ECMWF
European Centre for Medium-Range Weather Forecasts

Financial Statements of Account

2024

Contents

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 and Cooperating 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 529 (as at 31 Dec 2024) 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 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

Introduction

European Centre for Medium Range Weather Forecasts (ECMWF) is an independent intergovernmental organisation supported by 35 states. For the financial year 2024, ECMWF’s total operating revenue was £189,200,389. The main sources of revenue include contributions from member & co-operating states, externally funded revenue, and sales of forecasts and data. Total operating expenditure for the year amounted to £169,982,958. The primary expenditure items were personnel costs, computer expenditure, and externally funded expenditure. In addition to operating revenue and expenditure, ECMWF incurred a net finance cost of £10,965,910 in 2024. As a result, ECMWF reported an operating surplus of £19,217,431 which, after accounting for the net finance cost, resulted in a net surplus of £8,251,522 for the year 2024.

Turkish Court of Accounts (TCA) was appointed by the ECMWF Council as the external auditor of the ECMWF for the financial years 2024-2027. Within the scope of the 2024 audits, we carried out the audit based on the External Audit Contract, in line with International Standards of Supreme Audit Institutions (ISSAI) and Financial Regulations of the ECMWF.

We concluded that the 2024 financial statements comply with International Public Sector Accounting Standards (IPSAS) and thereupon issued an unmodified audit opinion. We also provided several observations and recommendations to further improve ECMWF’s financial management.

During the audit task, we communicated with those charged with governance effectively. We extend our sincere appreciation to the management and staff of the ECMWF for their valuable cooperation and support throughout the preparation of this report and the execution of the audits. Their dedication to transparency, accountability, and their commitment to facilitating an impartial and constructive assessment of the ECMWF’s financial statements have been instrumental in the successful completion of our work.

Mandate, Scope and Methodology

The TCA was appointed by the ECMWF Council at its 108th session, held in June 2024, as the external auditor of the ECMWF for a 4-year period covering the financial years 2024-2027. In accordance with the External Audit Contract signed by the ECMWF and the TCA on 25 July 2024, the TCA shall carry out its audit services as stipulated in Article 14 of the Convention establishing the ECMWF and in accordance with the conditions laid down in Article 43 of the Financial Regulations.

The audit scope is to examine the following financial statements:

- Statement of Financial Performance for the year ended 31 December 2024
- Statement of Financial Position as at 31 December 2024
- Statement of Cash Flow for the year ended 31 December 2024
- Statement of Changes in Net Assets/Equity for the year ended 31 December 2024
- Notes to the financial statements for the year ended 31 December 2024

The audit has been performed in accordance with the International Standards of Supreme Audit Institutions, which aim to ensure the quality, professionalism and effectiveness of the work. The audit methodology included testing the adequacy and effectiveness of internal controls, interviews with key personnel and managers, and appropriate substantive controls and analytical reviews conducted using a risk-based approach.

During the audit process, follow-up activities were also carried out regarding the findings and recommendations included in the previous year’s external audit report.

Responsibilities of the Management of the ECMWF

The management of the ECMWF has the responsibility of the preparation of the financial statements in accordance with the IPSAS and ECMWF's Financial Regulations as approved by the Council. In signing the financial statements, Director-General confirms the establishment and maintenance of financial governance, resource management practices, internal controls and financial information systems to achieve the efficient and effective use of resources. This confirmation covers the design, implementation and maintenance of internal controls relevant to the preparation and presentation of financial statements that are auditable and free from material misstatement, whether due to fraud or error. It also confirms that the transactions underlying those accounts are legal and regular.

The management and, where appropriate, those charged with governance have the responsibility to provide us with access to all information that is relevant for the purpose of the audit of financial statements and related records, documentation, and other matters.

Responsibilities of the External Auditor

The objectives of the audit 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 an opinion. In accordance with ISSAIs, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit.

We also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate 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.
- As per the External Audit Contract, we have the responsibility to verify:
- that the financial statements are in accordance with the accounting records of the ECMWF;
- that the accounting system and the financial statements cover all financial transactions effected by ECMWF in the course of the year;
- the regularity of all transactions, having regard to the Financial Regulations, instructions and any other applicable decisions by the ECMWF Council;
- that budgetary expenditure has been in conformity with the purposes of, and within the limits of, the appropriations as shown in the Budgets, amended as appropriate;
- that transactions are vouched for by appropriate supporting documents;
- that fixed assets are kept in good order and are subject to proper supervision;
- that internal controls are adequate and reliable;
- that the financial management is sound;
- and explicitly state that all of the above applies also to the accounting records and financial transactions related to the implementation of the Contribution Agreements with the European Commission on Copernicus Programme and Destination Earth Initiative, if applicable.

We are required to communicate with the bodies charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Within the framework of ISSAI, we, as external auditors, are responsible for acting independently and impartially in carrying out our responsibilities outlined above.

General Assessment of Internal Control

Internal control is a crucial aspect of an organization's governance system and ability to manage risk and is fundamental to supporting the achievement of an organization's objectives.

In general, decision-makers have the ability to obtain reliable data from the Enterprise Resource Planning (ERP) system to implement the Centre's strategic and operational plans. In this direction, regular risk assessments are conducted by the ECMWF Management. The Centre identified and assigned responsibilities for the control activities needed to mitigate these risks to an acceptable level. Furthermore, the strategic risk register—including each risk, its potential impact, the necessary mitigation actions, the ownership of both the risk and those actions, and the associated timeline—was presented to the Finance Committee in an information report dated September 2024.

In the ECMWF's regulatory framework, the Director General delegates powers in accordance with Article 18 of the Financial Regulations. Various tasks are distributed among different individuals based on specified criteria, thereby upholding the principle of "segregation of duties".

In its 113th session in October 2023, the Finance Committee approved the 2024 internal audit plan and allocated the necessary resources to the internal audit unit. The internal audit plan, developed using a risk-based methodology and prioritization, was approved with the contribution of senior management and the Finance Committee, which functions as an Audit Committee, covering seven audit areas.

The ECMWF also manages both its core activities and internal administrative processes through extensive use of information technology. The Information Technology (IT) department is spread across three administrative service buildings: Reading (headquarters), Bonn (focused on EU projects), and Bologna (home to the supercomputer and extensive IT infrastructure). The ECMWF's supercomputer and associated software, along with network management, servers, and other technical issues, fall under the IT department's responsibility (except for the ERP system).

Consequently, we have concluded that the management established and maintained adequate and functioning internal control systems to ensure that the financial statements are free of material misstatement.

Audit Opinion

We have audited the financial statements for the year ended 31 December 2024 in accordance with ISSAI to express an audit opinion on the financial statements. We believe that, during the audit process, we have obtained appropriate and sufficient audit evidence to form the basis of our audit opinion.

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of the ECMWF as of 31 December 2024, and the results of its operations for the year then ended in conformity with IPSAS. Accordingly, we have issued an unmodified audit opinion on the ECMWF's Financial Statements for the year ended 31 December 2024.

The unmodified opinion has been given because the financial statements provide a true and fair view of ECMWF's financial position as of 31 December 2024, its financial performance as disclosed in the 2024 accounts and principal notes, and its cash flows for the financial year then ended. These statements comply with the IPSAS, as well as the Financial Regulations and stated accounting principles of ECMWF. Additionally, the accounting principles have been applied consistently from year to year unless modified by the Council and documented accordingly. Furthermore, the transactions comply with the Financial Regulations and budgetary appropriations.

Signed at the Turkish Court of Accounts, Ankara, 31.03.2025

Assoc. Prof. H. Ömer KÖSE
Director General

Dr. Ismail Cengiz EREK
Head of Department

Mahmut GÜLER
Principal Auditor

Mustafa Enes TUTMAZ
Senior Auditor

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 2022, ECMWF's new data centre in Bologna was formally handed over to ECMWF by the Italian Government and the Emilia-Romagna Region. The Bologna premises hosts the Centre's supercomputer, data archive and network infrastructure. A project from the UK Government and the University of Reading regarding the provision of a new Headquarters building in the grounds of the Whiteknights campus 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 2027.

In December 2020, ECMWF Member States decided to select Bonn as the third ECMWF duty station after an international competition. In July 2021, a new temporary 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 was concluded during 2024. New premises are being built in the vicinity, they are expected to be finished in 2027.

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. A formal launch took place in Finland in June 2024 with the Vice-President of the EC.

In December 2024, a contribution agreement was signed with the European Commission's Directorate-General for International Partnerships (DG INTPA) launching an initiative called Space for Early Warning in Africa (SEWA) to strengthen early warning systems of hazardous weather and climate-related events.

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. A first model of this kind, the AIFS, has been running in pre-operational mode in real-time since 2023.

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 2024. It details the 2024 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 2024. This resulted in an overall exchange loss in the year and the Centre will continue to continue to seek strategies to mitigate 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 £347.6 (2023: £382.1m) 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 £110.5m (2023: £88.7m) and the whole of the liability is guaranteed by the Member States of the Centre.

In 2024, under IPSAS, the Centre produced an operating surplus of £8.3m.

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 £7.8m in 2024, which is available either for future investment or distribution to Member States according to a decision to be made by the Council in 2025.

Florence Rabier

Director-General

31 March 2025

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 the Convention and those regulations, policies, plans, procedures, and international laws 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 the 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 approved by the Audit Committee every three years and the Operational Internal Audit plan annually. 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 open 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

31 March 2025

Statement of Financial Performance for the year ended 31 December 2024

	Notes	2024	2023
		£	
Revenue			
Member & Co-operating States' contributions		62,704,554	62,493,320
Revenue Taxes		16,567,064	15,298,965
Externally funded revenue		82,318,856	71,239,515
Sales of forecasts and data		12,566,280	13,683,775
Other operating revenue		15,043,636	9,356,700
Total Operating revenue		**189,200,389**	**172,072,275**
Expenditure			
Personnel costs[1]	15	32,776,545	32,144,199
Personnel taxes	15	16,567,064	15,298,965
Pension and post-employment benefits	12 & 15	15,329,312	13,657,400
Buildings expenditure	15	8,817,602	11,142,246
Computer expenditure	15	23,564,655	27,265,809
Other operating expenditure	15	6,257,023	4,851,162
Externally funded expenditure[2]	15	66,670,757	57,736,303
Total operating expenditure		169,982,958	**162,096,084**
Operating surplus for the year from continuing operations		**19,217,431**	**9,976,191**
Finance income	16	2,150,597	1,521,595
Finance costs	16	(13,116,507)	(12,017,892)
Net surplus/(deficit) for the year from continuing operations		**8,251,522**	**(520,107)**
Net surplus/(deficit) for the year		**8,251,522**	**(520,107)**

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

ECMWF's budget is set on a cash basis and under cash accounting, the Centre generated a surplus of £7,852k in 2024.

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 2024

	Notes	2024	2023
		£	£
ASSETS			
Current assets			
Cash and cash equivalents	4	87,891,756	99,315,393
Receivables	5	10,532,787	19,763,909
Prepayments and accrued revenue	6	4,426,242	4,459,934
Inventory	7	585,649	534,329
Total current assets		103,436,435	**124,073,565**
Non current assets			
Property, plant and equipment	8	16,569,148	19,095,715
Pension investment accounts	12	110,471,288	88,718,900
Total non current assets		**127,040,436**	**107,814,616**
TOTAL ASSETS		**230,476,871**	**231,888,180**
LIABILITIES			
Current Liabilities			
Payables	9	29,258,098	27,433,462
Pre-financing	10	31,984,746	56,494,997
Deferred revenue	11	2,701,582	3,143,842
Total current liabilities		**63,944,426**	**87,072,302**
Non current liabilities			
Employee benefits	12	347,566,562	382,100,132
Total non current liabilities		**347,566,562**	**382,100,132**
TOTAL LIABILITIES		**411,510,988**	**469,172,433**
NET LIABILITIES		**(181,034,117)**	**(237,284,253)**
NET ASSETS / (EQUITY)			
General Reserve	13	2,394,996	2,394,996
Retained surpluses		(112,678,307)	(97,674,427)
Net surplus / (deficit) for the year		8,251,522	(520,107)
Actuarial adjustments		12,346,528	(50,135,859)
IPSAS adjustment reserve	14	(91,348,855)	(91,348,855)
TOTAL NET LIABILITIES		**(181,034,117)**	**(237,284,253)**

Statement of Cash Flow for the year ended 31 December 2024

	2024	2023
	£	£
Cash flow from operating activities		
Surplus / (deficit) from ordinary activities	8,251,522	(520,107)
Depreciation	4,112,521	3,279,041
Loss / (Profit) on disposal of fixed assets	75,726	(1,138)
Finance costs for post-employment benefit (note 12)	11,764,793	10,863,491
Post-employment benefit	(5,568,364)	(4,435,780)
Decrease in receivables	9,231,122	3,311,019
(Increase) / decrease in inventories	(51,320)	548,626
Decrease in prepayments and accrued income	33,692	874,158
Increase in payables	1,824,636	7,911,913
(Decrease) / Increase in pre-financing	(24,510,252)	8,364,486
(Decrease) in deferred revenue	(442,260)	(13,199)
Net use of Retained Surplus	(14,483,773)	(8,161,959)
Net cash flow from operating activities	**(9,761,956)**	**22,020,550**
Cash flow from investing activities		
Purchase of fixed assets	(1,663,681)	(8,529,984)
Proceeds from sale of fixed assets	2,001	12,500
Net cash flow from investing activities	**(1,661,681)**	**(8,517,484)**
Net increase in cash and cash equivalents	**(11,423,637)**	**13,503,066**
Cash and cash equivalents at the beginning of the year	99,315,393	85,812,327
Cash and cash equivalents at the end of the year	**87,891,756**	**99,315,393**

Statement of Changes in Net Assets/Equity for the year ended 31 December 2024

	General reserve	Retained surplus	Actuarial adjustments	Reserves arising on IPSAS adjustments	Total
	£	£	£	£	£
Balance at 1 January 2024	**2,394,996**	**(98,194,534)**	**(50,135,859)**	**(91,348,855)**	**(237,284,252)**
Surplus arising on recognition of employee benefit obligation for 2024	-	-	62,482,387	-	62,482,387
Net use of Retained Surplus	-	(14,483,773)	-	-	(14,483,773)
Net (deficit) / surplus for the year	-	8,251,522	-	-	8,251,522
Balance at 31 December 2024	**2,394,996**	**(104,426,785)**	**12,346,528**	**(91,348,855)**	**(181,034,116)**

Notes to the financial statements for the year ended 31 December 2024

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 be reported as a separate segment in these financial statements.

On 16th December 2024, a contribution agreement was signed with the European Commission's Directorate-General for International Partnerships (DG INTPA) launching an initiative called Space for Early Warning in Africa (SEWA) to strengthen early warning systems of hazardous weather and climate-related events. 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.

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.

Intangible Assets

Intangible assets 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.

Intangible assets are only recognised when the cost is in excess of £5,000 and the life is greater than 1 year.

Where an asset 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.

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

- Licences >1 year ; over the period of the licence
- Software ; 3-5 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 intangible 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.

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.

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 2024 (continued)

4. Cash and cash equivalents	2024	2023
	£	£
Cash in hand	-	-
Current accounts	4,773,012	16,689,240
Deposit accounts	44,203,387	19,343,001
Project bank accounts*	343,112	2,239,631
Third Party activity bank account**	38,572,246	61,043,520
	87,891,756	99,315,393

* 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 2025.
** Cash received in advance from the European Commission for Copernicus Services, Destination Earth and Space for Early Warning in Africa.

5. Receivables*	2024	2023
Contributions	651,700	642,481
Sales of forecast and data debtors	2,827,037	4,820,139
VAT and other taxes	3,195,313	6,812,891
External project funding receivables	1,668,757	1,063,165
Miscellaneous receivables**	2,189,980	6,425,234
	10,532,787	19,763,909

*Receivables shown are net of debt provision
** This includes £3m relating to Atos liquidated damages at 31 December 2023

6. Prepayments and accrued revenue	2024	2023
Other prepaid expenses	4,219,018	3,620,848
Accrued revenue; forecasts and data	207,224	839,087
	4,426,242	4,459,934

7. Inventories	2024	2023
Archive data media	585,649	534,329
	585,649	534,329

Notes to the financial statements for the year ended 31 December 2024 (continued)

8. Property Plant & Equipment	Land	Building Improve-ments	Infrastructure Plant & Machinery	WIP & Intangibles	2024
	£	£	£	£	£
Cost					
At 1 January 2024	750,000	7,190,173	31,929,864	300,020	40,170,057
Additions	-	44,816	1,618,864		1,663,681
Trf WIP to FA			300,020	(300,020)	-
Disposals	-	-	(3,896,644)		(3,896,644)
At 31 December 2024	750,000	7,234,990	29,952,104	-	37,937,093
Accumulated Depreciation					
At 1 January 2024	-	2,755,289	18,319,052	-	21,074,341
Disposals	-	-	(3,818,917)	-	(3,818,917)
Charge for the period	-	164,543	3,947,979	-	4,112,521
At 31 December 2024	-	2,919,832	18,448,114	-	21,367,945
Net book value					
At 1 January 2024	750,000	4,434,884	13,610,811	300,020	19,095,715
At 31 December 2024	750,000	4,415,158	11,503,990	-	16,569,148

9. Payables	2024	2023
	£	£
Suppliers and accrued charges	20,240,535	19,406,777
Members States' Fund	7,067,695	6,129,682
Provisions	1,289,711	1,264,077
Other payables	660,158	632,926
	29,258,098	27,433,462

10. Pre-financing	2024	2023
External project funding received in advance	11,789,266	10,674,329
Externally funded projects provisions	48,754	82,605
Externally funded projects - coordinator account	494,376	2,449,977
Third Party Programme funding received in advance*	19,652,349	43,288,086
	31,984,746	56,494,997

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

11. Deferred revenue	2024	2023
Deferred revenue	2,701,582	3,143,842
	2,701,582	3,143,842

12. Employee benefits

Defined-benefit schemes

At 31 December 2024, the main actuarial assumptions used to calculate the defined-benefit liability (expressed as weighted averages) were:

	Pension benefits	Post-employment medical care
	%	%
Discount rates	5.50	5.52
Salary inflation	3.00	0.00
Price inflation	2.91	0.00
Medical cost inflation	0.00	4.87

	Pension benefits	Post-employment medical care	Total
	£	£	£
Present value of obligation at 01/01/2024	**338,286,756**	**43,813,378**	**382,100,132**
Interest cost	15,002,439	1,934,144	16,936,583
Current service cost	19,635,705	2,133,379	21,769,084
Benefits paid	(9,589,433)	(1,167,417)	(10,756,850)
Actuarial gain on obligation	(54,393,821)	(8,088,566)	(64,482,387)
Net liability recognised in Statement of Financial Position	**308,941,646**	**38,624,918**	**347,566,562**

Overall, during 2025 the pension obligation has decreased by £29,345,108 and the medical obligation has decreased by £5,188,460, which is principally due to the increase 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 2021 year end 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 2022 year end the RPI-CPI difference was reduced to 0.5% in line with actuarial advice and remained there for 2023 year end. This RPI-CPI difference has now been reduced to 0.4% for 2024 year end in line with actuarial advice.

The table below shows the impact of these changes to the overall liability at the end of 2024:

		Pension scheme		Post-employment healthcare	
Impact of change in:	**Type of (gain)/loss**	**Amount**	**% of 2024 liability**	**Amount**	**% of 2024 liability**
Population	Experience	(4,388,896)	(1.4%)	826,085	2.1%
Salary increase update	Assumption	(3,003,346)	(1.0%)	-	-
Inflation expectations update	Assumption	12,399,735	4.0%	2,871,152	7.4%
Early retirement coefficient update	Assumption	(138,807)	(0.0%)	-	-
Discount rate	Assumption	(59,262,508)	(19.2%)	(11,785,803)	30.5%
TOTAL ACTUARIAL GAIN		**(54,393,821)**	**(17.6%)**	**(8,088,566)**	**(20.9%)**

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%	4.3%	7.2%
Discount rate 0.25%	(4.1%)	(6.6%)
Inflation rate -1%	(14.8%)	(24.2%)
Inflation rate +1%	18.9%	33.6%
Mortality - 1 year	2.6%	4.3%
Mortality + 1 year	(2.6%)	(4.3%)

Movement in Pension Investment Accounts	**2024**
Opening value of investment account at 01/01/2024	88,718,900
Return on investment during the period	5,171,790
Contributions by employer during the period	20,383,385
Contributions by staff & validation of pension rights during the period	5,658,550
Benefits paid during the period	(9,589,433)
Investment of cash held at ECMWF at 31/12/2023	128,096
Net asset recognised in Statement of Financial Position at 31/12/2024	**110,471,288**

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	19,635,705	2,133,379	21,769,084
Staff contributions	(5,323,049)		(5,323,049)
Validation of pension rights	(335,501)		(335,501)
Benefits paid		(1,167,417)	(1,167,417)
Insurance premium paid		386,195	386,195
	13,977,155	1,352,157	15,329,312
Finance costs for post-employment benefit			
Interest on obligation	15,002,439	1,934,144	16,936,583
Increase in value of scheme assets in the year	(5,171,790)		(5,171,790)
	9,830,649	1,934,144	11,764,793

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 2024 (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 2024 (continued)

15. Expenditure	2024	2023
	£	£
Personnel costs		
Salaries and benefits	29,872,969	28,644,573
Other personnel costs (incl. training)	2,903,576	3,499,626
Total personnel costs	**32,776,545**	**32,144,199**
Total pension and post-employment benefits	**15,329,312**	**13,657,400**
Buildings expenditure		
Installations and alterations	62,988	221,468
Rental and local taxes	335,626	211,674
Water, gas and electricity	6,664,182	8,966,890
Maintenance, cleaning and security	1,754,806	1,742,214
Total buildings expenditure	**8,817,602**	**11,142,246**
Computer expenditure		
Hiring and leasing	14,863,469	19,115,088
Maintenance and repair	3,370,887	3,503,860
Supplies - computer and associated equipment	1,219,234	1,062,501
Telecommunications network	2,462,992	2,751,115
Other computing expenditure	1,648,074	833,246
Total computer expenditure	**23,564,655**	**27,265,809**
Other operating expenditure		
Furniture and equipment	35,503	21,631
Stationery, supplies, etc.	26,287	41,077
Postal, delivery, communications, etc.	10,918	11,543
Miscellaneous insurances	329,844	277,165
Publications and training	1,078,499	535,026
Governing bodies	187,202	169,422
Expert fees	140,232	300,931
Depreciation	4,112,521	3,279,041
Bad debt provision	239,461	181,670
Other expenditure	96,556	33,655
Total other operating expenditure	**6,257,023**	**4,851,162**
Externally Funded Projects	7,188,608	6,009,584
Optional Programmes	412,352	313,103
Third Party Activities	1,139,321	1,292,434
Copernicus	32,212,553	30,667,530
Destination Earth	25,717,923	19,453,652
Total externally funded expenditure	**66,670,757**	**57,736,303**
Internal tax	16,567,064	15,298,965
Total tax expenditure	**16,567,064**	**15,298,965**
Total expenditure	**169,982,958**	**162,096,084**

Notes to the financial statements for the year ended 31 December 2024 (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)	2024	2023
	£	£
Revenue		
Internal tax	16,567,064	15,298,965
Total tax included in revenue	**16,567,064**	**15,298,965**
Expenditure		
Internal tax	16,567,064	15,298,965
Total tax included in expenditure	**16,567,064**	**15,298,965**

16. Finance Costs	2024	20223
	£	£
Interest income from overdue contributions	343,371	198,548
Interest income from bank	1,807,226	1,323,047
Net foreign exchange income	-	-
Total finance income	**2,150,597**	**1,521,595**
Net foreign exchange cost	1,090,874	932,240
Pension and post-employment benefit costs (note 12)	11,764,793	10,863,491
Bank charges	29,906	27,068
Interest on Member States Fund	230,934	195,093
Total finance costs	**13,116,507**	**12,017,892**

Notes to the financial statements for the year ended 31 December 2024 (continued)

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 2024 (continued)

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

	2024	2023
	£	**£**
Net surplus / (deficit) for the year from continuing operations as per the Statement of Financial Performance	8,251,522	(520,107)
Adjustment for assets capitalised in the year	(1,663,681)	(8,265,195)
Adjustment for depreciation in the year	4,112,521	3,279,041
Adjustment for spend against commitments brought forward from 2023	5,521,595	11,479,567
Adjustment for commitments carried forward to 2025	(14,324,192)	(5,521,595)
Adjustment for finance costs for post-employment benefit (note 12)	11,764,793	10,863,491
Adjustment for post-employment benefit	(5,432,044)	(4,687,451)
Adjustment for accruals	224,016	(1,410,209)
Adjustment for prepayments	(567,262)	(139,585)
Adjustment for change in inventory	(51,320)	548,626
Adjustment for change in leave not taken	25,633	(22,315)
Other IPSAS timing differences	(9,236)	295,969
Revenue and expenditure account surplus per cash accounts	**7,852,345**	**5,900,236**

19. Contingencies and capital commitments

ECMWF has no contingent assets and no quantifiable contingent liabilities at 31 December 2024. However, in accordance with IPSAS 19: Provisions, Contingent Liabilities and Contingent Assets, ECMWF has two contingent liabilities; one relating to a claim that remains dormant from a former customer, and one pending internal staff appeal, expected to be decided by the Appeals Board in early Q2 2025, which could result in compensatory payments if ruled against ECMWF. These claims are currently being dealt with by the organisation.

ECMWF has contracted capital expenditure of £6,330,172 (£915,312 in 2023) but not yet incurred as at 31 December 2024.

Notes to the financial statements for the year ended 31 December 2024 (continued)

20. Operating lease commitments	2024	2023
	£	£
Within 1 year		
ATOS Service Contract[1]	3,898,716	4,084,385
SocGen Operating Lease[1]	11,281,876	11,819,155
De Lage Landen International B.V[2].	4,531	8,727
Konica Minolta Business Solutions – SP and Bol[3]	16,371	
Konica Minolta Business Solutions – Bonn[4]	5,276	
Kings Watercoolers[5]	300	
In 2 to 5 years inclusive		
ATOS Service Contract[1]	2,924,037	7,147,674
SocGen Operating Lease[1]	8,461,407	20,683,522
De Lage Landen International B.V[2]		4,531
Konica Minolta Business Solutions – SP and Bol[3]	17,208	
Konica Minolta Business Solutions – Bonn[4]	10,552	
	26,620,273	**43,747,993**

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. 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.
3. 3 year contract signed in January 2024 for copiers in Shinfield Park and Bologna
4. 3 year contract signed in December 2024 for two new Konica copiers located in Bonn. Machines not received at year end and expected at the start of 2025
5. New water boiler in the South Block - Shinfield Park. £300 per annum signed for 1 year

Notes to the financial statements for the year ended 31 December 2024 (continued)

21. Personnel

The average number of personnel employed by the Centre in 2024 was 500 (2023: 457).

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 2024	Aggregate 2024	Number of individuals 2023	Aggregate 2023
		£		£
The Director-General and other directors	6	1,462,699	7	1,515,086
Senior managers	9	1,601,636	9	1,630,248
Total key management personnel	15	**3,145,334**	16	**3,145,334**

There was no other remuneration or compensation to key management personnel or their close family members. The values for Other Directors in 2023 include one individual who left 31st December 2023.

23. Related party transactions

There were no material transactions with related parties during the year 2024.

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 2024

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	**2024 £**	**2023 £**	**2024 £**	**2023 £**	**2024 £**	**2023 £**	**2024 £**	**2023 £**	**2024 £**	**2023 £**	**2024 £**	**2023 £**	**2024 £**	**2023 £**
Revenue															
Member & Co-operating States' Contributions		62,704,554	62,493,320											62,704,554	62,493,320
Externally funded revenue				9,539,318	7,771,721	515,741	381,423	1,609,019	1,858,231	37,403,844	34,730,440	28,382,682	21,847,010	77,450,605	66,588,825
Management fee for Programmes**										3,239,848	3,187,471	1,628,404	1,463,218	4,868,251	4,650,690
Sales of forecasts & data		12,566,280	13,683,775											12,566,280	13,683,775
Other operating revenue		15,043,636	9,356,700											15,043,636	9,356,700
Total operating revenue excluding taxes		**90,314,469**	**85,533,795**	**9,539,318**	**7,771,721**	**515,741**	**381,423**	**1,609,019**	**1,858,231**	**40,643,692**	**37,917,912**	**30,011,086**	**23,310,229**	**172,633,325**	**156,773,310**
Taxes														16,567,064	15,298,965
Total operating revenue including Taxes														**189,200,389**	**172,072,275**
Expenditure*															
Personnel costs	15	32,776,545	32,144,199	6,840,335	5,995,626	412,352	313,103	1,029,329	1,194,441	9,045,908	7,969,373	7,491,959	6,329,794	57,596,429	53,946,536
Pension and post-employment benefits	12 & 15	15,329,312	13,657,400											15,329,312	13,657,400
Buildings expenditure	15	8,817,602	11,142,246	14,469										8,832,072	11,142,246
Computer expenditure	15	17,841,764	22,682,979	267,328	500			96,143	96,143	3,939,608	2,854,242	1,951,429	1,893,465	24,096,273	27,527,329
Other operating expenditure	15	6,257,023	4,851,162	66,475	13,458			13,849	1,850	(108,113)	65,231	(20,494)	33,736	6,208,741	4,965,437
Procured Industrial Activities										23,197,899	22,533,178	18,155,169	13,024,993	41,353,068	35,558,170
Total expenditure excluding taxes		**81,022,247**	**84,477,985**	**7,188,608**	**6,009,584**	**412,352**	**313,103**	**1,139,321**	**1,292,434**	**36,053,050**	**33,422,025**	**27,578,064**	**21,281,988**	**153,415,894**	**146,797,119**
Taxes														16,567,064	15,298,965
Total operating expenditure including taxes														**169,982,958**	**162,096,084**
Operating surplus / (deficit) for the period from continuing operations														**19,217,431**	**9,976,191**
Finance income														2,150,597	1,521,595
Finance costs	16													(13,116,507)	(12,017,892)
Net surplus / (deficit) for the period from continuing operations														**8,251,522**	**(520,107)**
Net surplus / (deficit) for the period														**8,251,522**	**(520,107)**

** 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 Programme 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 2024

		Core Activities		Externally Funded Projects		Optional Programmes		Third Party Activities (excl. Copernicus, DestinE and SEWA)		Third Party Activities (Copernicus only)		Third Party Activities (DestinE only)		Third Party Activities (SEWA only)		ECMWF Consolidated	
	Note	2024	2023	2024	2023	2024	2023		2023	2024	2023	2024	2023	2024	2023	2024	2023
		£	£	£	£	£	£	£	£	£	£	£	£	£		£	£
Assets																	
Current Assets																	
Cash & cash equivalents	4	49,805,899	36,032,241	343,112	2,239,631					21,127,948	15,673,813	14,296,648	45,369,708	2,318,150		87,891,756	99,315,393
Receivables	5	8,855,527	18,447,284	1,672,987	1,316,625							4,273				10,532,787	19,763,909
Prepayments and accrued revenue	6	2,746,296	2,789,871	17,494				419		1,560,577	851,195	101,456	818,868			4,426,242	4,459,934
Inventory	7	585.649	534,329	0												585,649	534,329
Total current assets		**61,993,371**	**57,803,725**	**2,033,593**	**3,556,256**	**-**	**-**	**419**	**-**	**22,688,526**	**16,525,008**	**14,402,377**	**46,188,576**	**2,318,150**		**103,436,435**	**124,073,565**
Non-current assets																	
Property, plant and equipment	8	16,569,148	19,095,715													16,569,148	19,095,715
Pension investment accounts		110,471,288	88,718,900													110,471,288	88,718,900
Total non-current assets		**127,040,436**	**107,814,616**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**127,040,436**	**107,814,616**
TOTAL ASSETS		**189,033,807**	**165,618,340**	**2,033,593**	**3,556,256**	**-**	**-**	**419**	**-**	**22,688,526**	**16,525,008**	**14,402,377**	**46,188,576**	**2,318,150**		**230,476,871**	**231,888,180**
LIABILITIES																	
Current liabilities																	
Payables	9	10,736,893	11,051,861	107,688	113,678	11,535	14,362	43,896	28,063	11,742,589	10,098,870	6,615,497	6,126,627			29,258,098	27,433,462
Pre-financing	10	0		12,332,396	13,206,912					10,016,549	4,672,973	7,317,659	38,615,113	2,318,141		31,984,746	56,494,997
Deferred revenue	11	2,681,853	3,143,842	19,729												2,701,582	3,143,842
Total current liabilities		**13,418,746**	**14,195,703**	**12,459,813**	**13,320,590**	**11,535**	**14,362**	**43,896**	**28,063**	**21,759,138**	**14,771,843**	**13,933,157**	**44,741,740**	**2,318,141**		**63,944,426**	**87,072,302**
Non-current liabilities																	
Employee benefits		347,566,562	382,100,132													347,566,562	382,100,132
Total non-current liabilities		**347,566,562**	**382,100,132**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**347,566,562**	**382,100,132**
TOTAL LIABILITIES		**360,985,308**	**396,295,835**	**12,459,813**	**13,320,590**	**11,535**	**14,362**	**43,896**	**28,063**	**21,759,138**	**14,771,843**	**13,933,157**	**44,741,740**	**2,318,141**		**411,510,988**	**469,172,433**
NET (LIABILITIES)		**(171,951,501)**	**(230,677,495)**	**(10,462,220)**	**(9,764,334)**	**(11,535)**	**(14,362)**	**(43,477)**	**(28,063)**	**929,388**	**1,753,165**	**469,220**	**1,446,835**	**8**		**(181,034,117)**	**(237,284,253)**
General reserve	13															2,394,996	2,394,996
Retained surpluses																(112,678,307)	(97,674,427)
Net surplus/(deficit) for the period																8,251,522	(520,107)
Actuarial adjustments																12,346,528	(50,135,859)
IPSAS adjustment reserve	14															(91,348,855)	(91,348,855)
TOTAL NET LIABILITIES																**(181,034,117)**	**(237,284,253)**