

## Overview

Airservices is an Australian Government-owned for-profit entity. The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and are general purpose financial statements for the year ended 30 June 2023.

The financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and Financial Reporting Rules (FRR) made under the PGPA Act.

The financial statements were authorised for issue in accordance with a resolution of the Board on 20 September 2023.

### Significant matters in the current reporting period

#### Going concern

The financial statements have been prepared on a going concern basis which assumes Airservices will be able to realise its assets and discharge its liabilities in the normal course of business. For the financial year ended 30 June 2023, Airservices reported a net loss of \$205.8m, working capital deficiency of \$71.8m and negative operating cashflow position of \$173.5m. Nevertheless, the Board consider Airservices to be a going concern and able to meet its debts and obligations as they fall due, on the following basis:

- Continued funding and support from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department). While no government grants were received in the current year, the Department provided a \$495m equity injection. This will enable Airservices to continue to provide safe and efficient air traffic management and aviation firefighting services and invest in key infrastructure vital to the recovery of the aviation industry and future growth.
- Cash and cash equivalents of \$516.6m and a positive net asset position of \$792.0m. In addition, Airservices has several short- and long-term debt facility arrangements which will provide the ability to balance our short- and long-term funding needs. Total unused debt facilities at 30 June 2023 were \$1,190m; refer to Note 3.4 'Standby arrangements and unused credit facilities' for further details.
- Relaxation of travel restrictions globally and an increase in passenger servicing capacities to pre-COVID levels.

No adjustments have been made to the financial statements relating to the recoverability and classification of the recorded asset amounts or the amounts and classification of liabilities that might be necessary should Airservices not continue as a going concern.

### Basis of preparation

#### Historical cost convention

These financial statements have been prepared on an accrual basis and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit and loss, and certain classes of property, plant and equipment.

#### Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

### Foreign currency translation

#### Functional and presentation currency

Items included in the financial statements of Airservices are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Australian dollars, which is Airservices functional and presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Translation differences on financial assets and liabilities carried at fair value, and non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

## Notes to and forming part of the financial statements

### Taxation

Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST) are applicable to Airservices. Refer to Note 1.3 'Taxation' for further information relating to income tax.

### Use of estimates, assumptions and judgements

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the following notes:

Recoverability of trade and other receivables	Note 2.1
Valuation of property, plant, equipment and intangibles	Note 2.3
ARFFS decontamination provision	Note 2.5
Recoverable amount of other financial assets	Note 2.6
Measurement of lease liabilities	Note 2.7
Long Service Leave and Early Retirement Benefits	Note 4.1
AvSuper defined benefits	Note 4.2
ARFFS contingent liability	Note 5.1

### New Accounting Standards

#### Adoption of new Australian Accounting Standard requirements

There are no new standards that were issued prior to the sign-off date and are applicable to the current reporting period that had a material effect, nor any that are expected to have a future material effect on the entity's financial statements. No accounting standard has been adopted earlier than the application date as stated in the standard.

#### Comparative figures

Where necessary, comparative information has been reclassified to enhance comparability in respect of changes in presentation adopted in the current year.

