ECMWF

European Centre for Medium-Range Weather Forecasts

Financial Statements of Account

2023

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Introduction

The European Centre for Medium-Range Weather Forecasts

The European Centre for Medium-Range Weather Forecasts (ECMWF) is an independent intergovernmental organisation supported by 23 Member States and 12 Co-operating States. It was created by a Convention that came into force on 1 November 1975 and was amended on 6 June 2010. The governing bodies are the Council, the Director-General, and the Council's advisory committees, whose functions are defined in the Convention.

ECMWF is both a research institute and a 24/7 operational service, producing and disseminating numerical weather predictions to its Member States. This data is fully available to the national meteorological services in the Member States. The Centre also offers a catalogue of forecast data that can be made available under various conditions to WMO National Meteorological and Hydrological Services, researchers and commercial customers. A free and open dataset is also available for general use. Other strategic activities include maintaining a data archive, assistance in advanced education, assistance to the World Meteorological Organization (WMO) in implementing its programmes and collaboration with Space Agencies. The supercomputer facility (and associated data archive) at ECMWF is one of the largest of its type in Europe.

ECMWF was established as a major initiative in European scientific and technical co-operation in meteorology, based on a high-performance computing facility (HPCF), a scientific and technical workforce, the production of medium-range weather forecasts, and related research and development. The collaborative aspect of ECMWF remains to this date a key to its success; our staff of around 474 (as at 31 Dec 2023) are from over 30 countries, and developing effective partnerships with meteorological services, space agencies, academia, and other organisations that help ECMWF to achieve its targets is a key priority. Establishing closer and more effective collaborations with leading institutions is helping the Centre to continue to develop its models and satisfy its users' increasing requirements.

ECMWF's key duty to its Member and Co-operating States is to deliver timely, reliable, and accurate global numerical weather predictions that meet each country's requirement.

Since 2014, ECMWF operates two services from the European Union's Copernicus Earth observation programme, the Copernicus Atmosphere Monitoring Service (CAMS) and the Copernicus Climate Change Monitoring Service (C3S). This participation was renewed in July 2021 and covers the period to the end of 2028. ECMWF also contributes to the Copernicus Emergency Management Service (CEMS), through flood and fire predictions.

ECMWF is also a key partner in the European Union's Destination Earth initiative since December 2021.

The audit of ECMWF’s FSA

Audit Opinion of the External Auditor

Opinion
We have audited the Financial Statements of ECMWF, including Copernicus and Destination Earth, for the financial year ended 31 December 2023. The Financial Statements consists of the Statement of Financial Position; the Statement of Financial Performance; the Statement of Cash Flow; the Statement of Changes in Net Assets & Equity; Notes and schedules to the Financial Statements, including a summary of significant accounting policies.

In the opinion of the OAGN, the Financial Statements give a true and fair view of the financial position of ECMWF as at 31 December 2023; its financial performance as disclosed and specified in the 2023 accounts and principal notes; its cash flow for the financial year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and the Financial Regulations of ECMWF.

Basis for Opinion
We conducted our audit based on internationally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. The OAGN believes that the audit evidence it has obtained is sufficient and appropriate to provide a basis for its opinion.

Responsibilities of Management and those charged with governance
The management of ECMWF is responsible for preparing Financial Statements in accordance with introduced IPSAS standards and ECMWF Financial Regulations. Management is also responsible for establishing adequate and functioning internal control systems to ensure that the Financial Statements are free of material misstatement due to fraud or error.

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

As part of an audit in accordance with ISSAI`s, the OAGN exercises professional judgment and maintains professional skepticism throughout the audit. It also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for its opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director-General.

- Concludes on the appropriateness of Director-General's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ECMWF`s ability to continue as a going concern

- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events, in a manner that achieves fair presentation.

The OAGN communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that it identifies during its audit.

Specific observations and recommendations are set out below in our Annual Report for 2023, which we issue in accordance with Article 2 (1.b) of the External Audit Agreement.

Signed at the Office of the Auditor General of Norway, Oslo, 25.03.2024

Tora Jarlsby
Director General

Johannes Heltne
Assistant Director General

Arild Anstensrud
Senior Audit Adviser

Director-General's Statement

The European Centre for Medium-Range Weather Forecasts (ECMWF) is an intergovernmental organisation whose primary purposes are the development of a capability for medium-range weather forecasting and the provision of medium-range weather forecasts to its Member and Co-operating States. ECMWF is currently supported by 35 States.

In 2017, ECMWF Member States have approved the proposal by the Italian Government and the Emilia Romagna Region to host ECMWF's new data centre in Bologna. The premises were formally handed over to ECMWF on 29 April 2022. The Bologna premises hosts the Centre's supercomputer, data archive and network infrastructure. ECMWF has been in ongoing discussions with the UK regarding the provision of a Headquarters building in the grounds of the University of Reading which was approved during 2021. Subsequently planning permission for this new premises was approved in February 2024 and this building is expected to be completed in 2026.

In December 2020, ECMWF Member States decided to select Bonn as the third ECMWF duty station after an international competition. In July 2021, the new facility welcomed its first staff members. This facility was envisaged to accommodate approximately 150 staff, with the possibility of extension. There are currently around 180 staff in the Bonn premises and the transition to this facility is expected to be concluded during 2024.

The agreement for both the Copernicus Climate Change Service and Copernicus Atmosphere Monitoring Service operated by ECMWF on behalf of the EU has been extended until 2028. Member States and the European Commission have regularly expressed their satisfaction about how the services are being run and their strong support to ECMWF in its role of Entrusted Entity.

An agreement was also signed with the EC for ECMWF to be a major partner in the implementation of the Destination Earth (DestinE) initiative together with ESA and EUMETSAT. The agreement commenced on the 15th December 2021. The agreement covers the whole duration of the Multiannual Financial Framework (MFF; 2021-2027) with the initial budget and entrusted tasks covering the first phase which was a 30-month period. In December 2023, the second phase of 24 months was signed with the EC, with further phases to be covered through amendments to the overall budget and entrusted tasks.

ECMWF is currently making a significant effort to support applications of artificial intelligence and machine learning and to identify how such applications may improve numerical weather prediction at the Centre. Many standard methods used by ECMWF scientists on a daily basis can be regarded as examples of machine learning. However, there has recently been a surge in new methods which have the potential to revolutionise the work of operational weather prediction centres. Such methods include the use of deep neural networks, which can learn the dynamics of very complex non-linear systems from data.

In 2023 The council approved the allocation of £8.365m from the surplus of 2022 towards a four-year project, accelerating machine learning activities at ECMWF, particularly towards development and assessment of data-driven forecasting approaches. Within this envelope, resources are dedicated to a collaborative project with Member States, to gather expertise and ideas in order to advance collectively on embracing this important topic. Beyond the 4-year accelerated project, it is envisaged that ongoing efforts would be absorbed as part of Business as usual by reallocating resources as appropriate.

This document contains the financial statements of ECMWF for the year ending 31 December 2023. It details the 2023 financial results, reconciliation of results between IPSAS and cash accounting and the auditors' opinion.

Exchange rates during the year continued to be volatile and in particular rates for Euro compared to Sterling fluctuated during 2023. This resulted in an overall exchange loss in the year and the Centre will continue to closely monitor this during future years. Similarly, the price of electricity and inflation have been quite volatile and the situation has been managed through the year, in close collaboration with both the Finance Committee and Council.

In order to comply with IPSAS 39, the Statement of Financial Position includes as a liability, the present value of £382.1m (2022: £346.8m) of any future pension and post-employment medical costs as calculated by the Centre's actuaries. This liability is partly offset by the Pension Investment Accounts of £88.7m (2022: £69.2m) and the whole of the liability is guaranteed by the Member States of the Centre.

In 2023, under IPSAS, the Centre produced an operating deficit of £520k and when the net finance costs are excluded, the Centre had a net accounting surplus for the period of £10m.

ECMWF's budget is still set on a cash basis and the Financial Statements include a reconciliation of the results under IPSAS and in cash terms. Under cash accounting, I note that the Centre generated a surplus of £5.9m in 2023, which is available either for future investment or distribution to Member States according to a decision to be made by the Council in 2024.

Florence Rabier

Director-General

20 March 2024

Statement on Internal Financial Control

This Statement represents my assurance to Council that, as Director-General, I am satisfied that the Centre's finances are adequately controlled.

The Senior Management Team ensures an appropriate control environment is in place by clearly defining management responsibilities and powers, evaluating the systems in place to ensure compliance with those policies, plans, procedures, laws and regulations which could have significant impact on the organisation, formally monitoring progress against objectives and risk exposure relating to achievement of objectives and making informed decisions if necessary to steer performance back on track, keeping proper records, and safeguarding the assets of the organisation.

The system of internal financial control is based on a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes a comprehensive zero-based, bottom-up annual budget which is reviewed and agreed by the Council, and regular reviews by the Senior Management Team of quarterly Management Information Reports and annual financial reports which indicate performance against key financial and non-financial objectives.

The Head of Internal Audit oversees a co-sourced internal audit function and reports directly to ECMWF's Audit Committee. The Audit Committee meets on a biannual basis to review reports prepared by Internal Audit and other departments. The Head of Internal Audit in turn keeps the Centre's Management Team informed of the matters that have been considered, and day-to-day operations are reported to me as the Director-General.

The internal audit function operates in accordance with the "International Standards for the Professional Practice of Internal Auditing". A Strategic Internal Audit Plan is drawn up by the Head of Internal Audit every three years and approved by the Audit Committee (last in 2023). In accordance with this, the Head of Internal Audit submits an annual Internal Audit plan to the Audit Committee for approval. This work plan takes account of areas of potential risk identified.

The Head of Internal Audit provides the Audit Committee with biannual reports on assignments carried out. These reports highlight deficiencies or weaknesses, if any, in the system of internal financial control and the recommended corrective measures to be taken where necessary. They also include an overview of all audit recommendations and the progress in their implementation.

The Senior Management Team's monitoring and evaluating the effectiveness of the system of internal financial control is informed by the Internal Audit function and by the work of the Audit Committee.

Florence Rabier

Director-General

20 March 2024

Statement of Financial Performance for the year ended 31 December 2023

	Notes	2023	2022
		£	
Revenue			
Member & Co-operating States' contributions		62,493,320	54,663,537
Revenue Taxes		15,298,965	12,976,912
Externally funded revenue		71,239,515	43,798,853
Sales of forecasts and data		13,683,775	12,892,873
Other operating revenue		9,356,700	12,352,205
Total Operating revenue		**172,072,275**	**136,684,680**
Expenditure			
Personnel costs[1,3]	15	40,696,279	37,521,743
Pension and post-employment benefits	12 & 15	13,657,400	29,809,441
Buildings expenditure	15	11,142,246	9,461,172
Computer expenditure	15	27,265,809	14,727,388
Other operating expenditure	15	4,851,162	4,384,177
Externally funded expenditure[1, 2]	15	64,483,188	39,855,224
Total operating expenditure		**162,096,084**	**135,759,145**
Operating surplus for the year from continuing operations		**9,976,191**	**925,536**
Finance income	16	1,521,595	1,631,892
Finance costs	16	(12,017,892)	(21,227,187)
Net deficit for the year from continuing operations		**(520,107)**	**(18,669,759)**
Net deficit for the year		**(520,107)**	**(18,669,759)**

[1] *These items of expenditure are inclusive of tax*
[2] *Externally funded expenditure includes optional programmes*
[3] *Personnel costs exclude staff whose posts are fully or partially directly externally funded. These costs are included in externally funded expenditure*

ECMWF's budget is set on a cash basis and under cash accounting, the Centre generated a surplus of £5,900k in 2023.

A reconciliation of the cash to IPSAS result is included in Note 18 to the Financial Statements.

Statement of Financial Position as at 31 December 2023

	Notes	2023	2022
		£	£
ASSETS			
Current assets			
Cash and cash equivalents	4	99,315,393	85,812,327
Receivables	5	19,763,909	23,074,928
Prepayments and accrued revenue	6	4,459,934	5,334,092
Inventory	7	534,329	1,082,954
Total current assets		**124,073,565**	**115,304,301**
Non current assets			
Property, plant and equipment	8	19,095,715	13,856,134
Pension investment accounts	12	88,718,900	69,254,543
Total non current assets		**107,814,616**	**83,110,677**
TOTAL ASSETS		**231,888,180**	**198,414,979**
LIABILITIES			
Current Liabilities			
Payables	9	27,433,462	19,521,546
Pre-financing	10	56,494,997	48,130,511
Deferred revenue	11	3,143,842	3,157,041
Total current liabilities		**87,072,302**	**70,809,101**
Non current liabilities			
Employee benefits	12	382,100,132	346,831,227
Total non current liabilities		**382,100,132**	**346,831,227**
TOTAL LIABILITIES		**469,172,433**	**417,640,329**
NET LIABILITIES		**(237,284,253)**	**(219,225,350)**
NET ASSETS / (EQUITY)			
General Reserve	13	2,394,996	2,394,996
Retained surpluses		(97,674,427)	(70,842,709)
Net (deficit) / surplus for the year		(520,107)	(18,669,759)
Actuarial adjustments		(50,135,859)	(40,759,023)
IPSAS adjustment reserve	14	(91,348,855)	(91,348,855)
TOTAL NET LIABILITIES		**(237,284,253)**	**(219,225,350)**

Statement of Cash Flow for the year ended 31 December 2023

	2023	2022
	£	£
Cash flow from operating activities		
Surplus / (deficit) from ordinary activities	(520,107)	(18,669)
Depreciation	3,279,041	2,780,051
Loss / (Profit) on disposal of fixed assets	(1,138)	3,561
Finance costs for post-employment benefit (note 12)	10,863,491	21,120,823
Post-employment benefit	(4,435,780)	17,477,870
Decrease / (increase) in receivables	3,311,019	(10,400,452)
Decrease / (increase) in inventories	548,626	(325,176)
Decrease / (increase) in prepayments and accrued income	874,158	(1,882,533)
Increase in payables	7,911,913	336,360
Increase in pre-financing	8,364,486	16,037,038
(Decrease) / increase in deferred revenue	(13,199)	860,508
Net use of Retained Surplus	(8,161,959)	(4,956,133)
Net cash flow from operating activities	**22,020,550**	**22,379,759**
Cash flow from investing activities		
Purchase of fixed assets	(8,529,984)	(2,287,432)
Proceeds from sale of fixed assets	12,500	-
Net cash flow from investing activities	**(8,517,484)**	**(2,287,432)**
Net increase in cash and cash equivalents	**13,503,066**	**20,092,328**
Cash and cash equivalents at the beginning of the year	85,812,327	65,719,999
Cash and cash equivalents at the end of the year	**99,315,393**	**85,812,327**

Statement of Changes in Net Assets/Equity for the year ended 31 December 2023

	General reserve	Retained surplus	Actuarial adjustments	Reserves arising on IPSAS adjustments	Total
	£	**£**	**£**	**£**	**£**
Balance At 1 January 2023	**2,394,996**	**(89,512,468)**	**(40,759,023)**	**(91,348,855)**	**(219,225,350)**
Surplus arising on recognition of employee benefit obligation for 2023	-	-	(9,376,836)	-	(9,376,836)
Net use of Retained Surplus	-	(8,161,959)	-	-	(8,161,959)
Net (deficit) / surplus for the year	-	(520,107)	-	-	(520,107)
Balance At 31 December 2023	**2,394,996**	**(98,194,534)**	**(50,135,859)**	**(91,348,855)**	**(237,284,252)**

Notes to the financial statements for the year ended 31 December 2023

1. Statement of Compliance and Basis of Preparation

ECMWF elected to adopt International Public-Sector Accounting Standards (IPSAS) from 1 January 2012.

On 11th November 2014, ECMWF signed a Delegation Agreement with the European Commission for provision of Copernicus services. This was further extended by a contribution agreement signed in 2021. Consequently, ECMWF introduced segmental accounts in 2014, in line with IPSAS 18, to separately identify the various streams of income and expenditure relating to Copernicus Services, as this is regarded as a significant segment of activity.

On 15th December 2021, a contribution agreement was also signed with the EC for ECMWF to be a major partner in the implementation of the Destination Earth (DestinE) initiative together with ESA and EUMETSAT as partners. This will also be reported as a separate segment in these financial statements.

For consistency purposes, all externally funded streams of revenue and corresponding costs have also been separated by segment.

2. Accounting judgements and estimates

In the application of ECMWF's significant accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key judgements management has made in preparing these financial statements are as follows:-

a) Estimated useful lives and depreciation rates of property, plant and equipment.
b) Actuarial assumptions in respect of the defined benefit pension and post- employment medical care schemes; and
c) Assessment of contract progression at the year-end date.

Basis of Accounting

The financial statements are prepared in accordance with and comply with International Public-Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB), based on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

When the IPSASB does not prescribe any specific standard, IFRS and IAS are applied.

The financial statements have been prepared on a historical-cost and going-concern basis, and accounting policies have been applied consistently throughout the period. The financial statements have been prepared on an accruals basis.

All accounting entries are recorded to 2 decimal places, but for presentation purposes the numbers in the Financial Statements, including totals and subtotals, are rounded to the nearest pound, and therefore may not add up due to rounding.

Notes to the financial statements for the year ended 31 December 2023 (continued)

3. Significant Accounting Policies

The significant accounting policies are set out below:

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into the functional currency, Sterling, at the exchange rates prevailing at the date of the Statement of Financial Position. Foreign currency transactions within the ledgers are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from settlement of such transactions and from retranslation at the reporting date of assets and liabilities denominated in foreign currencies, are recognised in the Statement of Financial Performance.

Member and Co-operating States' contributions and contributions to optional programmes are payable in Sterling. Revenue from Externally Funded Projects, Third Party Activities (including Copernicus and Destination Earth), Sales of Forecasts and Data and other operating revenue is received in a number of currencies, principally Euro.

Tangible Assets

Property, plant and equipment are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Where an asset (other than land and buildings) is acquired in a non-exchange transaction for a nil or nominal consideration the asset is initially recognised at fair value, where fair value can be reliably determined and as income in the Statement of Financial Performance.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to ECMWF and the cost of the item can be reliably measured. The carrying amount of a replaced item is derecognised. All repair and maintenance expenditure is charged to the Statement of Financial Performance during the financial period in which it is incurred.

Project costs relating to the relocation of the Data Centre have not been capitalised and have been recognised in the Statement of Financial Performance as they are incurred.

Depreciation on assets is charged to write off the cost of assets less their residual value, other than land, over their estimated useful economic lives, using the straight-line method on the following basis:

- Building improvements 15 – 50 years
- Infrastructure, Plant & Machinery
  - Fixtures and fittings 3 – 10 years
  - Technical equipment 3 – 10 years
  - Mechanical equipment 3 – 10 years
  - Motor Vehicles 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The value of Land represents the cost price of Keepers Cottage, which was purchased by the Centre some years ago.

The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate that they may be impaired. If any such indication exists, the recoverable amount of the asset will be estimated in order to determine the extent of the impairment loss (if any). Any provision for impairment is charged to the Statement of Financial Performance.

ECMWF occupies land and buildings provided by the Government of the United Kingdom (UK Government) at no cost under a Headquarters Agreement dated 11 October 1973 and amended 11 July 1997. In June 1999, the terms of the agreement were extended for a further 20 years and in June 2019 the terms were extended for a further 10 years.

The UK Government has sole title to the original land and buildings and under the terms of the agreement has responsibility for the maintenance of the exterior of the buildings with ECMWF responsible for the maintenance of the interior of the buildings. ECMWF has therefore, not recognised any value of these buildings in the Statement of Financial Position.

ECMWF have built extensions to the existing buildings, financed by Member States' and Co-operating States' contributions. The Headquarters Agreement provides for the payment of a sum equivalent to the difference between the value of the premises with any new additions and new buildings and the value of the premises without the same at the end of the term of occupation. Therefore, depreciation on building improvements is based upon residual (estimated) values when the current Headquarters Agreement expires in 2029.

ECMWF also has duty stations in Bologna, Italy and in Bonn, Germany.

In Germany, ECMWF temporarily occupies office space provided by the Government of the Federal Republic of Germany until the Centre will eventually be provided with permanent premises (currently projected to April 2027). A Hosting Agreement between ECMWF and Germany has been concluded and entered into force 0n 20 July 2023.

The basis for the occupation of office space is presently mainly the "Use and Occupation Agreement" between ECMWF and the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV; formerly BMU) dated 15 July 2021. ECMWF uses the offices at no cost except partial operating and user-specific maintenance costs. The German Government has sole title to the land and, with that, to the building in which the temporary office space is located.

In Italy, ECMWF occupies land and building provided by the Government of the Italian Republic free of charge under a Hosting Agreement dated 22 June 2017 within the "Tecnopolo di Bologna" (the Premises). The terms of the occupation of these Premises are set out in the "Supplementary Agreement between the Government of the Italian Republic and Regione Emilia-Romagna on the one hand and the ECMWF, on the other, concerning the premises of the Centre located in Italy" dated 22 June 2017. Accordingly, the initial period of occupancy is 25 years.

The Premises are owned by the Region Emilia-Romagna. The Region will be responsible for the repair, redecoration and other maintenance of

- land, buildings and infrastructure external to the Premises, but inside the Tecnopolo;
- the exterior of the Premises; and
- the external structural elements of the Premises.

ECMWF shall be responsible for all other repair and maintenance of the Premises during the occupancy.

Inventories

Inventories are stated at the lower of cost and net realisable value on a first in first out (FIFO) basis. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution for those asset items that may be sold to third parties. These inventories relate to the stock of unused tapes which will form part of the Centre's data archive and which, once used, are expensed in the Statement of Financial performance.

Receivables

Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. No allowances are made for loss with regards to contributions receivable from Member and Co-operating States, except for exceptional and/or technical reasons sanctioned by the Council. For all other receivables, an allowance for irrecoverable amounts will be based on a review of outstanding amounts at the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and cash at bank and term deposits.

Provisions

Provisions exist when a liability arising from a past event exists, for which it is probable that an economic outflow will occur. Provisions are calculated using the management's best estimation of the expenditure required to settle the obligation at the reporting date.

Employee benefits/pension obligations

ECMWF operates two defined-benefit pension schemes and a post-employment medical care scheme. The International Service for Remunerations and Pensions (ISRP), in its capacity as the Centre's actuary, performs annual calculations of liabilities for the defined benefit and post-employment medical care schemes, which are recognised in the financial statements.

The annual actuarial valuations are carried out using the Projected Unit Credit Method, which attributes an additional unit of benefit entitlement for each period of service. Each unit is measured separately until the final obligation is constituted.

ECMWF's employee benefit obligations are partially funded by assets held separately and are distinct from all other assets of ECMWF. Historically, the cost of pensions was provided for each year on a pay-as-you-go basis, in common with many public-sector bodies across Europe. However, since 2011, the Centre has set aside funds each year to cover the full cost of its pension obligations for that year as determined by its actuaries, as well as some additional funds to reduce its overall long-term liability. The remainder of benefit is supported by Member States' obligations under the ECMWF convention.

Actuarial gains and losses are accounted for in compliance with IPSAS 39 and are recognised in the period during which they occur. They are recognised as a separate item directly in the Net Assets/Equity as per IPSAS 39.

Notes to the financial statements for the year ended 31 December 2023 (continued)

Revenue recognition

ECMWF has several sources of revenue, which are accounted for as follows:

(a) Member and Co-operating States' contributions:
Member and Co-operating States' contributions are recognised in the period to which they relate.

(b) Other income from Member and Co-operating States:
Other income from Member and Co-operating States is recognised in the period to which it relates. This includes income from Optional Programmes.

(c) Income from Sales of Forecast and Data:
Income from the sales of forecasts and data is recognised in the period to which the revenues relate.

(d) Income from Externally Funded Projects (EFP) and Third-Party Activities (TPA) excluding Copernicus (COP) and Destination Earth (DEST):
Income from Externally Funded Projects is recognised in line with contractual arrangements. For contracts spanning more than one accounting/reporting period, income is recognised based on costs incurred in the period plus associated contracted mark-up.

(e) Income from Third Party Activities: Copernicus (COP):
Income from Copernicus Third Party Activity is recognised in line with the signed Contribution Agreement. Income related to industrial activities is recognised based on associated direct costs incurred in the period, and fee income in line with that agreed in the Contribution Agreement.

(f) Income from Third Party Activities: Destination Earth (DEST):
Income from Destination Earth Third Party Activity is recognised in line with the signed Contribution Agreement. Income related to industrial activities is recognised based on associated direct costs incurred in the period, and fee income in line with that agreed in the Contribution Agreement.

Leases

Assets acquired under finance leases would be included in fixed assets at the total of the lease payments due over the life of the lease discounted at the rate of interest inherent in the lease. Lease payments are apportioned between the finance element, which is charged in the Statement of Financial Performance, and the capital element, which reduces the lease creditor. ECMWF did not have any finance leases in the period.

Leases in which a significant proportion of the risks and rewards are retained by the lessor are classified as operating leases. Operating lease rentals are recognised as an expense in the Statement of Financial Performance on the basis at which value is received by the organisation.

Should ECMWF invoke a liquidated damages clause in a contract, the costs of the lease are reduced by the amount receivable/received or as determined in any agreements with the lessor.

Financial risk management

ECMWF seeks to minimise its exposure to financial risk and has developed risk-management strategies in accordance with its Financial Regulations. ECMWF is exposed to a variety of financial risks, including foreign exchange, interest rate, liquidity and credit risks. ECMWF does not make use of financial derivatives to hedge foreign exchange risk exposures.

(a) *Foreign exchange risk*

ECMWF receives income from Externally Funded Projects, Sales of Forecast and Data and third-party activities in currencies other than Sterling and is, therefore, exposed to foreign exchange risks arising from fluctuations in currency rates.

Foreign exchange gains and losses resulting from settlement, or translation of year end monetary balances denominated in foreign currencies are recognised in the Statement of Financial Performance.

Foreign exchange gains and losses are presented within other finance costs in the Statement of Financial performance.

The Contribution Agreements signed with the European Commission for the provision of both Copernicus and Destination Earth Services are agreed in Euro. In order to minimise foreign exchange risk, all third-party procurements agreed are denoted in Euro and much of the in-house staffing costs relates to personnel based in Bonn which are also paid in Euro. Furthermore, costs incurred by ECMWF are reimbursed on a regular basis to minimise large fluctuations on foreign exchange rates between the date incurred and the date reimbursed.

(b) *Interest rate risk*

Interest rate risk arises from the impact of changes in the interest rates on the value of financial assets and obligations. ECMWF's exposure to interest rate risk is limited to

- the interest receivable on its bank deposits, pension assets and Member and Co-operating States' contributions.
- interest chargeable on Euro holdings

Whilst Euro deposits are unavoidable, ECMWF minimises these as much as possible to avoid unnecessary costs.

(c) *Liquidity risk*

ECMWF's Financial Regulations permit it to utilise bank credit facilities in case of liquidity requirements.

(d) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge on obligations and cause the other party to incur a financial loss. ECMWF is exposed to credit risk in its accounts receivable.

ECMWF has limited credit risk as its exposure is principally to sovereign states, the European Union and other international organisations.

Notes to the financial statements for the year ended 31 December 2023 (continued)

4. Cash and cash equivalents	2023	2022
	£	£
Cash in hand	-	-
Current accounts	16,689,240	22,865,169
Deposit accounts	19,343,001	13,915,840
Project bank accounts*	2,239,631	13,077,698
Third Party activity bank account**	61,043,520	35,953,621
	99,315,393	85,812,237

* This represents monies pre-financed from the European Commission for a number of projects for which ECMWF is the co-ordinator. Much of these funds will be transferred to the participants in early 2024.
** Cash received in advance from the European Commission for Copernicus Services and Destination Earth

5. Receivables*	2023	2022
Contributions	642,481	68,132
Sales of forecast and data debtors	4,820,139	5,029,366
VAT and other taxes	6,812,891	8,601,164
External project funding receivables	1,063,165	2,040,565
Miscellaneous receivables**	6,425,234	7,335,701
	19,763,909	23,074,928

*Receivables shown are net of debt provision
** This includes £3m relating to Atos liquidated damages

6. Prepayments and accrued revenue	2023	2022
Other prepaid expenses	3,620,848	5,098,833
Accrued revenue; forecasts and data	839,087	235,259
	4,459,934	5,334,092

7. Inventories	2023	2022
Archive data media	534,329	1,082,954
	534,329	1,082,954

Notes to the financial statements for the year ended 31 December 2023 (continued)

8. Property Plant & Equipment	Land	Building Improve-ments	Infrastructure Plant & Machinery	WIP & Intangibles	2023
	£	£	£	£	£
Cost					
At 1 January 2023	750,000	7,685,173	38,410,378	126,398	46,971,950
Additions	-	-	5,259,035	3,270,949	8,529,984
Trf WIP to FA			3,097,327	(3,097,327)	-
Disposals	-	(495,000)	(14,836,877)		(15,331,877)
At 31 December 2023	750,000	7,190,173	31,929,864	300,020	40,170,057
Accumulated Depreciation					
At 1 January 2023	-	3,085,906	30,029,910	-	33,115,816
Disposals	-	(495,000)	(14,825,515)	-	(15,320,515)
Charge for the period	-	164,383	3,114,658	-	3,279,041
At 31 December 2023	-	2,755,289	18,319,052	-	21,074,341
Net book value					
At 1 January 2023	750,000	4,599,267	8,380,469	126,398	13,856,134
At 31 December 2023	750,000	4,434,884	13,610,811	300,020	19,095,715

9. Payables	2023	2022
	£	£
Suppliers and accrued charges	19,406,777	12,609,390
Members States' Fund	6,129,682	5,085,633
Provisions	1,264,077	1,286,392
Other payables	632,926	540,133
	27,433,462	19,521,549

10. Pre-financing	2023	2022
External project funding received in advance	10,674,329	5,739,845
Externally funded projects provisions	82,605	78,636
Externally funded projects - coordinator account	2,449,977	13,080,075
Third Party Programme funding received in advance*	43,288,086	29,231,955
	56,494,997	48,130,511

*relates to pre-finance monies received from European Commission for provision of Copernicus and Destination Earth Services, net of costs incurred

11. Deferred revenue	2023	2022
Deferred revenue	3,143,842	3,157,041
	3,143,842	3,157,041

12. Employee benefits

Defined-benefit schemes

At 31 December 2023, the main actuarial assumptions used to calculate the defined-benefit liability (expressed as weighted averages) were:

	Pension benefits	Post-employment medical care
	%	%
Discount rates	4.50	4.47
Salary inflation	2.96	0.00
Price inflation	2.72	0.00
Medical cost inflation	0.00	4.65

	Pension benefits	Post-employment medical care	Total
	£	£	£
Present value of obligation at 01/01/2023	**306,776,781**	**40,054,446**	**346,831,227**
2022 timing differences for leaving allowances	(159,136)		(159,136)
2021 timing differences for leaving allowances	227,330		227,330
Adjusted present value of obligation at 01/01/2023	**306,844,979**	**40,054,445**	**346,899,422**
Interest cost	14,340,441	1,878,371	16,218,812
Current service cost	17,235,588	2,057,571	19,293,159
Benefits paid	(8,608,038)	(852,729)	(9,460,767)
Actuarial loss on obligation	8,473,786	675,720	9,149,506
Net liability recognised in Statement of Financial Position	**338,286,756**	**43,813,378**	**382,100,132**

Overall, during 2023 the pension obligation has increased by £31,441,778 and the medical obligation has increased by £3,758,934, which is principally due to the decrease in the discount rate over the year.

Pension and Medical Inflation assumptions methodology was adjusted in 2021 to give a market-based expectation using the Bank of England yield curve. However, the inflation yield curve provided by the Bank of England is for RPI inflation. In November 2020, the UK government proposed an alignment of RPI and CPI from 2030 onwards. Therefore, as 2030 approaches it is to be expected that the RPI-CPI gap will disappear. For the 2021YE calculation, an adjustment of 0.7%, based on UK market practice, was deducted from RPI as the forward-looking gap between RPI and CPI to provide the CPI inflation. For the 2022YE the RPI-CPI difference was reduced to 0.5% in line with actuarial advice. This RPI-CPI difference remains at 0.5% for 2023YE in line with actuarial advice

The table below shows the impact of these changes to the overall liability at the end of 2023:

		Pension scheme		Post-employment healthcare	
Impact of change in:	**Type of (gain)/loss**	**Amount**	**% of 2023 liability**	**Amount**	**% of 2023 liability**
Population	Experience	148,981	0.0%	465,148	1.1%
Family Allowances	Assumption	4,087,067	1.2%	-	-
Mortality Table	Assumption	(6,523,439)	(1.9%)	(1,306,804)	(3.0%)
Inflation expectations	Assumption	(3,426,221)	(1.0%)	(1,393,022)	(3.2%)
Discount rate	Assumption	14,187,397	4.2%	2,910,398	6.6%
TOTAL ACTUARIAL LOSS (GAIN)		**8,473,786**	**2.5%**	**675,720**	**1.5%**

12. Employee benefits (continued)

In accordance with IPSAS 39, a sensitivity analysis of the main actuarial assumptions is also included in the table below:

	Pension scheme	Post-employment healthcare
Discount rate -0.25%	4.7%	7.5%
Discount rate 0.25%	(4.4%)	(6.9%)
Inflation rate -1%	(15.8%)	(24.9%)
Inflation rate +1%	20.4%	34.9%
Mortality - 1 year	2.9%	4.7%
Mortality + 1 year	(2.9%)	(4.7%)

Movement in Pension Investment Accounts	**2023**
Opening value of investment account at 01/01/2023	69,254,543
Return on investment during the period	5,355,321
Contributions by employer during the period	18,028,651
Contributions by staff & validation of pension rights during the period	5,108,731
Benefits paid during the period	(8,608,038)
Funds paid from Pensions Investment Account to ECMWF in 2023 which relate to 2022	(133,077)
Timing differences for leaving allowances	(159,136)
Uninvested cash held at ECMWF	(128,096)
Net asset recognised in Statement of Financial Position at 31/12/2023	**88,718,900**

Amounts recognised in the Statement of Financial Performance are as follows:

	Pension benefits	Post-employment medical care	Total
Pension and post-employment benefits	**£**	**£**	**£**
Current service cost	17,235,588	2,057,571	19,293,159
Staff contributions	(4,779,336)		(4,779,336)
Validation of pension rights	(329,395)		(329,395)
Benefits paid	0	(852,729)	(852,729)
Insurance premium paid		325,701	325,701
	12,126,857	1,530,543	13,657,400
Finance costs for post-employment benefit			
Interest on obligation	14,340,441	1,878,371	16,218,812
Increase in value of scheme assets in the year	(5,355,321)		(5,355,321)
	8,985,120	1,878,371	10,863,491

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee services in the current period.

Interest on obligation is the increase during the period in the present value of the defined-benefit obligation which arises because the benefits are one period closer to settlement.

Notes to the financial statements for the year ended 31 December 2023 (continued)

13. General Reserve		
	Opening Balance	**Closing Balance**
	£	**£**
General Reserve	2,394,996	2,394,996

14. IPSAS adjustment reserve	
	2012
The surplus arising from IPSAS adjustments are analysed as follows:	**£**
Net book value of infrastructure, plant and machinery at 1 January 2012	9,497,464
Net book value of land and buildings at 1 January 2012	7,439,160
	16,936,624
Net book value of inventories at 1 January 2012	530,430
Provision for leave not taken at 1 January 2012	(355,612)
Net employee benefits at 1 January 2012	(108,460,297)
	(91,348,855)

Notes to the financial statements for the year ended 31 December 2023 (continued)

15. Expenditure	2023	2022
	£	£
Personnel costs		
Salaries and benefits	28,644,573	26,907,313
Other personnel costs (incl. training)	3,499,626	2,675,855
Taxes	8,552,080	7,938,575
Total personnel costs	**40,696,279**	**37,521,743**
Total pension and post-employment benefits	**13,657,400**	**29,809,441**
Buildings expenditure		
Installations and alterations	221,468	185,999
Rental and local taxes	211,674	250,340
Water, gas and electricity	8,966,890	7,898,922
Maintenance, cleaning and security	1,742,214	1,125,911
Total buildings expenditure	**11,142,246**	**9,461,172**
Computer expenditure		
Hiring and leasing	19,115,088	5,817,461
Maintenance and repair	3,503,860	2,555,313
Supplies - computer and associated equipment	1,062,501	1,548,355
Telecommunications network	2,751,115	2,889,433
Other computing expenditure	833,246	1,916,825
Total computer expenditure	**27,265,809**	**14,727,388**
Other operating expenditure		
Furniture and equipment	21,631	49,533
Stationery, supplies, etc.	41,077	54,598
Postal, delivery, communications, etc.	11,543	15,813
Miscellaneous insurances	277,165	282,201
Publications and training	535,026	815,276
Governing bodies	169,422	200,836
Expert fees	300,931	119,572
Depreciation	3,279,041	2,781,212
Bad debt provision	181,670	36,694
Other expenditure	33,655	28,442
Total other operating expenditure	**4,851,162**	**4,384,717**
Externally Funded Projects	6,009,584	4,564,884
Externally Funded Projects tax	1,851,011	1,413,051
Optional Programmes	313,103	323,188
Optional Programmes tax	99,871	100,971
Third Party Activities	1,292,434	1,264,901
Third Party Activities tax	380,177	346,757
Copernicus	30,667,530	24,493,929
Copernicus tax	2,347,357	2,092,103
Destination Earth	19,453,652	4,169,984
Destination Earth tax	2,068,469	1,085,456
Total externally funded expenditure	**64,483,188**	**39,855,224**
Total expenditure	**162,096,084**	**135,759,145**

Notes to the financial statements for the year ended 31 December 2023 (continued)

15. Expenditure (continued)

Internal tax:

Article 15 of the protocol states "…….the staff members of the Centre shall, within the limits provided for in this Protocol, be subject to a tax for the benefit of the Centre on salaries, wages and emoluments paid by the Centre". The Centre, therefore, deducts an "internal" tax from all salaries paid to staff. This "internal" tax deducted is treated as income by the Centre.

Staff salaries are quoted net of tax and grossed up prior to payment where upon Centre tax is then deducted. This grossed-up amount is shown in personnel costs (including personnel costs within Externally Funded Projects, Optional Programmes and Third Party Activities).

15. Expenditure (continued)	2023	2022
	£	£
Revenue		
Internal tax	15,298,965	12,976,912
Total tax included in revenue	**15,298,965**	**12,976,912**
Expenditure		
Tax included in personnel	8,552,080	7,938,575
Tax included in externally funded projects	1,851,011	1,413,051
Tax included in Optional Programmes	99,871	100,971
Tax included in Third Party Activities	380,177	346,757
Tax included in Copernicus	2,347,357	2,092,103
Tax included in Destination Earth	2,068,469	1,085,456
Total tax included in expenditure	**15,298,965**	**12,976,912**

16. Finance Costs	2023	2022
	£	£
Interest income from overdue contributions	198,548	46,185
Interest income from bank	1,323,047	246,803
Net foreign exchange income	-	1,338,904
Total finance income	**1,521,595**	**1,631,892**
Net foreign exchange cost	932,240	-
Pension and post-employment benefit costs (note 12)	10,863,491	21,120,823
Bank charges	27,068	81,820
Interest on Member States Fund	195,093	24,544
Total finance costs	**12,017,892**	**21,227,187**

17. Segment reporting – Statement of Financial Performance

IPSAS 18 'Segment Reporting' requires entities to report on segments on a basis appropriate for assessing the entity's past performance in achieving the objectives and for making decisions about the future allocation of resources.

The Centre has a clear objective to provide the best possible forecast products to its Member States.

The following activities have been separated by segment:

- Core Activities
- Externally Funded Projects
- Optional Programme
- Third Party Activities – excluding Copernicus
- Third Party Activities – Copernicus only
- Third Party Activities – Destination Earth only

Additional information is available in Notes 25 & 26.

18. Reconciliation of IPSAS financial reporting to cash results.

The following table combines IPSAS and cash financial reporting. The significant aspect of the financial reporting under IPSAS is the application of the accrual accounting principle with regard to expenses and revenues, pension benefits and other personnel costs, fixed assets and related depreciation. Cash accounting is based on recognition of transactions when there are cash movements.

In order to reconcile this to the cash results, differences between accrual and cash accounting need to be taken into account. These differences can be attributable to timing, or they can constitute permanent differences. The most significant of these differences are the following:

(a) In cash accounting, revenue is required to cover all committed expenditures. In accrual accounting, revenue and expenses include amounts accruing for the reporting period, other committed expenses or revenue are treated as deferred.

(b) In cash accounting, capital expenditures are recorded as current-year expenses. In accrual accounting, the expense is capitalised and depreciated over the useful lives of the assets. The capital expenditure and associated depreciation are recorded at their net value as assets in the Statement of Financial Position. Depreciation expense in the year is recorded in the Statement of Financial Performance.

(c) In accrual accounting, the expense for both pensions and post-employment health cover is estimated by an actuary in accordance with a methodology set out in accounting standard IPSAS 25. The pension and post-employment medical care benefits obligation is reported in the Statement of Financial Position as detailed in note 12.
In cash accounting, pension and post-employment medical care scheme expenditure is accounted for on a pay-as-you-go basis. For pension benefits, the budgetary contributions are estimated on an actuarial basis to represent the long-term cost of the benefits provided.

Notes to the financial statements for the year ended 31 December 2023 (continued)

The following table shows the reconciliation of IPSAS financial reporting to cash results:

	2023	2022
	£	£
Net deficit for the year from continuing operations as per the Statement of Financial Performance	(520,107)	(18,669,759)
Adjustment for assets capitalised in the year	(8,265,195)	(2,287,432)
Adjustment for depreciation in the year	3,279,041	2,781,212
Adjustment for spend against commitments brought forward from 2022	11,479,567	8,818,318
Adjustment for commitments carried forward to 2024	(5,521,595)	(11,479,567)
Adjustment for finance costs for post-employment benefit (note 12)	10,863,491	21,120,823
Adjustment for post-employment benefit	(4,687,451)	17,599,325
Adjustment for accruals	(1,410,209)	(1,463,491)
Adjustment for prepayments	(139,585)	142,114
Adjustment for change in inventory	548,626	(325,176)
Adjustment for change in leave not taken	(22,315)	38,939
Other IPSAS timing differences	295,969	(8,133)
Revenue and expenditure account surplus per cash accounts	**5,900,236**	**16,267,174**

19. Contingencies and capital commitments

ECMWF has no contingent assets and no quantifiable contingent liabilities at 31 December 2023. However, in accordance with IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets,. ECMWF has three contingent liabilities; one relating to a claim that is currently dormant, received from a company which was previously a customer, one potential claim from an unsuccessful bidder relating to a procurement exercise and one relating to a licensing issue relating to use of software These claims are currently being dealt with by the organisation.

ECMWF has contracted capital expenditure of £915,312 in 2023 (2022: £5,620,335) but not yet incurred as at 31 December 2023.

Notes to the financial statements for the year ended 31 December 2023 (continued)

20. Operating lease commitments	2023	2022
	£	£
Within 1 year		
ATOS Service Contract[1]	4,084,385	3,092,041
SocGen Operating Lease[1]	11,819,155	8,947,567
Konica Minolta Business Solutions[2]	-	8,402
Konica Minolta Business Solutions[3]	-	9,980
Portakabin Ltd[4]	-	31,698
De Lage Landen International B.V[5].	8,727	8,727
In 2 to 5 years inclusive		
ATOS Service Contract[1]	11,232,059	9,963,242
SocGen Operating Lease[1]	32,502,677	28,831,049
Konica Minolta Business Solutions[2]	-	-
Konica Minolta Business Solutions[3]	-	-
Portakabin Ltd[4]	-	-
De Lage Landen International B.V[5]	4,531	13,258
	59,651,534	**50,905,964**

1. Contract signed in December 2019 for New High-Performance Computer with ATOS and Societe Generale replacing the Cray HPC. Service contract and operating lease planned commencement from September 1st 2021 following implementation and acceptance testing of the HPC. Final commencement date was April 1st 2023. Current contract end date 30 Sept 2026.
2. Konica lease agreement has been extended from 13th September 2021 to 12th September 2023 related to Multi-Function Devices (MFDs).
3. One lease agreement for photocopier rental was entered into during 2020 with Konica Minolta Business Solutions Ltd, for 36 months from 30th October 2020 to 29th October 2023. Additional devices added in 2021 so increased cost.
4. A 5-year lease was entered into during 2018 with Portakabin Ltd to accommodate staff moving from Reading Enterprise Centre to the main Shinfield site and covers the period from December 2018 to November 2023.
5. A lease agreement with De Lage Landen International B.V. was entered into on 8th July 2022 for 36 months for Gym Equipment in the Bologna facility.

21. Personnel

The average number of personnel employed by the Centre in 2023 was 457 (2022: 406).

22. Key management personnel

ECMWF was established by a Convention that entered into force on 1 November 1975 (amended June 2010). The organisational structure of ECMWF comprises the Council and the Director-General with six committees assisting this structure.

In accordance with IPSAS 20 'Related Party Disclosures' key management personnel have been identified as follows:

- Director-General and other directors
- Senior managers

The aggregate remuneration for those key management personnel was as follows:

	Number of individuals 2023	Aggregate 2023	Number of individuals 2022	Aggregate 2022
		£		£
The Director-General and other directors	7	1,515,086	7	1,539,200
Senior managers	9	1,630,248	10	1,701,482
Total key management personnel	16	**3,145,334**	17	**3,240,682**

There was no other remuneration or compensation to key management personnel or their close family members. The values for Other Directors include one individual who left in June 2023. The 2022 Senior Managers include one individual who left in May 2022, and was not replaced.

23. Related party transactions

There were no material transactions with related parties during the year 2023.

There were no loans to key management personnel or their close family members that were not available to other categories of staff.

Due to its status as an international organisation and the rules of its Convention, the Centre does not consider its Member States to be related parties.

24. Statement of Financial Performance by Segment as at 31 December 2023

Notes: Costs which are directly attributable to these activities are allocated to Segments. Support costs are allocated to Core, however the revenue received is still shown in the relevant segment.

		Core Activities		Externally Funded Projects		Optional Programme		Third Party Activities (excl Copernicus & DE)		Third Party Activities (Copernicus only)		Third Party Activities (Destination Earth only)		ECMWF Consolidated**	
	Notes	**2023 £**	**2022 £**	**2023 £**	**2022 £**	**2023 £**	**2022 £**	**2023 £**	**2022 £**	**2023 £**	**2022 £**	**2023 £**	**2022 £**	**2023 £**	**2022 £**
Revenue															
Member & Co-operating States' Contributions		62,493,320	54,663,537											62,493,320	54,663,537
Externally funded revenue				7,771,721	5,739,693	381,423	405,779	1,858,231	1,774,125	34,730,440	26,753,149	21,847,010	4,699,282	66,588,825	39,372,029
Management fee for Programmes**										3,187,471	3,077,681	1,463,218	1,349,143	4,650,690	4,426,824
Sales of forecasts & data		13,683,775	12,892,873											13,683,775	12,892,873
Other operating revenue		9,356,700	12,352,505											9,356,700	12,352,505
Total operating revenue excluding taxes		**85,533,795**	**79,908,915**	**7,771,721**	**5,739,693**	**381,423**	**405,779**	**1,858,231**	**1,774,125**	**37,917,912**	**29,830,829**	**23,310,229**	**6,048,425**	**156,773,310**	**123,707,768**
Taxes														15,298,965	12,976,912
Total operating revenue including Taxes														**172,072,275**	**136,684,680**
Expenditure*															
Personnel costs	15	32,144,199	29,583,168	5,995,626	4,480,126	313,103	323,188	1,194,441	1,164,210	7,969,373	7,239,607	6,329,794	3,542,423	53,946,536	46,332,722
Pension and post-employment benefits	12 & 15	13,657,400	29,809,441											13,657,400	29,809,441
Buildings expenditure	15	11,142,246	9,461,172											11,142,246	9,461,172
Computer expenditure	15	22,682,979	13,318,727	500	49,764			96,143	100,691	2,854,242	1,190,343	1,893,465	230,066	27,527,329	14,889,591
Other operating expenditure	15	4,851,162	4,384,177	13,458	34,994			1,850		65,231	80,612	33,736	24,379	4,965,437	4,524,162
Procured Industrial Activities										22,533,178	17,163,895	13,024,993	601,248	35,558,170	17,765,143
Total expenditure excluding taxes		**84,477,985**	**86,556,685**	**6,009,584**	**4,564,884**	**313,103**	**323,188**	**1,292,434**	**1,264,901**	**33,422,025**	**25,674,458**	**21,281,988**	**4,398,116**	**146,797,119**	**122,782,233**
Taxes														15,298,965	12,976,912
Total operating expenditure including taxes														**162,096,084**	**135,759,145**
Operating surplus / (deficit) for the period from continuing operations														**9,976,191**	**925,536**
Finance income														1,521,595	1,631,892
Finance costs	16													(12,017,892)	(21,227,187)
Net (deficit) for the period from continuing operations														**(520,107)**	**(18,669,759)**
Net (deficit) for the period														**(520,107)**	**(18,669,759)**

** Costs are classified according to segment and in some cases may vary in classification to that on the Statement of Financial Performance*
*** Management fee for Copernicus Services received by ECMWF, to cover support costs in line with the Copernicus and Destination Earth Contribution Agreements.*

25. Statement of Financial Position by Segment as at 31 December 2023

		Core Activities		Externally Funded Projects		Optional Programme		Third Party Activities (excl, Copernicus and Destination Earth)		Third Party Activities (Copernicus only)		Third Party Activities (Destination Earth only)		ECMWF Consolidated	
	Note	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
		£	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Assets															
Current Assets															
Cash & cash equivalents	4	36,032,241	36,781,008	2,239,631	13,077,698					15,673,813	16,408,088	45,369,708	19,545,533	99,315,393	85,812,327
Receivables	5	18,447,284	21,034,362	1,316,625	2,040,565									19,763,909	23,074,928
Prepayments and accrued revenue	6	2,789,871	2,145,634							851,195	1,297,665	818,868	1,890,793	4,459,934	5,334,092
Inventory	7	534,329	1,082,954											534,329	1,082,954
Total current assets		**57,803,725**	**61,043,959**	**3,556,256**	**15,118,263**	**-**	**-**	**-**	**-**	**16,525,008**	**17,705,753**	**46,188,576**	**21,436,326**	**124,073,565**	**115,304,301**
Non-current assets															
Property, plant and equipment	8	19,095,715	13,856,134											19,095,715	13,856,134
Pension investment accounts		88,718,900	69,254,543											88,718,900	69,254,543
Total non-current assets		**107,814,616**	**83,110,677**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**107,814,616**	**83,110,677**
TOTAL ASSETS		**165,618,340**	**144,154,637**	**3,556,256**	**15,118,263**	**-**	**-**	**-**	**-**	**16,525,008**	**17,705,753**	**46,188,576**	**21,436,326**	**231,888,180**	**198,414,979**
LIABILITIES															
Current liabilities															
Payables	9	11,051,861	10,169,598	113,678	99,952	14,362	11,078	28,063	36,244	10,098,870	8,668,263	6,126,627	536,414	27,433,462	19,521,549
Pre-financing	10			13,206,912	18,898,556					4,672,973	8,436,982	38,615,113	20,794,973	56,494,997	48,130,511
Deferred revenue	11	3,143,842	3,157,041											3,143,842	3,157,041
Total current liabilities		**14,195,703**	**13,326,639**	**13,320,590**	**18,998,508**	**14,362**	**11,078**	**28,063**	**36,244**	**14,771,843**	**17,105,245**	**44,741,740**	**21,331,387**	**87,072,302**	**70,809,101**
Non-current liabilities															
Employee benefits		382,100,132	346,831,227											382,100,132	346,831,227
Total non-current liabilities		**382,100,132**	**346,831,227**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**382,100,132**	**346,831,227**
TOTAL LIABILITIES		**396,295,835**	**360,157,866**	**13,320,590**	**18,998,508**	**14,362**	**11,078**	**28,063**	**36,244**	**14,771,843**	**17,105,245**	**44,741,740**	**21,331,387**	**469,172,433**	**417,640,329**
NET (LIABILITIES)		**(230,677,495)**	**(216,003,230)**	**(9,764,334)**	**(3,880,245)**	**(14,362)**	**(11,078)**	**(28,063)**	**(36,244)**	**1,753,165**	**600,507**	**1,446,835**	**104,939**	**(237,284,253)**	**(219,225,350)**
General reserve	13													2,394,996	2,394,996
Retained surpluses														(97,674,427)	(70,842,709)
Net surplus/(deficit) for the period														(520,107)	(18,669,759)
Actuarial adjustments														(50,135,859)	(40,759,023)
IPSAS adjustment reserve	14													(91,348,855)	(91,348,855)
TOTAL NET LIABILITIES														**(237,284,253)**	**(219,225,350)**

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