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2014 Annual Progress Report

CERN/FC/5891/rev.

Dr. F. Sonnemann

Finance Committee - 16 June 2015

2014 APR: Summary

Comparison of 2014 objectives (as approved in June 2013) with 2014 Out-Turn

- LS1 consolidation and upgrade work for the LHC injector chain successfully completed
- Preparation for constructing HL-LHC, the highest-priority item of the 2013 European Strategy for Particle Physics
- Launch of Future Circular Collider study
- Israel became CERN's 21st Member State
- Celebration of CERN's 60th Anniversary: events at CERN, in Member States, and *Fête des Voisins*

New overview table to enhance readability and allow for better comparison in the executive summary (necessary due to the new fact sheets, page 9).

Financial situation (revised)

(in MCHF, rounded off)	Final 2014 Budget	2014 Out-Turn	Variations of Out-Turn with respect to	
	CERN/FC/5781	CERN/FC/5891	Budget	
	(2014 prices)	(2014 prices)	MCHF	%
	(a)	(b)	(c)=(b)-(a)	(c)/(a)
REVENUES	1,205.5	1,225.5	20.0	1.7%
Member States' contributions	1,099.6	1,099.6	0.0	0.0%
Additional contributions from Host States		1.6	1.6	
Additional contribution from Romania as a Candidate for Accession ^{1a}	7.9	7.9	0.0	0.0%
Special contribution from Israel ^{1b}	9.0	12.0	3.0	33.3%
Additional contribution from Serbia as an Associate Member State ^{1c}	1.0	1.0		
EU contributions	18.8	20.9	2.1	11.2%
Other revenues	69.2	82.5	13.3	19.3%
EXPENSES	1,251.3	1,139.5	-111.9	-8.9%
Scientific programmes	536.3	508.2	-28.1	-5.2%
Infrastructure and services	324.8	277.3	-47.5	-14.6%
Centralised expenses	174.0	172.5	-1.4	-0.8%
Projects and studies	216.2	181.3	-34.8	-16.1%
BALANCE				
Annual balance	-45.8	86.0	131.8	
Capital repayment allocated to the budget (Fortis, FIPOI 1, 2 and 3, SIG)	-26.2	-26.2	0.0	
Recapitalisation pension fund	-60.0	-60.0		
Annual balance allocated to budget deficit ²	-132.0	-0.2	131.8	
-Cumulative Balance³	-86.1	-86.3	131.8	

Positive improvement of the budget position: **Planned -218.1 MCHF** in Final 2014 Budget

Actual amounts -86.3 MCHF

Positive difference of 131.8 MCHF due to carry-forward, re-profiling and savings (less energy costs, insurances)

Revised from 137.8 due to charges linked to additional charges link to building 107

Differences between Final 2014 Budget and Out-Turn

Positive improvement of the deficit (by **131.8 MCHF**) compared to Final 2014 Budget (as presented in December 2013, CERN/FC/5781)

- 108.1 MCHF carry-forward for multiannual projects (revised to 103 MCHF)
 - A need to maintain LS1 schedule and finish important milestones resulted in reprofiling of LIU, HL-LHC and detectors upgrades
 - Delays in construction/renovation projects (buildings 774, 107, Globe)
 - Diversity projects with difficulties in developments and external revenues result in a re-profiling
- Increase in revenues, e.g. cash settlement of Israeli special contributions, more EU funds, sponsorship
- Savings, in particular for energy and insurances

Differences with respect to the expected budget position as presented in December 2014

- Repayment of SIG loan (water piping) was foreseen at the end of 2014 but materialises in 2015 (some 40 MCHF less expenses) as the agreement from SIG was obtained only in February 2015.
- The revised 2014 budgets were fully committed – details in the carry-forward (Figure 14)
- The impact of the re-profilings of the multiannual projects and other changes in 2014 expenses are being analysed and will be integrated into the 2015 MTP
 - out of 110 MCHF multiannual projects non-spent in 2014, 20 MCHF are allocated in 2015, 90 MCHF in 2016 and later
 - Biggest difference due to delays in building construction and SIG capital repayment

Final figures

- All financial figures were updated to be in line and fully compatible to the audited financial statements
 - About 5 MCHF more charges mainly related to the ongoing legal case for Building 107
 - Revised figures in the final APR cannot be excluded as the APR version for March is submitted prior to finalise the Financial Statements

Changes with respect to March

- More consistent presentation (all fact sheets with bullet points)
- Explanations and additional footnotes for different figures activities versus expenses breakdown by nature in financial statements responding to the comments raised by the External Auditors
- Ongoing discussion on what type of Key Performance Indicators could be added and still keeping the APR a concise document
 - Trend in working accidents added
- The Management would like to thank the External Auditors for their Assessment and Comments