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Financial Statements for the year ended 31 December 2014

CERN/3177

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Council– 18 June 2015

Introduction

- The Annual Accounts (financial statements) for the year ending 31 December 2014 have been audited by the Supreme Audit Office of Poland (NIK).
- The budget deficit for 2014 was initially foreseen to be 45.8 MCHF. In fact a budget surplus amounting to 86.0 MCHF was recorded.
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Introduction

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- Taking into account 26.2 MCHF in capital repayments and 60 MCHF for the recapitalization of the Pension Fund, the final amount to be allocated to the budget balance is -0.2 MCHF which will be added to the cumulative budget deficit.
- The net assets passed from +344 MCHF in 2013 to -2,298 MCHF at the end of 2014 mostly due to provisions for actuarial liabilities for post-employment benefits. The significant increase in the liabilities for post-employment benefits is linked to the decrease of the discount rate (30 years Swiss Confederation Bond interest rate) from 1.97% in 2013 to 0.81% at the end of 2014.

Introduction - continued

- The External auditors raised in their report the issue of the discount rate used to calculate the present value of the post-employment liabilities. It is planned next year to study other possible options provided by IPSAS 25 for the choice of this discount rate.
- Thanks to the timely payments of most Members States, there were no short-term loans at the end of 2014.

Statement of Financial Position (summary)

	kCHF	As at 31.12.2014	As at 31.12.2013
ASSETS			
Property, Plant and Equipment		7 070 155	7 140 668
Intangible assets		3 332	4 026
Financial Assets - CHIS Fund		190 259	167 366
Financial Assets - other		50 000	60 000
Inventories		7 623	7 047
Receivables		134 692	171 293
Cash and cash equivalents		117 723	80 252
Total		7 573 784	7 630 652
LIABILITIES & NET ASSETS			
Net assets		-2 298 434	343 831
Post-employment benefits		8 741 227	6 128 298
Long-term debts		389 928	416 167
Liabilities - CHIS Fund		190 259	167 366
Member States		2 277	20 678
Provisions - Others		167 267	165 115
Current liabilities		381 260	389 197
Total		7 573 784	7 630 652

comparison of budget and actual amounts

	MCHF	Budget	Actual amounts	Var
Revenue				
Member States' contributions		1 099.6	1 099.6	
Additional contributions from Host States			1.6	1.6
Contribution from Romania as Candidate for Accession		7.9	7.9	
Special Contribution from Israel as Member State		9.0	12.0	3.0
Contribution from Serbia as Associate Member State		1.0	1.0	
EU Contributions		18.8	20.9	2.1
Other revenues		69.2	82.5	13.3
		1 205.5	1 225.5	20.0
Expenses				
Materials		619.4	507.0	- 112.4
Personnel		617.0	616.7	- 0.3
Interest and Financial Costs		14.9	15.8	0.9
		1 251.3	1 139.5	- 111.9
BUDGET SURPLUS FOR THE PERIOD		- 45.8	86.0	131.8

Re-profiling of multi-annual projects and to consolidation

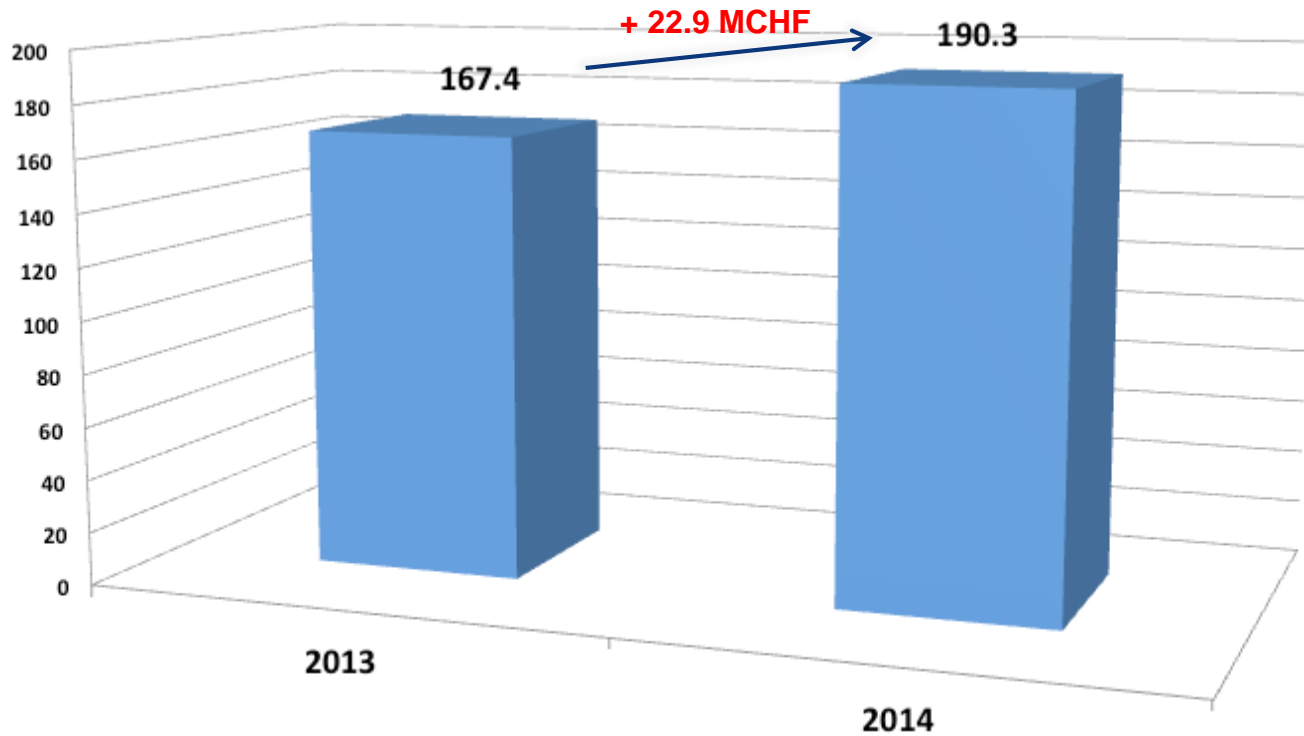


Accounting Reconciliation (of Budget Results to Accounting Result)

	MCHF
BUDGET SURPLUS FOR THE PERIOD (A)	86.0
Property, Plant and Equipment (PPE) reconciliation (B)	- 70.6
Revenues In-Kind on detectors	58.5
Expenses transferred to PPE and intangible assets	322.9
Depreciation and amortisation expenses	- 433.3
Write-off PPE	- 18.7
Items not recognized in the Budget Surplus (C)	- 275.0
Variation of provision for post-employment benefits	- 230.2
Recapitalisation Pension Fund	- 60.0
Variation of provision for elimination of radioactive waste	- 2.1
Amortisation of staff benefit accruals	17.3
TOTAL ACCOUNTING RECONCILIATION (D = B+C)	- 345.6
NET ACCOUNTING DEFICIT FOR THE PERIOD (E = A+D)	- 259.6

CHIS Fund – evolution from 2013 to 2014

MCHF



HIS :	+ 10.1 MCHF
LTC:	+ 3.1 MCHF
Financial performance:	+ 9.7 MCHF, gross yield = <u>5.8%</u> (2.9% in 2013)

Total	+ 22.9 MCHF in 2014

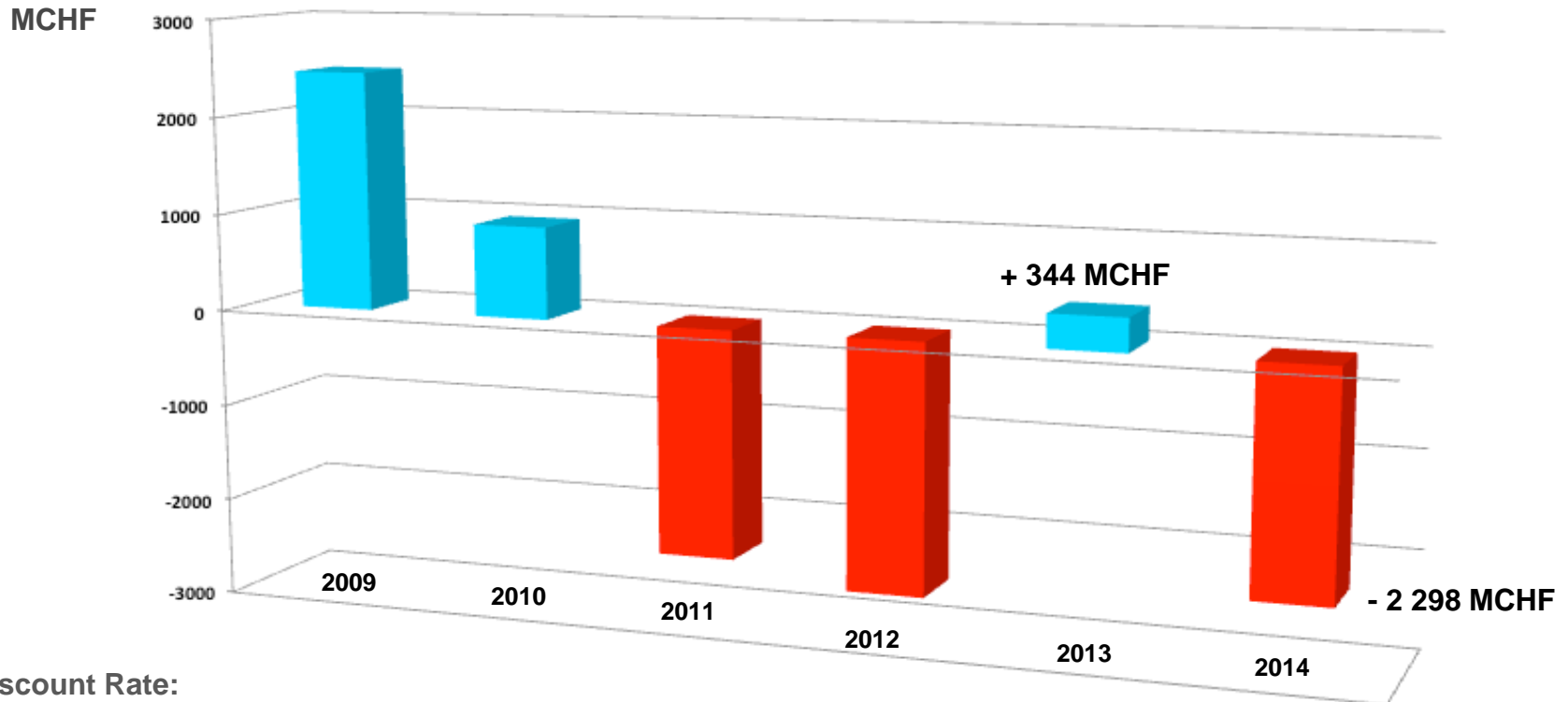
Receivables – Outstanding contributions from Member States

kCHF	As at 31/12/2014	Outstanding contributions as at 16/06/2015
Contributions - Greece	25 373	25 373
Contributions - Portugal	8 299	2 580
Contributions - Spain	51 486	
Contributions - Israel	1 832	
Receivables from Member States	86 991	27 953
Contributions - Serbia	1 000	
Receivables- Total	87 991	27 953

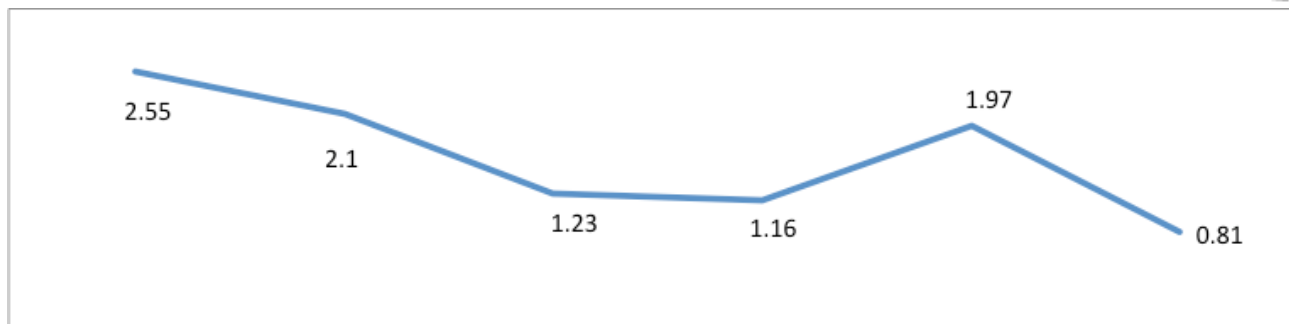
Liabilities - Long-term debts

kCHF	As at 31/12/2014	As at 31/12/2013
BNP FORTIS	320 394	342 836
FIPOI	36 897	38 001
SIG	32 637	35 329
Total	389 928	416 167

Net Assets – Evolution from 2009 to 2014



Discount Rate:



Post-Employment Benefits – Net liabilities

	kCHF	As at 31/12/2014	As at 31/12/2013	Variation
Pension scheme		5 903 633	4 062 347	1 841 286
Health Insurance Scheme (CHIS)		2 837 594	2 065 951	771 643
Total		8 741 227	6 128 298	2 612 929

Pension fund :

- increase of 1 841 MCHF mainly due to the decrease of the discount rate
- Sensitivity of discount rate : +- 0.5% would have an impact of +- 884 MCHF

Health Insurance Scheme (CHIS):

- Increase of 772 MCHF mainly due to the decrease of the discount rate
- Sensitivity of discount rate : +- 0.5% would have an impact of +- 380 MCHF

We wish to express our thanks to the *Supreme Audit Office of Poland* for their report and recommendations as well as for the valuable contributions we received during their audit.