turnover	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
<i>Activity</i>						
Terminal	23,241	–	23,241	21,784	–	21,784
En route	–	107,774	107,774	–	102,826	102,826
North Atlantic communications	–	16,487	16,487	–	16,567	16,567
Safety regulation	–	17,781	17,781	–	16,114	16,114
Exempt air traffic	–	2,203	2,203	–	2,479	2,479
Commercial	–	1,002	1,002	–	1,376	1,376
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	23,241	145,247	168,488	21,784	139,362	161,146
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The Authority's turnover is primarily derived from aviation-related services and statutory functions provided in the Republic of Ireland.

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Notes (continued)

2 Payroll and related costs	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
Wages and salaries	6,651	54,514	61,165	7,249	56,975	64,224
Social welfare costs	383	3,356	3,739	373	3,138	3,511
Pension costs – current service cost (note 23)	764	6,122	6,886	918	6,959	7,877
Pension costs – additional cash cost (note 23)	1,065	8,534	9,599	990	7,776	8,766
Pension-related accrual*	1,176	8,860	10,036	–	–	–
	<u>10,039</u>	<u>81,386</u>	<u>91,425</u>	<u>9,530</u>	<u>74,848</u>	<u>84,378</u>

*The Authority has agreed with its employees that pay increases for 2009 and 2010, due to eligible employees, will be paid into the pension fund and will be matched by additional contributions from the Authority.

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	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
Bank interest	–	230	230	–	172	172
Other interest	87	17	104	68	36	104
	<u>87</u>	<u>247</u>	<u>334</u>	<u>68</u>	<u>208</u>	<u>276</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

	2010			2009			
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000	
4 Interest payable and similar charges							
On bank loans and overdrafts	41	254	295	123	757	880	
On bank loans repayable between one and two years	<u>68</u>	<u>417</u>	<u>485</u>	<u>–</u>	<u>–</u>	<u>–</u>	
	<u>109</u>	<u>671</u>	<u>780</u>	<u>123</u>	<u>757</u>	<u>880</u>	
5 Net finance expense	2010			2009			
	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
Expected return on pension scheme assets	–	–	17,486	–	–	15,183	15,183
Interest on pension scheme liabilities	<u>–</u>	<u>–</u>	<u>(22,700)</u>	<u>–</u>	<u>–</u>	<u>(21,863)</u>	<u>(21,863)</u>
	<u>–</u>	<u>–</u>	<u>(5,214)</u>	<u>–</u>	<u>–</u>	<u>(6,680)</u>	<u>(6,680)</u>
6 Other charges	2010			2009			
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000	
Depreciation	5,085	13,747	18,832	4,452	12,632	17,084	
Met Eireann charges	1,616	6,463	8,079	1,662	6,649	8,311	
Rentals payable under operating leases – buildings	<u>448</u>	<u>2,951</u>	<u>3,399</u>	<u>472</u>	<u>2,918</u>	<u>3,390</u>	

Irish Aviation Authority – Regulated Entity

Notes (continued)

7 Tax on profit on ordinary activities	2010				2009			
	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
Corporation taxation	42	3,285	–	3,327	–	1,543	–	1,543
Deferred tax (credit)/charge (note 14):								
- Origination and reversal of other timing differences	(354)	(861)	–	(1,215)	39	95	–	134
- Origination and reversal of pension timing differences dealt with in the profit and loss account	–	–	548	548	–	–	260	260
	<u>(312)</u>	<u>2,424</u>	<u>548</u>	<u>2,660</u>	<u>39</u>	<u>1,638</u>	<u>260</u>	<u>1,937</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

8 Tangible fixed assets

	Buildings €'000	Completed installations and other works €'000	Installations in Progress €'000	Office equipment €'000	Total €'000
<i>Cost – regulated</i>					
At beginning of year	6,777	53,586	11,635	1,647	73,645
Additions in year	–	171	2,882	79	3,132
Brought into use in year	72	397	(491)	22	–
Disposals in year	–	(1,167)	–	(792)	(1,959)
At end of year	<u>6,849</u>	<u>52,987</u>	<u>14,026</u>	<u>956</u>	<u>74,818</u>
<i>Cost – non regulated</i>					
At beginning of year	23,350	122,578	31,942	6,655	184,525
Additions in year	–	406	11,563	362	12,331
Brought into use in year	–	5,863	(6,087)	224	–
Disposals in year	–	(4,639)	–	(2,717)	(7,356)
At end of year	<u>23,350</u>	<u>124,208</u>	<u>37,418</u>	<u>4,524</u>	<u>189,500</u>
<i>Cost – total</i>					
At beginning of year	30,127	176,164	43,577	8,302	258,170
Additions in year	–	577	14,445	441	15,463
Brought into use in year	72	6,260	(6,578)	246	–
Disposals in year	–	(5,806)	–	(3,509)	(9,315)
At end of year	<u>30,199</u>	<u>177,195</u>	<u>51,444</u>	<u>5,480</u>	<u>264,318</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

8 Tangible fixed assets (continued)

	Buildings €'000	Completed installations and other works €'000	Installations in Progress €'000	Office equipment €'000	Total €'000
<i>Accumulated depreciation – regulated</i>					
At beginning of year	626	35,743	–	1,204	37,573
Charge in year	332	4,537	–	216	5,085
Disposals in year	–	(1,167)	–	(787)	(1,954)
At end of year	<u>958</u>	<u>39,113</u>	<u>–</u>	<u>633</u>	<u>40,704</u>
<i>Accumulated depreciation – non regulated</i>					
At beginning of year	8,011	85,495	–	4,511	98,017
Charge in year	1,176	11,709	–	862	13,747
Disposals in year	–	(4,639)	–	(2,696)	(7,335)
At end of year	<u>9,187</u>	<u>92,565</u>	<u>–</u>	<u>2,677</u>	<u>104,429</u>
<i>Accumulated depreciation – total</i>					
At beginning of year	8,637	121,238	–	5,715	135,590
Charge in year	1,508	16,246	–	1,078	18,832
Disposals in year	–	(5,806)	–	(3,483)	(9,289)
At end of year	<u>10,145</u>	<u>131,678</u>	<u>–</u>	<u>3,310</u>	<u>145,133</u>
<i>Net book value at 31 December 2010</i>					
Regulated	<u>5,891</u>	<u>13,874</u>	<u>14,026</u>	<u>323</u>	<u>34,114</u>
Non regulated	<u>14,163</u>	<u>31,643</u>	<u>37,418</u>	<u>1,847</u>	<u>85,071</u>
Total	<u>20,054</u>	<u>45,517</u>	<u>51,444</u>	<u>2,170</u>	<u>119,185</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

9 Debtors

	2010			2009		
	Regulated	Non Regulated	Total	Regulated	Non Regulated	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Trade debtors	3,520	21,467	24,987	2,922	18,717	21,639
Prepayments and accrued income	681	2,565	3,246	471	2,483	2,954
Other debtors	14	276	290	2	130	132
Value added tax	49	278	327	22	117	139
Corporation tax recoverable	–	–	–	(76)	545	469
Income equalisation – regulated	3,528	–	3,528	3,699	–	3,699
Deferred tax asset (note 14)	97	58	155	–	–	–
Funding owed by regulated	–	10,986	10,986	–	10,241	10,241
	<u>7,889</u>	<u>35,630</u>	<u>43,519</u>	<u>7,040</u>	<u>32,233</u>	<u>39,273</u>

Debtors are due within one year except for €2,902,000 (2009: €626,000) relating to income equalisation terminal debtors due after one year.

Irish Aviation Authority – Regulated Entity

Notes (continued)

10 Creditors: amounts falling due within one year

	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
Trade creditors	132	1,168	1,300	152	1,205	1,357
Other creditors including tax and social welfare (note 11)	248	3,446	3,694	190	1,501	1,691
Accruals and deferred income	5,283	21,257	26,540	4,241	13,816	18,057
Income equalisation – non regulated	–	638	638	–	3,701	3,701
Bank loans (note 13)	–	–	–	15,000	–	15,000
Funding owed to non regulated	10,986	–	10,986	10,241	–	10,241
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	16,649	26,509	43,158	29,824	20,223	50,047
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
11 Taxation and social welfare included in other creditors						
Corporation tax	20	1,574	1,594	–	–	–
PAYE/PRSI	228	1,872	2,100	190	1,501	1,691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	248	3,446	3,694	190	1,501	1,691
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Irish Aviation Authority – Regulated Entity

Notes (continued)

12 Creditors: amounts falling due after more than one year	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
Income equalisation – non regulated	–	4,633	4,633	–	532	532
Bank loans (note 13)	15,000	–	15,000	–	–	–
	<u>15,000</u>	<u>4,633</u>	<u>19,633</u>	<u>–</u>	<u>532</u>	<u>532</u>

13 Bank loans

Maturity analysis – regulated

Repayable other than by instalments

Bank loans

Between one and two years €'000	Total €'000
15,000	15,000

Maturity analysis – non regulated

Repayable other than by instalments

Bank loans

–	–
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Maturity analysis – total

Repayable other than by instalments

Bank loans

15,000	15,000
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The Authority has unsecured bank loan facilities of €60 million, of which committed facilities total €40 million. Included in the above the Authority has undrawn facilities amounting to €25 million, which have terms expiring within two years.

Irish Aviation Authority – Regulated Entity

Notes (continued)

	Ref	2010			2009				
		Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
Deferred taxation – excluding pension-related	(i)	(97)	(58)	–	(155)	257	803	–	1,060
Deferred taxation – pension-related	(ii)	–	–	(13,209)	(13,209)	–	–	(17,653)	(17,653)
		<u>(97)</u>	<u>(58)</u>	<u>(13,209)</u>	<u>(13,364)</u>	257	803	(17,653)	(16,593)
Less deferred taxation included in pension liability		<u>–</u>	<u>–</u>	<u>13,209</u>	<u>13,209</u>	<u>–</u>	<u>–</u>	<u>17,653</u>	<u>17,653</u>
		<u>(97)</u>	<u>(58)</u>	<u>–</u>	<u>(155)</u>	257	803	–	1,060
<i>(i) Deferred taxation</i>									
At beginning of year		257	803	–	1,060	218	708	–	926
(Credited)/charged to profit and loss (note 7)		<u>(354)</u>	<u>(861)</u>	<u>–</u>	<u>(1,215)</u>	<u>39</u>	<u>95</u>	<u>–</u>	<u>134</u>
At end of year		<u>(97)</u>	<u>(58)</u>	<u>–</u>	<u>(155)</u>	257	803	–	1,060

The deferred tax asset of €155,000 is the net of the following amounts: a deferred tax liability of €1,100,000 which represents the full potential liability arising on timing differences between capital allowances and depreciation and on general accruals and a deferred tax asset of €1,255,000 which represents the full potential asset arising on timing differences in relation to a pension accrual. It is expected that this asset will be fully recovered in 2011 and has been recognised accordingly.

Irish Aviation Authority – Regulated Entity

Notes (continued)

14 Provisions for liabilities and charges (continued)	2010				2009			
	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000	Regulated €'000	Non Regulated €'000	Unallocable Pension Balances €'000	Total €'000
<i>(ii) Deferred taxation – pension-related</i>								
At beginning of year	–	–	(17,653)	(17,653)	–	–	(20,937)	(20,937)
Changes in actuarial assumptions Charged to profit and loss account (note 7)	–	–	3,896	3,896	–	–	3,024	3,024
	<u>–</u>	<u>–</u>	<u>548</u>	<u>548</u>	<u>–</u>	<u>–</u>	<u>260</u>	<u>260</u>
At end of year	<u>–</u>	<u>–</u>	<u>(13,209)</u>	<u>(13,209)</u>	<u>–</u>	<u>–</u>	<u>(17,653)</u>	<u>(17,653)</u>

15 Called up share capital – equity

Authorised, allotted, called up and fully paid

	2010 Total €'000	2009 Total €'000
17,858,000 ordinary shares of €1.27 each	<u>22,675</u>	<u>22,675</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

	2010	2009
	Total	Total
	€'000	€'000
16 Other reserves		
Contingency reserve	43,902	43,902
	<hr/>	<hr/>

17 Reconciliation of operating profit to net cash inflow from operating activities

	2010			2009		
	Regulated	Non Regulated	Total	Regulated	Non Regulated	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Operating profit/(loss)	205	14,714	14,919	(1,985)	15,207	13,222
Depreciation of tangible fixed assets	5,085	13,747	18,832	4,452	12,632	17,084
(Increase)/decrease in debtors	(580)	(3,465)	(4,045)	1,675	(547)	1,128
Increase/(decrease) in creditors	2,207	8,121	10,328	12,774	(6,976)	5,798
Loss on disposal of tangible fixed assets	5	21	26	1	3	4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net cash inflow from operating activities	6,922	33,138	40,060	16,917	20,319	37,236
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Irish Aviation Authority – Regulated Entity

Notes (continued)

18 Gross cash flows	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
Returns on investments and servicing of finance						
Interest paid	(118)	(736)	(854)	(179)	(1,058)	(1,237)
Interest received	4	214	218	7	218	225
	<u>(114)</u>	<u>(522)</u>	<u>(636)</u>	<u>(172)</u>	<u>(840)</u>	<u>(1,012)</u>
Capital expenditure						
Payments to acquire tangible fixed assets	(3,690)	(11,840)	(15,530)	(12,095)	(14,985)	(27,080)
	<u>(3,690)</u>	<u>(11,840)</u>	<u>(15,530)</u>	<u>(12,095)</u>	<u>(14,985)</u>	<u>(27,080)</u>
Financing						
Repayment of bank loans	(15,000)	–	(15,000)	(19,418)	(582)	(20,000)
Drawdown of new unsecured bank loans in year	15,000	–	15,000	15,000	–	15,000
	<u>–</u>	<u>–</u>	<u>–</u>	<u>(4,418)</u>	<u>(582)</u>	<u>(5,000)</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

19 Reconciliation of net cash flow to movement in net funds/(debt)

	2010			2009		
	Regulated	Non Regulated	Total	Regulated	Non Regulated	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Increase in cash in year	3,172	19,490	22,662	148	2,146	2,294
Repayment of debt	15,000	–	15,000	19,418	582	20,000
Drawdown of debt	<u>(15,000)</u>	<u>–</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>–</u>	<u>(15,000)</u>
Movement in net debt in year	3,172	19,490	22,662	4,566	2,728	7,294
Net (debt)/funds at beginning of year	<u>(12,248)</u>	<u>16,902</u>	<u>4,654</u>	<u>(16,814)</u>	<u>14,174</u>	<u>(2,640)</u>
Net (debt)/funds at end of year	<u>(9,076)</u>	<u>36,392</u>	<u>27,316</u>	<u>(12,248)</u>	<u>16,902</u>	<u>4,654</u>

Analysis of net debt – regulated

	At 1 Jan 2010	Cash flow	At 31 Dec 2010
	€'000	€'000	€'000
Cash at bank and in hand	2,752	3,172	5,924
Bank loans due within one year	(15,000)	15,000	–
Bank loans due after more than one year	<u>–</u>	<u>(15,000)</u>	<u>(15,000)</u>
Net debt	<u>(12,248)</u>	<u>3,172</u>	<u>(9,076)</u>

Reconciliation to balance sheet

Cash at bank and in hand	2,752	5,924
Bank loans due within one year	(15,000)	–
Bank loans due after more than one year	<u>–</u>	<u>(15,000)</u>
	<u>(12,248)</u>	<u>(9,076)</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

19 Reconciliation of net cash flow to movement in net funds/(debt) (continued)

Analysis of net funds – non regulated	At 1 Jan 2010 €'000	Cash Flow €'000	At 31 Dec 2010 €'000
Cash at bank and in hand	16,902	19,490	36,392
Bank loans due within one year	–	–	–
Bank loans due after more than one year	–	–	–
Net funds	<u>16,902</u>	<u>19,490</u>	<u>36,392</u>
<i>Reconciliation to balance sheet</i>			
Cash at bank and in hand	16,902		36,392
Bank loans due after one year	–		–
Bank loans due after more than one year	–		–
	<u>16,902</u>		<u>36,392</u>
Analysis of net funds – total	At 1 Jan 2010 €'000	Cash Flow €'000	At 31 Dec 2010 €'000
Cash at bank and in hand	19,654	22,662	42,316
Bank loans due within one year	(15,000)	15,000	–
Bank loans due after more than one year	–	(15,000)	(15,000)
Net funds	<u>4,654</u>	<u>22,662</u>	<u>27,316</u>
<i>Reconciliation to balance sheet</i>			
Cash at bank and in hand	19,654		42,316
Bank loans due within one year	(15,000)		–
Bank loans due after more than one year	–		(15,000)
	<u>4,654</u>		<u>27,316</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

20 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 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.

21 Commitments	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
<i>(i) Capital commitments</i>						
Future capital expenditure approved by the directors but not contracted for	15,146	33,040	48,186	31,017	22,942	53,959
Contracted for	1,150	2,722	3,872	4,408	12,217	16,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	16,296	35,762	52,058	35,425	35,159	70,584
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Irish Aviation Authority – Regulated Entity

Notes (continued)

21 Commitments (continued)

	2010			2009		
	Regulated €'000	Non Regulated €'000	Total €'000	Regulated €'000	Non Regulated €'000	Total €'000
<i>(ii) Operating lease commitments</i>						
<i>Buildings</i>						
Expiring:						
Within one year	-	-	-	8	55	63
Between two and five years	12	86	98	18	106	124
More than five years	<u>445</u>	<u>2,780</u>	<u>3,225</u>	<u>355</u>	<u>2,192</u>	<u>2,547</u>
	<u>457</u>	<u>2,866</u>	<u>3,323</u>	<u>381</u>	<u>2,353</u>	<u>2,734</u>
<i>Motor vehicles</i>						
Expiring						
Within one year	2	14	16	1	14	15
Between two and five years	7	29	36	16	100	116
More than five years	<u>15</u>	<u>64</u>	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>24</u>	<u>107</u>	<u>131</u>	<u>17</u>	<u>114</u>	<u>131</u>

Irish Aviation Authority – Regulated Entity

Notes *(continued)*

22 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.

23 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 2010 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 outstanding contributions of €10,036,224 at year end (2009: €nil).

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

(i) Principal actuarial assumptions

	2010	2009
	Projected Unit	Projected Unit
<i>Weighted average assumptions to determine benefit obligations</i>		
Expected rate of return on plan assets	6.46%	6.78%
Expected return on plan assets at beginning of period	6.78%	7.03%
Discount rate	5.40%	5.70%
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%	2.75%

† 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:

	2010	2009
<i>Life expectancy for a male member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	26.2	22.7
Current pensioner members	23.0	21.6
<i>Life expectancy for a female member from age 65 on post-retirement mortality table used to determine benefit obligations for:</i>		
Current active and deferred members	27.2	25.8
Current pensioner members	24.5	24.7

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.

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

(ii) Amounts recognised in the balance sheet

	2010 Total €'000	2009 Total €'000
Present value of wholly or partly funded obligations	(394,978)	(396,933)
Fair value of plan assets	<u>289,303</u>	<u>255,711</u>
Deficit	(105,675)	(141,222)
Related deferred tax asset	<u>13,209</u>	<u>17,653</u>
Net liability	<u>(92,466)</u>	<u>(123,569)</u>

(iii) Movements in fair value of plan assets

	2010 Total €'000	2009 Total €'000
Fair value of plan assets at beginning of year	255,711	213,311
Expected return on plan assets	17,486	15,183
Actuarial gains on plan assets	11,936	21,919
Employer contributions	16,485	16,643
Member contributions	1,158	1,111
Benefits paid from plan	(13,473)	(12,456)
Fair value of plan assets at end of year	<u>289,303</u>	<u>255,711</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

	2010 Total €'000	2009 Total €'000
(iv) Movements in present value of defined benefit obligations		
Benefit obligation at the beginning of the year	(396,933)	(380,809)
Current service cost	(6,886)	(7,877)
Interest cost	(22,700)	(21,863)
Member contributions	(1,158)	(1,111)
(Losses)/gains on liabilities	(1,239)	10,957
Gains/(losses) due to assumption changes	20,465	(8,686)
Benefits paid from plan	13,473	12,456
	<hr/>	<hr/>
Benefit obligation at end of year	<u>(394,978)</u>	<u>(396,933)</u>
	2010 Total €'000	2009 Total €'000
(v) Components of pension cost		
<i>Expense recognised in the profit and loss account</i>		
Current service cost (note 2)	(6,886)	(7,877)
Additional cash cost (note 2)	(9,599)	(8,766)
Interest on pension scheme liabilities (note 5)	(22,700)	(21,863)
Expected return on pension scheme assets (note 5)	17,486	15,183
	<hr/>	<hr/>
Total pension cost recognised in the profit and loss account	<u>(21,699)</u>	<u>(23,323)</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

(v) Components of pension cost (continued)

	2010	2009
	Total	Total
	€'000	€'000
<i>Analysis of amounts recognised in statement of total recognised gains and losses</i>		
Actuarial gains immediately recognised	31,162	24,190
	<hr/>	<hr/>
Cumulative amount of actuarial losses immediately recognised	(87,776)	(118,938)
	<hr/>	<hr/>

(vi) Plan assets

The asset allocations as at 31 December 2010:

	2010	2010	2009	2009
	Percentage	Expected	Percentage	Expected
	of plan	return on	of plan	return on
	assets	plan assets	assets	plan assets
Equity securities	72.40%	7.30%	74.04%	7.90%
Bond securities	18.60%	3.80%	17.98%	2.80%
Property	3.70%	6.30%	5.03%	6.90%
Cash and other	5.30%	4.43%	2.95%	3.00%
	<u>100.00%</u>	<u>6.46%</u>	<u>100.00%</u>	<u>6.78%</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

(vi) Plan assets (continued)

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 company 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 invested in 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.

	2010	2009
	Total	Total
	€'000	€'000
<i>Actual return on assets</i>		
Actual return on plan assets	29,422	37,102
	<hr/>	<hr/>

(vii) History of experience adjustments

	2010	2009	2008	2007	2006
	Total	Total	Total	Total	Total
	€'000	€'000	€'000	€'000	€'000
Present value of scheme liabilities	(394,978)	(396,933)	(380,809)	(378,018)	(378,426)
Fair value of scheme assets	289,303	255,711	213,311	314,010	307,152
Deficit	<u>(105,675)</u>	<u>(141,222)</u>	<u>(167,498)</u>	<u>(64,008)</u>	<u>(71,274)</u>

Irish Aviation Authority – Regulated Entity

Notes (continued)

23 Pension information (continued)

(vii) History of experience adjustments (continued)

<i>Experience adjustments</i>	2010	2009	2008	2007	2006
	Total	Total	Total	Total	Total
	€'000	€'000	€'000	€'000	€'000
Experience adjustments on scheme assets:					
Amount	11,936	21,919	(140,791)	(30,671)	19,932
Percentage of plan assets	4.1%	8.6%	66.0%	9.8%	6.5%
Experience adjustments on scheme liabilities:					
Amount	(1,239)	10,957	5,371	(6,579)	(14,798)
Percentage of plan liabilities	0.3%	2.8%	1.4%	1.7%	3.9%

(viii) Other required disclosure amounts

	2010	2009
	Total	Total
	€'000	€'000
Contributions expected to be paid to plan during the annual period beginning after the balance sheet date	<u>33,253</u>	<u>16,485</u>

The increase in contributions to the plan during 2011 arises from pay increases for 2009 and 2010 due to eligible employees being paid into the pension plan, matched by additional contributions from the Authority (note 2), as well as an agreed annual contribution.

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Notes (continued)

24 Reconciliation of movement in profit and loss account deficit	2010 Total €'000	2009 Total €'000
Profit and loss account at beginning of year	(60,278)	(94,211)
Profit for the financial year	6,599	4,001
Other recognised gains and losses	<u>36,865</u>	<u>29,932</u>
Profit and loss account at end of year	<u>(16,814)</u>	<u>(60,278)</u>
25 Reconciliation of movement in shareholders' funds	2010 Total €'000	2009 Total €'000
Shareholders' funds/(deficit) at beginning of year	6,299	(27,634)
Total recognised gains and losses for financial year	<u>43,464</u>	<u>33,933</u>
Shareholders' funds at end of year	<u>49,763</u>	<u>6,299</u>
26 Approval of the financial statements		

The financial statements were approved by the directors on 1 June 2011.