ECMWF

FINANCIAL STATEMENTS OF ACCOUNT 2014

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Opinion of the External Auditors

EUROPEAN CENTRE FOR MEDIUM-RANGE WEATHER FORECASTS
BOARD OF AUDIT

Audit opinion on the Financial Statement of Accounts (FSA) for the Financial Year 2014 (FY14)

The European Centre for Medium-Range Weather Forecasts

The European Centre for Medium-Range Weather Forecasts (ECMWF) was established by a Convention that entered into force on 1 November 1975. ECMWF is an independent international organisation supported by 21 Member States and 13 Co-operating States.

According to Article 2(2) of the ECMWF Convention, the principal objectives of the Centre are:

- development and operation of global models and data-assimilation systems for the dynamics, thermodynamics and composition of the Earth's fluid envelope and interacting parts of the Earth-system, with a view to:
    - preparing forecasts by means of numerical methods;
    - providing initial conditions for the forecasts; and
    - contributing to monitoring the relevant parts of the Earth-system;
- carrying out scientific and technical research directed towards improving the quality of these forecasts;
- collection and storage of appropriate data.

The organs of ECMWF are the Council and the Director-General; six Committees assist the organs. As at 31 December 2014 ECMWF employed 263 staff members and 8 consultants (2013:224 staff and 40 consultants) and 102 pensioners.

Financial information

Following the schedules presented by the Centre for the FY14, the total revenue amounted to £61,291k[1] (2013: £59,259k) and expenditure totalled £59,510k[1] (2013: £58,249k), giving a 2014 operating surplus of £1,780k[1] (2013: £1,009k). Expenditure (including Centre tax) for personnel and pensioners represented £29,770k (2013: £29,491k), or 50% (2013: 50%) of total expenditure, and computer expenses £15,085k (2013: £14,768k), or 25% (2013: 25%), of the 2014 total expenditure.

[1] All 2014 figures quoted in this report are taken from accounts prepared under the International Public Sector Accounting Standards (IPSAS).

The audit of ECMWF's FSA

1. As auditors appointed by the Council of ECMWF, we have examined ECMWF's FSA for FY14. The audit was completed as stipulated in Article 14 of the Convention establishing ECMWF and in accordance with the conditions laid down in Chapter IV of the Financial Regulations. Article 43 of the Financial Regulations defines the purpose of the audit.

The preparation of the FSA and the organisation of adequate and sound internal control procedures are the entire responsibility of ECMWF's management. The Director-General is responsible for putting in place the organisational structure and the internal management and control systems and procedures relevant for drawing up final accounts that are free from material misstatement, whether due to fraud or error, and for ensuring that the transactions underlying those accounts are legal and regular.

The purpose of the audit is to ascertain that all budgeted revenues have been received and properly recorded, and that all expenditure has been incurred in a lawful and regular manner. Pursuant the IFAC International Standards on Auditing and Codes of Ethics and the INTOSAI International Standards of Supreme Audit Institutions, the auditors performed the audit to obtain reasonable assurance as to whether the annual financial statement of the Centre are free of material misstatement, presents fairly, in all material respects, ECMWF's financial position and that all the 2014 underlying transactions are legal and regular and were completed, recorded and disclosed in compliance with ECMWF's Financial Rules and Regulations.

The audit approach taken by the auditors comprises analytical audit procedures, direct substantive testing of transactions and an assessment of controls and control systems. This is supplemented by evidence provided by the report issued by the International Service for Remunerations and Pensions (SiRP) and an analysis of management representations.

The audit report does not contain any statement about the scientific performance of ECMWF. It was not the specific objective of this audit to detect any irregularities or fraud cases.

During the audit, ECMWF agreed to modify the draft FSA and schedules attached thereon so as to present certain financial information in more detail or to comply with usual accounting assertions.

The Auditors continued the examination of the implementation of IPSAS Standards to ensure that the presentation of the financial statements, accounting of assets, compliance with accruals and disclosure of pensions and benefits are compliant with applicable standards. They also reviewed the status of the previous audit observations.

This audit opinion is addressed to the Finance Committee and to the Council in accordance with Article 14(1), of the Convention establishing the Centre and revised Article 46(3) of the Centre's Financial Regulations, *"in accordance with the work programmes of the Finance Committee and the Council"*. The auditors confirm that they obtained all information and assistance needed for the audit.

2. The financial statements comprise:

- The statement of Financial Position;
- The statement of Financial Performance;
- The statement of cash Flow;
- Notes and schedule to the Financial Statements.

A letter of representation was issued by the Director-General.

For the year ended 31 December 2014, the total assets represented £73,029,676, with net liabilities of £123,529,581. Total operating expenditure was £59,510,545, with an operating surplus of £1,780,620. After net finance costs of £4,858,787 this resulted in a net deficit of £3,078,167.

3. The auditors consider that the audit evidence obtained is sufficient and appropriate to provide a basis for the opinion set out below, and sufficient assurance that the financial statements are free from non-tolerable errors.

Audit opinion

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of the Centre as at 31 December 2014, for the year then ended, in accordance with the Centre's Financial Regulations.

The auditors also issued audit observations having no impact on the audit opinion, whose recommendations could improve the financial and administrative management of the Centre.

These observations are presented below.

Audit observations addressed to Council

1. Previous observations

Although the auditors obtained sufficient assurance that, in all material respects, underlying transactions were completed, recorded and disclosed in compliance with the budgetary authorisations and with Council and Finance Committee decisions, they consider that some of previous audit observations remain valid, although some progress has been accomplished in respect of the settlement of the auditors' recommendations.

2. Introduction of IPSAS

The introduction of IPSAS had the major impact on the following matters:

- The presentation of the annual financial statements;
- The accounting method for assets;
- The presentation of transactions in accruals and not in cash;
- The reporting of pension liabilities;

The auditors would like to bring to the attention of the Council, the effects of the assumptions on the calculation of pension liabilities in the accounts.

Pensions

The International Service for Remunerations and Pensions (iSRP) presented a report, dated 31 March 2015, on "2014 Year End Accounting of the Pension and Medical Coverage Obligations".

The auditors consider that the actuarial value of accrued Centre's liabilities was based on comprehensive data of the staff in service and present pensioners at the end of 2014, and calculated in compliance with IPSAS 25 "Employees benefits".

The auditors noted especially that:

- The pension liability had been calculated on the basis of the last salary scale each of the Centre's employees could obtain at the end of his/her career.
- The future real salary increase was considered to assess the Centre's obligations, and is expected to be 0.27% in real terms (above inflation).
- The liabilities as reported in the financial statements represent the actuarial value of pension and medical coverage, as it exists at the end of 2014. Each period of service after the end of 2014 for present employees will give rise to an additional unit of benefits; the cost of the accrued liabilities due to one year of service for present employees is evaluated as £8.9m for 2014 (£7.0m for 2013).
- The liabilities have been calculated on the basis of present pension regulations for the calculation of retirement pensions, as applicable to Centre's staff; any changes, like age of

retirement, number of recognised working years, changes to the last salary or an average of career salary could seriously affect the Centre's liabilities;

- During the 2014 year end exercise, it was found by iSRP that:
  - the liability had been underestimated in previous years (at least back to the 2011 year end accounting valuation). It was found that the crediting of past service and the inward transfers of previous pension rights were not properly taken into account for accounting purposes. In addition the two formulae used for benefit modelling (reversion pensions, as well as leaving allowances) required a change but it had only a minor impact.
  - the crediting of past service and the inward transfers of previous pension rights were not properly taken into account for accounting purposes. Indeed, including the amount paid by staff members (as it was done in the past), is not appropriate, and it should rather be the extra months of service credited using the accounting assumptions that are included in the liability.
  - the underestimation of the 2013 year end liability was calculated as £9,346,045. The corrected liability for 2013 year end should have been £139,370,873. The reported amount in 2013 was £130,024,828.
- Variations of value of discount rate and cost of price increases have a weighty impact on the Centre's liabilities. For 2014, the revised discount rate was 3.52% (4.71% in 2013, 4.37% in 2012) which resulted in an actuarial gain of £27.7m (2013: £21.7m).
- The auditors consider that the Financial Statements in respect of future pension and medical care present the Centre's liabilities in compliance with IPSAS. However, the present and future financial position of the Centre largely depends on exogenous and endogenous assumptions, but also on present pension and medical care regulations.

Recommendation:

- *The auditors therefore recommend that the Centre regularly examines the impact of amendment of the assertions and presents to Council the outcome of variation or modification affecting these parameters, based on models and documentary evidence.*
- *The Council should also be informed about prospective evolution of pension strategic policy.*

Reading, 2 April 2015

Signed by the Board of Auditors

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 supported by 34 States.

An amended Convention was entered into force on 6 June 2010, allowing new Member States to join ECMWF. Several Co-operating States have started the procedure to become a Member State, one of which is Serbia. It was budgeted that Serbia would convert to a Member State in 2014 but in fact this conversion came into effect from 1 January 2015.

This document contains the financial statements of ECMWF for the year ending 31 December 2014. It details the 2014 financial results, reconciliation of results between IPSAS and cash accounting and the auditors' opinion.

In 2014, under IPSAS, the Centre produced an operating surplus of £1.8m. However, when the net finance costs are taken into account, the Centre had a net accounting deficit for the period of £3.1m.

For the year 2014, the main sources of revenue for ECMWF were contributions from Member and Co-operating States (£42.0m), externally funded revenue for projects and activities (£7.7m) and sales of forecasts and data (£4.7m). The Centre operates an internal tax system which deducts tax from the grossed-up value of staff salaries. This amounted to £6.8m in 2014 and is also included in the Centre's revenues. This grossed-up amount is shown in personnel costs. The main items of expenditure in 2014 were remuneration and related items (£24.2m; £18.9m net of internal tax), pension and post-employment benefits (£5.5m), computer expenses (£15.1m), buildings (£3.8m), externally funded research projects and programmes (£7.5m; £6.0m net of internal tax) and net finance costs (£5.0m). ECMWF continued to invest in its staff, high-performance computing facilities, communications network and quality management system (ISO 9001) in order to provide the highest quality products to its Member and Co-operating States.

In order to comply with IPSAS 25, the Statement of Financial Position includes as a liability, the present value of £181.3m (2013: £146.5m as restated) of any future pension and post-employment medical costs as calculated by the Centre's actuaries. The actuarial loss of £24.9m in the pension liability is mainly due to the change in the discount rate. In addition there is a prior year adjustment of £9.3m relating to a correction in the valuation provided by the actuaries. This is as a result of a change in the actuarial valuation of liabilities associated with validations for prior years' service received from employees, which were not previously correctly valued. The external actuaries have stated that the current treatment now more accurately reflects the associated pension liability. Further details regarding this correction can be found in note 3.

On the 11th November 2014, ECMWF signed a delegation agreement with the European Commission for the operation of Copernicus Climate Change Services and Copernicus Atmosphere Monitoring Services. This contract has a value of € 291m over a seven year period. Income (£252k) and costs (£61k excluding tax) for the period from the signing of the delegation agreement to the end of the financial year have been included in these accounts.

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 am pleased to say that the Centre generated a surplus of £1.0m in 2014, which is available either for future investment or distribution to Member States according to a decision to be made by the Council in 2015.

Professor Alan J Thorpe
Director-General

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.

In 2014, the Centre introduced revised Financial Regulations which aimed to streamline financial processes, improve empowerment of staff through additional sub-delegation and implement a new reporting system which provides budget holders with regular financial reports.

The Senior Management Team (SMT) 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 SMT of quarterly Management Information Reports and annual financial reports which indicate performance against key financial and non-financial objectives.

ECMWF has a co-sourced internal audit function, which reports directly to the Audit Committee This 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 Audit Committee informed of the matters that have been considered, and day-to-day operations are reported to the Director-General.

The internal audit function operates in accordance with the "International Standards for the Professional Practice of Internal Auditing". An Internal Audit plan is approved by the Audit Committee. The work plan takes account of areas of potential risk identified.

The Internal Auditor 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.

The SMT's monitoring and evaluating the effectiveness of the system of internal financial control is informed by the work of the Audit Committee, which oversees the work of the Internal Audit function.

I confirm that, in respect of the year ended 31 December 2014, the SMT conducted a review of the system of internal financial control.

A. J Thorpe

Professor Alan J Thorpe
Director-General

Statement of Financial Performance for the year ended 31 December 2014

Continuing activities	Notes	2014	2013
		£	£
Revenue			
Member & Co-operating States' contributions		41,997,226	41,183,900
Taxes	17	6,826,676	6,704,898
Externally funded revenue		7,700,277	6,876,057
Sales of forecasts and data		4,747,515	4,449,641
Other operating revenue		19,471	45,099
Total Operating revenue		**61,291,165**	**59,259,595**
Expenditure			
Personnel costs[1]	17	24,223,108	23,666,861
Pension and post-employment benefits	14 & 17	5,547,190	5,825,096
Buildings expenditure	17	3,846,753	3,837,570
Computer expenditure	17	15,085,970	14,768,506
Other operating expenditure	17	3,283,488	3,114,845
Externally funded expenditure[1, 2]	17	7,524,036	7,036,977
Total operating expenditure		**59,510,545**	**58,249,855**
Operating surplus for the year from continuing operations		**1,780,620**	**1,009,740**
Finance income	18	110,477	201,524
Finance costs	18	(4,969,264)	(6,287,896)
Net deficits for the year from continuing operations		**(3,078,167)**	**(5,076,632)**
Net deficit for the year		**(3,078,167)**	**(5,076,632)**

[1] *These items of expenditure are inclusive of tax*
[2] *Externally funded expenditure is inclusive of optional programme expenditure*

Statement of Financial Position as at 31 December 2014

	Notes	2014	2013 (restated)
		£	£
ASSETS			
Current assets			
Cash and cash equivalents	6	10,616,960	6,788,554
Receivables	7	7,876,765	5,654,431
Prepayments and accrued revenue	8	8,650,812	9,375,524
Inventory	9	297,266	216,661
Total current assets		**27,441,803**	**22,035,170**
Non current assets			
Property, plant and equipment	10	17,842,496	18,038,047
Pension investment accounts	14	27,745,377	22,074,171
Total non current assets		**45,587,873**	**40,112,218**
TOTAL ASSETS		73,029,676	62,147,388
LIABILITIES			
Current Liabilities			
Payables	11	4,828,887	6,652,788
Prefinancing	12	9,781,967	3,897,915
Deferred revenue	13	655,099	551,585
Total current liabilities		**15,265,953**	**11,102,288**
Non current liabilities			
Employee benefits	14	181,293,304	146,544,663
Total non current liabilities		**181,293,304**	**146,544,663**
TOTAL LIABILITIES		196,559,257	157,646,951
NET LIABILITIES		**(123,529,581)**	**(95,499,563)**
NET ASSETS / (EQUITY)			
General Reserve	15	2,394,996	2,394,996
Retained surpluses		(808,183)	4,268,449
Net surplus/(deficit) for the year		(3,078,167)	(5,076,632)
Actuarial adjustments		(30,689,372)	(5,737,521)
IPSAS adjustment reserve	16	(91,348,855)	(91,348,855)
TOTAL NET ASSETS/(EQUITY)		**(123,529,581)**	**(95,499,563)**

Statement of Cash Flow for the year ended 31 December 2014

	2014	2013
	£	£
Cash flow from operating activities		
Surplus/(deficit) from ordinary activities	(3,078,167)	(5,076,632)
Depreciation	2,456,830	2,279,211
Profit/(loss) on disposal of fixed assets	-	37,740
Finance costs for post-employment benefit (note 14)	4,681,134	6,260,124
Post-employment benefit	(555,550)	(37,084)
Increase in receivables	(2,222,334)	883,266
Increase in inventories	(80,605)	390,964
Decrease in prepayments and accrued income	724,712	(7,852,697)
Decrease in payables	(1,823,901)	(657,473)
Increase in pre-financing	5,884,052	-
Increase in deferred revenue	103,514	168,126
Net cash flow from operating activities	**6,089,685**	**(3,604,455)**
Cash flow from investing activities		
Purchase of fixed assets	(2,261,279)	(3,619,697)
Net cash flow from investing activities	**(2,261,279)**	**(3,619,697)**
Net increase/(decrease) in cash and cash equivalents	**3,828,406**	**(7,224,152)**
Cash and cash equivalents at the beginning of the year	6,788,554	14,012,706
Cash and cash equivalents at the end of the year	**10,616,960**	**6,788,554**

Statement of Changes in Net Assets/Equity for the year ended 31 December 2014

	General reserve	Retained surplus	Actuarial adjustments	Reserves arising on IPSAS adjustments	Total
	£	£	£	£	£
Balance as at 31 December 2013	**2,394,996**	**(808,183)**	**3,608,524**	**(91,348,855)**	**(86,153,518)**
Actuarial adjustment arising prior year			(9,346,045)		(9,346,045)
Restated balance as at 1 January 2014	**2,394,996**	**(808,183)**	**(5,737,521)**	**(91,348,855)**	**(95,499,563)**
Loss arising on revaluation of employee benefit obligation for 2014			(24,951,851)		(24,951,851)
Net surplus/(deficit) for the year		(3,078,167)			(3,078,167)
Balance as at 31 December 2014	**2,394,996**	**(3,886,350)**	**(30,689,372)**	**(91,348,855)**	**(123,529,581)**

Notes to the financial statements for the year ended 31 December 2014

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. ECMWF has introduced segmental accounts in line with IPSAS 18 in order to separately identify the various streams of income and expenditure relating to Copernicus Services, as this is regarded as a significant segment of activity. 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 4, 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.

Notes to the financial statements for the year ended 31 December 2014 (continued)

3. Prior year adjustment

There is a prior year adjustment of £9,346,045 relating to a correction in the actuarial valuations of pension liabilities associated with validations for prior year service received from employees, which were not previously correctly valued. This was identified during the 2014 actuarial exercise by The International Service for Remunerations and Pensions (ISRP), who have stated that the current treatment now more accurately reflects the associated pension liability. The impact as at 31st December 2013 of £9,346,045 has been corrected during the 2014 accounting valuation.

This transaction has been shown as a prior year adjustment and the results for 2013 have been restated accordingly. This had no impact on the distributable surplus for prior years as this is determined on a cash basis.

4. Adoption of new and revised standards

ECMWF has decided not to adopt the following standard IPSAS 32 Service concession arrangements: Grantor (effective 1 January 2014).

Following the signing of the delegation agreement with the European Commission for the provision of Copernicus services, ECMWF is introducing IPSAS 18 Segment Reporting for the first time. This provides a better view of the various activities within ECMWF, with a separate segment for each of the following activities:

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

5. 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 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, Sales of Forecasts and Data and other operating revenue is received in a number of currencies, principally euro.

Notes to the financial statements for the year ended 31 December 2014 (continued)

Tangible Assets

Property, plant and equipment

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.

Depreciation on assets is charged so as 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
- Fixtures and fittings 5 – 10 years
- Technical equipment 5 – 10 years
- Mechanical equipment 5 – 10 years

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

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.

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 2019.

Notes to the financial statements for the year ended 31 December 2014 (continued)

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 regard 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 over £1.0m in 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 25 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 25.

Notes to the financial statements for the year ended 31 December 2014 (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):
Income from Externally Funded Projects is recognised in line with contractual arrangements. For contracts spanning more than one accounting/reporting period, income is recognised on the basis of 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 Delegation Agreement. Income related to industrial activities is recognised on the basis of associated direct costs incurred in the period, and fee income in line with that agreed in the Delegation Agreement.

Leases

Assets acquired under finance leases are 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 for the period are reduced by the amount receivable/received.

Notes to the financial statements for the year ended 31 December 2014 (continued)

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 delegation agreement signed with the European Commission for the provision of Copernicus Services is agreed in Euro. In order to minimise foreign exchange risk, all third party procurements agreed with be denoted in Euro and this will account for just over 70% of the total project income over the seven year period. Furthermore costs incurred by ECMWF will be 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.

(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 2014 (continued)

6. Cash and cash equivalents	2014	2013 (restated)
	£	£
Cash in hand	10,991	13,046
Current accounts	1,142,006	260,031
Deposit accounts	2,154,416	5,955,164
Project bank accounts	154	560,313
Third Party activity bank account*	7,309,393	-
	10,616,960	6,788,554

*Pre-finance monies received in November 2014 from the European Commission for Copernicus Services

7. Receivables	2014	2013 (restated)
Member States' debtors; contributions	763,666	185,493
Co-operating States' debtors; contributions	13,184	17,441
Member States' debtors; other items	1,048,263	1,224,472
Co-operating States' debtors; other items	2,425	3,899
Sales of forecast and data debtors	498,262	645,380
VAT and other taxes	2,699,711	1,360,983
External project funding receivables	2,631,365	2,131,531
HPC receivables	-	16,148
Miscellaneous receivables	219,889	69,084
	7,876,765	5,654,431

8. Prepayments and accrued revenue	2014	2013 (restated)
HPC prepaid expense	7,706,250	8,220,000
Other prepaid expenses	939,500	1,139,834
Accrued revenue; forecasts and data	5,062	15,690
	8,650,812	9,375,524

9. Inventories	2014	2013 (restated)
Blank archive data media	297,266	216,661
	297,266	216,661

Notes to the financial statements for the year ended 31 December 2014 (continued)

10. Property Plant & Equipment	Land	Building Improvements	Infrastructure, Plant & Machinery	Assets under construction	2014
	£	£	£	£	£
Cost					
At 1 January 2014	750,000	7,685,173	23,622,070	272,815	32,330,058
Additions			1,835,342	425,937	2,261,279
Transfer to/(from) Assets under construction			698,752	(698,752)	-
Disposals			(621,439)		(621,439)
At 31 December 2014	**750,000**	**7,685,173**	**25,534,725**	**-**	**33,969,898**
Accumulated Depreciation					
At 1 January 2014	-	1,411,701	12,880,310	-	14,292,011
Disposals			(621,439)		(621,439)
Charge for the year		196,807	2,260,023		2,456,830
At 31 December 2014	**-**	**1,608,508**	**14,518,894**	**-**	**16,127,402**
Net book value					
At 1 January 2014	750,000	6,273,472	10,741,760	272,815	18,038,047
At 31 December 2014	750,000	6,076,665	11,015,831	-	17,842,496

11. Payables	2014	2013 (restated)
	£	£
Suppliers and accrued charges	803,253	1,911,921
Co-operating States' debtors	18,787	-
Members States' Fund	3,330,243	3,579,949
Provisions	432,102	381,277
Other payables	244,502	779,641
	4,828,887	6,652,788

12. Prefinancing	2014	2013 (restated)
External project funding received in advance	2,538,902	3,266,667
Externally funded projects - coordinator account	-	631,248
Third Party Copernicus funding received in advance*	7,243,065	-
	9,781,967	3,897,915

*relates to pre-finance received from European Commission for provision of Copernicus Services

13. Deferred revenue	2014	2013 (restated)
Deferred revenue; sales of forecasts and data	655,099	551,585
	655,099	551,585

14. Employee benefits

Defined-benefit schemes

At 31 December 2014, the main actuarial assumptions used to calculate the defined-benefit liability (expressed as weighted averages) were:

	Pension benefits	Post-employment medical care
	%	%
Discount rates	3.52	3.44
Future salary increases	2.35	0.00
Future pension scheme increases	2.35	0.00
Medical costs inflation	0.00	4.00

	Pension benefits	Post-employment medical care	Total
	£	£	£
Present value of obligation at 01/01/2014	130,024,829	7,173,789	137,198,618
Additional liability	9,346,045	-	9,346,045
Adjusted present value of obligation at 01/01/2014	139,370,874	7,173,789	146,544,663
Interest cost	6,569,644	335,016	6,904,660
Current service cost	7,018,937	429,248	7,448,185
Benefits paid	(4,207,778)	(348,277)	(4,556,055)
Actuarial (gains)/ losses on obligation	27,257,492	(2,305,641)	24,951,851
Net liability recognised in Statement of Financial Position	**176,009,169**	**5,284,135**	**181,293,304**

Movement in Pension Investment Accounts	**2014**
Opening value of investment account at 01/01/2014	22,074,171
Return on investment during the period	2,223,527
Contributions by employer during the period	5,942,940
Contributions by staff & validation of pension rights during the period	1,712,517
Benefits paid during the period	(4,207,778)
Net asset recognised in Statement of Financial Position at 31/12/2014	**27,745,377**

14. Employee benefits (continued)

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

	Pension benefits	Post-employment medical care	Total
	£	£	£
Current service cost	7,018,937	429,248	7,448,185
Staff contributions	(1,643,503)	-	(1,643,503)
Validation of pension rights	(69,014)	-	(69,014)
Benefits paid	-	(348,277)	(348,277)
Insurance premium paid	-	159,799	159,799
	5,306,420	240,770	5,547,190
Interest on obligation	6,569,644	335,016	6,904,660
Increase in value of scheme assets in the year	(2,223,526)	-	(2,223,526)
	4,346,118	335,016	4,681,134

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.

15. General Reserve

	Opening Balance	Closing Balance
	£	£
General Reserve movements	2,394,996	2,394,996

16. 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 2014 (continued)

17. Expenditure	2014	2013
	£	£
Personnel costs		
Salaries and benefits	17,926,879	17,453,346
Other personnel costs (incl. training)	924,329	947,720
Taxes	5,371,900	5,265,795
Total personnel costs	**24,223,108**	**23,666,861**
Total pension and post-employment benefits	5,547,190	5,825,096
Buildings expenditure		
Installations and alterations	327,828	195,316
Rental and local taxes	20,506	20,124
Water, gas and electricity	3,006,397	3,076,253
Maintenance, cleaning and security	492,022	545,877
Total buildings expenditure	**3,846,753**	**3,837,570**
Computer expenditure		
Purchases	133,668	1,156,692
Hiring and leasing	9,681,644	9,071,751
Maintenance and repair	3,386,982	2,698,832
Delivery and installation	18,772	15,145
Supplies - computer and associated equipment	654,874	668,486
Telecommunications network	1,210,030	1,157,600
Total computer expenditure	**15,085,970**	**14,768,506**
Other operating expenditure		
Furniture and equipment	46,278	29,597
Stationery, supplies, etc.	62,095	40,179
Postal, delivery, comms, etc.	56,409	56,849
Miscellaneous insurances	161,067	150,467
Publications and training	142,469	209,211
Governing bodies	94,594	73,384
Expert fees	28,005	53,671
Depreciation	2,456,830	2,279,211
Bad Debt Provision	142,922	113,946
Other expenditure	92,819	108,330
Total other operating expenditure	**3,283,488**	**3,114,845**
Externally funded projects	5,388,207	5,226,392
Externally funded projects tax	1,300,193	1,334,570
Optional Programmes	76,526	76,950
Optional Programmes tax	42,421	22,579
Third Party Activities	479,090	294,532
Third Party Activities tax	94,876	81,954
Copernicus	125,437	-
Copernicus tax	17,286	-
Total externally funded expenditure	**7,524,036**	**7,036,977**
Total expenditure	**59,510,545**	**58,249,855**

Notes to the financial statements for the year ended 31 December 2014 (continued)

17. 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).

17. Expenditure (continued)	**2014**	**2013**
	£	**£**
Revenue		
Internal tax	6,826,676	6,704,898
Total tax included in revenue	6,826,676	6,704,898
Expenditure		
Tax included in personnel	5,371,900	5,265,795
Tax included in externally funded projects	1,300,193	1,334,570
Tax included in Optional Programmes	42,421	22,579
Tax included in Third Party Activities	94,876	81,954
Tax included in Copernicus	17,286	-
Total tax included in expenditure	**6,826,676**	**6,704,898**

18. Finance Costs	**2014**	**2013**
	£	**£**
Interest income from overdue contributions	52,824	117,825
Interest income from bank	57,653	67,469
Net foreign exchange gain	0	16,230
Total finance income	**110,477**	**201,524**
Net foreign exchange cost	272,585	-
Pension and post-employment benefit costs (note 14)	4,681,134	6,260,124
Bank charges	15,545	27,772
Total finance costs	**4,969,264**	**6,287,896**

Notes to the financial statements for the year ended 31 December 2014 (continued)

19. 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.

Following the signing of the delegation agreement with the European Commission for the provision of Copernicus services, ECMWF is introducing IPSAS 18 Segment Reporting for the first time to provide a better view of the various activities within ECMWF. 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

Additional information is available in Notes 26 & 27.

20. 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 13.
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 2014 (continued)

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

	2014	2013
	£	£
Net deficit for the year from continuing operations as per the Statement of Financial Performance	(3,078,167)	(5,076,632)
Adjustment for assets capitalised in the year	(2,261,279)	(3,619,697)
Adjustment for depreciation in the year	2,456,830	2,279,211
Adjustment for spend against commitments brought forward from 2013	1,847,223	2,092,880
Adjustment for surplus on commitments brought forward from 2013		42,940
Adjustment for commitments carried forward to 2015	(2,092,318)	(1,847,223)
Adjustment for finance costs for post-employment benefit (note 14)	4,681,134	6,260,124
Adjustment for post-employment benefit	(555,550)	(37,084)
Adjustment for accruals	(180,959)	677,601
Adjustment for prepayments	200,333	343,695
Adjustment for HPC prepayment	9,250	-
Adjustment for change in inventory	(80,605)	390,963
Other IPSAS timing differences	66,973	527,437
Revenue and expenditure account surplus per cash accounts	**1,012,865**	**2,034,215**

21. Contingencies and capital commitments

ECMWF has no contingent assets and no quantifiable contingent liabilities at 31 December 2014. However, in accordance with IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets, ECMWF has an unquantifiable contingent liability relating to a claim received from an employee, which is currently being dealt with by the organisation.

ECMWF has contracted capital expenditure of £408,765 in 2014 (2013 £660,799) but not yet incurred as at 31 December 2014.

Notes to the financial statements for the year ended 31 December 2014 (continued)

22. Operating lease committments	2014	2013
	£	£
Within 1 year		
HPC service contract*	10,442,040	9,999,726
In 2 to 5 years inclusive		
HPC service contract*	28,715,610	41,823,180
	39,157,650	51,822,906

*A new HPC contract was entered into during 2013 and this covers the operational period of the HPC from 1 October 2014 to 30 September 2018 (initially agreed as 1 July 2014 - 30 June 2018 and subsequently moved by 3 months).

23. Personnel

The average number of personnel employed by the Centre in 2014 was 266 (2013: 270).

24. 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 2014	Aggregate 2014	Number of individuals 2013	Aggregate 2013
		£		£
The Director-General and other directors	5	786,644	5	964,729
Senior managers	6	995,537	7	1,132,970
Total key management personnel	11	**1,782,181**	12	**2,097,699**

There was no other remuneration or compensation to key management personnel or their close family members.

25. Related party transactions

There were no material transactions with related parties during the years 2014.

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.

26. Statement of Financial Performance by Segment

		Core Activities		Externally Funded Projects		Optional Programme		Third Party Activities (excluding Copernicus)		Third Party Activities (Copernicus only)		ECMWF Consolidated*	
	Notes	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
		£	£	£	£	£	£	£	£	£	£	£	£
Revenue													
Member & Co-operating States' Contributions		41,997,226	41,183,900									41,997,226	41,183,900
Externally funded revenue		-	-	6,736,243	6,414,475	95,109	94,889	616,467	366,693	252,458	-	7,700,277	6,876,057
Sales of forecasts and data		4,747,515	4,449,641									4,747,515	4,449,641
Other operating revenue		19,471	45,099									19,471	45,099
Total operating revenue excluding taxes		**46,764,212**	**45,678,640**	**6,736,243**	**6,414,475**	**95,109**	**94,889**	**616,467**	**366,693**	**252,458**	**-**	**54,464,489**	**52,554,697**
Taxes	17											6,826,676	6,704,898
Total operating revenue including Taxes												**61,291,165**	**59,259,595**
Expenditure													
Personnel costs	17	18,915,840	18,401,067	4,496,007	4,525,293	76,405	76,950	382,734	247,805	48,193	-	23,919,179	23,251,115
Pension and post employment benefits	13 & 17	5,547,190	5,825,096									5,547,190	5,825,096
Buildings expenditure	17	3,846,753	3,837,570									3,846,753	3,837,570
Computer expenditure	17	15,085,970	14,768,507	761,281	317,645							15,847,251	15,086,152
Other operating expenditure	17	3,283,488	3,114,843	130,920	383,454	120	-	96,357	46,727	12,611	-	3,523,496	3,545,024
Total expenditure excluding taxes		**46,679,241**	**45,947,083**	**5,388,208**	**5,226,392**	**76,525**	**76,950**	**479,091**	**294,532**	**60,804**	**-**	**52,683,869**	**51,544,957**
Taxes												6,826,676	6,704,898
Total operating expenditure including taxes												**59,510,545**	**58,249,855**
Operating surplus for the period from continuing operations												**1,780,620**	**1,009,740**
Finance income	18											110,477	201,524
Finance costs	18											(4,969,264)	(6,287,896)
Net deficits for the period from continuing operations												**(3,078,167)**	**(5,076,632)**
Net deficit for the period												**(3,078,167)**	**(5,076,632)**

Notes: Costs which are directly attributable to these activities are allocated to Segments. Support costs are allocated to Core.
** Costs are classified according to segment and in some cases may vary in classification to that on the Statement of Financial Performance*

27. Statement of Financial Position by Segment as at 31 December 2014

		Core Activities		Externally Funded Projects		Optional Programme		Third Party Activities (excluding Copernicus)		Third Party Activities (Copernicus only)		ECMWF Consolidated	
	Notes	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
		£	£	£	£	£	£	£	£	£	£	£	£
Assets													
Current Assets													
Cash & cash equivalents	5	3,307,567	6,788,554							7,309,393		10,616,960	6,788,554
Receivables	6	5,245,400	3,522,901	2,631,365	2,131,530							7,876,765	5,654,431
Prepayments and accrued revenue	7	8,650,812	9,375,524									8,650,812	9,375,524
Inventory	8	297,266	216,661									297,266	216,661
Total current assets		**17,501,045**	**19,903,640**	**2,631,365**	**2,131,530**	**-**	**-**	**-**	**-**	**7,309,393**	**-**	**27,441,803**	**22,035,170**
Non current assets													
Property, plant and equipment	9	17,842,496	18,038,047									17,842,496	18,038,047
Pension investment accounts	14	27,745,377	22,074,171									27,745,377	22,074,171
Total non current assets		**45,587,873**	**40,112,218**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45,587,873**	**40,112,218**
TOTAL ASSETS		**63,088,918**	**60,015,858**	**2,631,365**	**2,131,530**	**-**	**-**	**-**	**-**	**7,309,393**	**-**	**73,029,676**	**62,147,388**
LIABILITIES													
Current liabilities													
Payables		4,762,552	6,652,788							66,335		4,828,887	6,652,788
Prefinancing				2,260,993	3,698,424	114,521	164,375	163,388	35,116	7,243,065		9,781,967	3,897,915
Deferred revenue		655,099	551,585									655,099	551,585
Total current liabilities		**5,417,651**	**7,204,373**	**2,260,993**	**3,698,424**	**114,521**	**164,375**	**163,388**	**35,116**	**7,309,400**	**-**	**15,265,953**	**11,102,288**
Non current liabilities													
Employee benefits		181,293,304	146,544,663									181,293,304	146,544,663
Total non current liabilities		**181,293,304**	**146,544,663**									**181,293,304**	**146,544,663**
TOTAL LIABILITIES		**186,710,955**	**153,749,036**	**2,260,993**	**3,698,424**	**114,521**	**164,375**	**163,388**	**35,116**	**7,309,400**	**-**	**196,559,257**	**157,646,951**
NET LIABILITIES		**(123,622,037)**	**(93,733,178)**	**370,372**	**(1,566,894)**	**(114,521)**	**(164,375)**	**(163,388)**	**(35,116)**	**(7)**	**-**	**(123,529,581)**	**(95,499,563)**
General reserve												2,394,996	2,394,996
Retained surpluses												(808,183)	4,268,449
Net surplus/(deficit) for the period												(3,078,167)	(5,076,632)
Actuarial adjustments												(30,689,372)	(5,737,521)
IPSAS adjustment reserve												(91,348,855)	(91,348,855)
TOTAL NET LIABILITIES												**(123,529,581)**	**(95,499,563)**

European Centre for Medium-Range Weather Forecasts (ECMWF)
Shinfield Park
Reading RG2 9AX
United Kingdom
Tel: +44 (0) 118 949 9000
Fax: +44 (0) 118 986 9450
Email: (e.g. info@ecmwf.int)
Website: www.ecmwf.int