

# Annual Report and Accounts

2023/24





## **Met Office Annual Report and Accounts 2023/24**

Presented to Parliament pursuant to section 4(6) of the Government Trading Funds Act 1973 as amended by the Government Trading Act 1990

Ordered by the House of Commons to be printed 25 July 2024



© Crown Copyright 2024

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/version/3](http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3)

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at: [www.gov.uk/official-documents](http://www.gov.uk/official-documents)

Any enquiries regarding this publication should be sent to us at [enquiries@metoffice.gov.uk](mailto:enquiries@metoffice.gov.uk) or **+44 (0)370 900 0100**

**ISBN: 978-1-5286-4940-7**  
**E03132286**

Printed in the UK on behalf of the Controller of His Majesty's Stationery Office





# Performance report

<b>6</b>	Our purpose
<b>8</b>	Helping you stay safe
<b>12</b>	Helping you to thrive
<b>16</b>	Statement from the Chair
<b>18</b>	Chief Executive's summary
<b>20</b>	Met Office at a glance
<b>22</b>	Strategic report
<b>24</b>	Excellent people and culture
<b>28</b>	Exceptional science, technology and operations
<b>32</b>	Extraordinary impact and benefit
<b>36</b>	Update on status of KPIs
<b>38</b>	Equality, diversity and inclusion
<b>42</b>	The environment and sustainability
<b>45</b>	Sustainability report
<b>50</b>	Financial review
<b>53</b>	Risk review

# Accountability report

<b>54</b>	Corporate governance report
<b>56</b>	Governance statement
<b>66</b>	Remuneration and staff report
<b>73</b>	Parliamentary accountability and audit report

# Accounts

<b>78</b>	Statement of comprehensive income for the year ended 31 March 2024
<b>79</b>	Statement of financial position as at 31 March 2024
<b>80</b>	Statement of cash flows for the year ended 31 March 2024
<b>81</b>	Statement of changes in taxpayers' equity for the year ended 31 March 2024
<b>82</b>	Notes to the accounts

# Our purpose

---

# Helping you make better decisions to stay safe and thrive





The Met Office is here to help you make better decisions to stay safe and thrive. That means giving you the best weather and climate information when it matters to you most. Our focus is on making a difference and delivering greater benefit to you.

We only make an impact when our trusted data, products, science, services and advice get into the hands of those who use it to shape their lives, and the lives of those around them, all built on our pioneering science and technology.

We deliver our services through exceptional scientific, technological and operational expertise. Behind this is a team of excellent people, working with you to deliver extraordinary impact, making us one of the most trusted forecasters in the world.

Since our foundation in 1854, the Met Office has pioneered the science of meteorology and its application. To this day, we continue to push the boundaries of science and technology, so that we can meet the demands of today and the future. We are a key part of the weather and climate community, uniting scientific leaders from every corner of the globe, delivering extraordinary impact and benefit to the world around us.



# Helping you stay safe



We are working with the Alan Turing Institute to develop **AI models** that will enable improved forecasting, including for extreme weather events, helping to save lives and protect critical national infrastructure.

**The  
Alan Turing  
Institute**

“

*This is an enormously ambitious project. Using the complex and rich meteorological datasets and expertise from the Met Office, and AI expertise from the Turing, we aim to save lives, protect infrastructure and push the boundaries of scientific understanding for the benefit of communities here in the UK and internationally.*

**Dr Jean Innes**  
CEO at The Alan Turing Institute

”



# 83%

of the UK public **trust** the Met Office's weather forecasts, making us the most trusted weather supplier.





We are supporting the Ukrainian Hydrometeorological Center with their broadcast media output during the ongoing **conflict in Ukraine**, helping them to provide more accurate and actionable forecasts to the Ukrainian public.

“

*Thanks to the cooperation with Met Office, we are able to use modern meteorological animation in our daily content. This has had an invaluable impact on the quality of the materials that the Ukrainian Hydrometeorological Center provides to our users... Thank you for such an important opportunity for our country and we will be very grateful for continued cooperation!*

**Natalia Ptukha**

Head of the Media Relations Department of the Ukrainian Hydrometeorological Center

”



# 97%

of **emergency responders** trust the Met Office as the provider of the National Severe Weather Warning Service.

95% say our weather warnings are useful and around 9 in 10 report that the warnings help them to make decisions and take action.

# Helping you stay safe



We're working with journalists and the public to reduce the frequency and influence of weather and climate **misinformation** in some sections of online media. By addressing common media narratives proactively, we can help to reduce the impacts of misinformation on the public.

We contributed to the National Audit Office report on Government Resilience to **Extreme Weather**. The report examines how well prepared the country is for future extreme weather events.



# 1,040

Multiagency **resilience** meetings with our Civil Contingency Advisors

Including 23 Scottish Government Resilience Room meetings, 8 Northern Ireland Government Resilience meetings, 1 Welsh Government Resilience meeting, and 79 UK government department led meetings, helping to protect the UK from the worst of our weather.



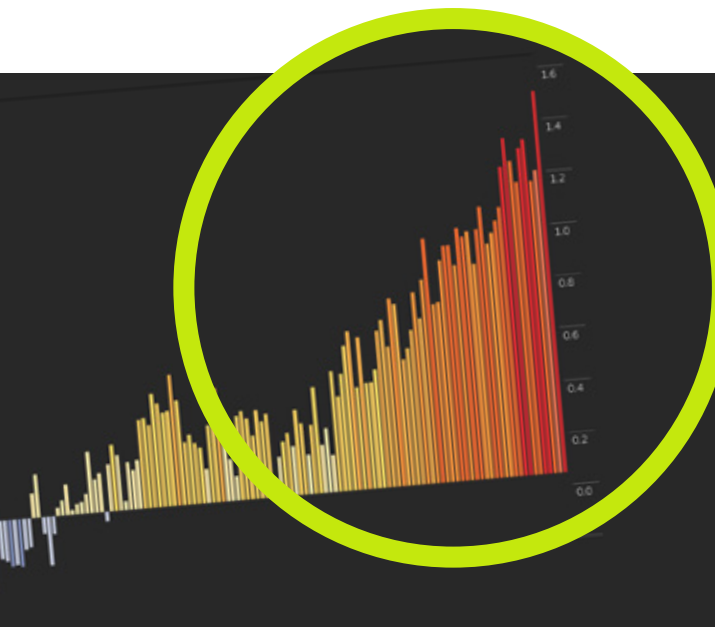


We are partnering with the Natural Environment Research Council research on a new £11m programme to **improve forecasting** of extreme weather, helping the UK better manage weather related risk.



*Extreme weather is becoming more common due to the effects of climate change. Predicting both the scale and location of these events is a key challenge as they increasingly impact lives, homes and infrastructure. We are investing in programmes that improve our understanding of the atmospheric turbulence, so we can strengthen our monitoring and modelling tools.*

**Duncan Wingham**  
Executive Chair of NERC



We are using social and behavioural science principles along with government guidance to inform our approach to tackling climate **misinformation**.

By providing peer-reviewed scientific evidence on climate change we can provide clarity to the public on what the latest science tells us about climate change.

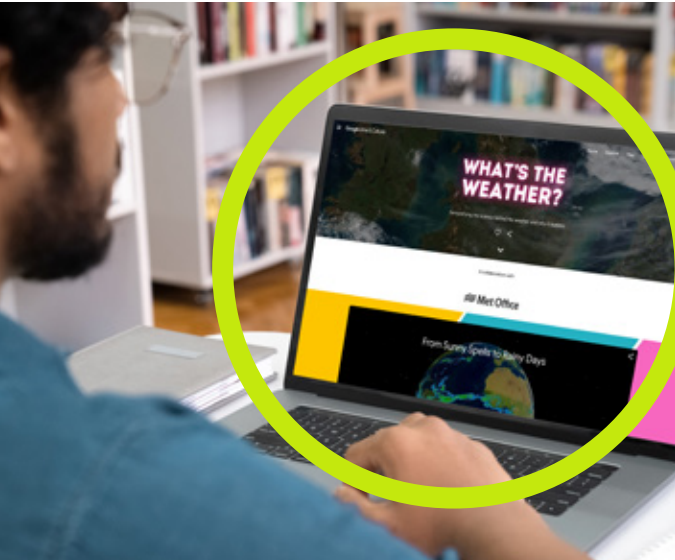
# Helping you thrive



We partnered with FLYHT Aerospace Solutions Ltd and Loganair on a **cutting-edge** project to improve the accuracy of weather forecasts and the prediction of localised severe weather in the UK.

This will benefit the aviation industry, supporting more efficient route planning and reduction in CO<sub>2</sub> emissions.

To provide more people with **long-range** weather information, we released a new 14-day weather outlook video and long-range text on our Met Office weather app.



We have partnered with Google Arts & Culture to develop an online hub where you can explore why the weather matters. It brings to life highlights from the National Meteorological Archive with our current work in a series of digital stories and aims to **engage** younger audiences.





Our expert scientists and meteorologists supported the **successful flight** of BAE Systems Prismatic's PHASA-35 high altitude Uncrewed Air System, helping them to bridge the knowledge gap between air and space.

**BAE SYSTEMS**



*The combination of BAE Systems and Met Office capabilities on the PHASA-35 programme is a tremendous demonstration of world leading UK technology.*

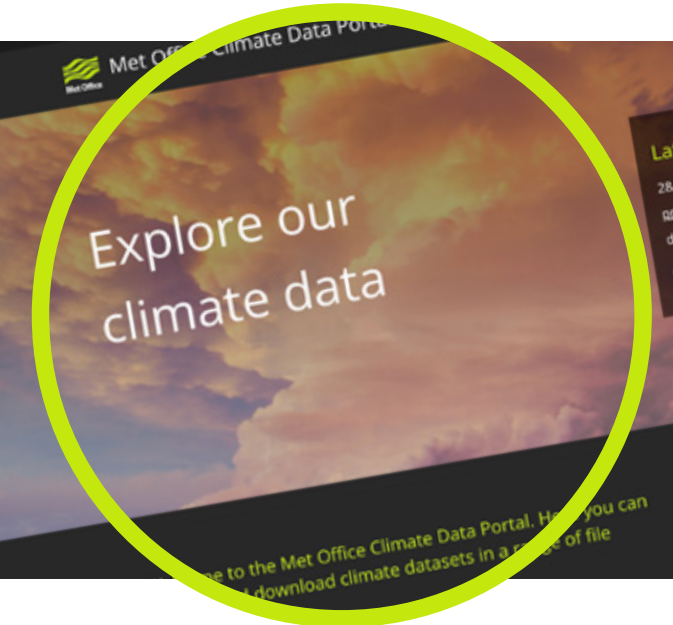
**Dave Corfield**  
CEO of BAE Systems' Prismatic Ltd



340

**scientific publications** were authored by the Met Office this year, contributing to evolving and advancing our weather and climate science.

# Helping you thrive



We formally launched our **Climate Data Portal** that provides a curated selection of our climate data in ready-to-use data formats. Built using Esri’s ArcGIS Hub, the portal makes it easier for organisations to view climate data geospatially and also analyse climate change projections alongside their own data.

“*The portal makes working with climate data faster and more accurate and saves months of development time when trying to understand the impact of climate change on specific sites in Scotland.*”

**Emma Teuten**  
Lead GIS Analyst at RSPB Scotland



Over the last 3 years, around 40 of our Scientists and Software Engineers have re-engineered our approach to **observation processing** and developed a new Observation Processing Application. The new software will be able to take advantage of the next generation of supercomputers and enable faster scientific pull through.





We have recruited 35 industrial placements and internships, 25 apprentices and 9 graduates to our new graduate training scheme, supporting people in their **career development**.

“

*Doing an apprenticeship with the Met Office is one of the best decisions I've made. The Met Office has pushed me and nurtured me to grow as an employee and a person, allowing me to thrive. I've cultivated a deep passion for my work and developed skills for life.*

**Ruby Featherby**

Employee Experience Apprentice

”



‘Forecasting Your Future’, our new **online work experience** programme for 13- to 18-year-olds was completed by 658 students across the UK this year.

# Statement from the Chair



**Rob Woodward, CBE**

The Met Office's vision is to be recognised a global leader in weather and climate science and services in our changing world. As I reflect on this vision and the past year, the changing world element remains at the forefront of my mind. As last year, I remain proud of how the Met Office has continued to adapt in a year of heightened geopolitical tension and technological change. During this time, the Met Office has maintained its world leading advice and support to the UK's population and government whilst also maintaining its position at the forefront of global climate science.

This scientific expertise is built on well-established partnerships with meteorological services and academia. In November, I welcomed representatives from our eight Met Office Academic Partnership (MOAP) universities to celebrate our work. This partnership brings together research excellence from the Met Office and our partner universities,

as together we advance weather and climate science of the highest standard. It was also clear that the partnership provides an outstanding forum to develop the science leaders of tomorrow.

The Board has continued to meet with agencies and partners through the year. In October, we visited and were hosted by the RNLI (Royal National Lifeboat Institution) where we discussed our shared interest in communicating warnings and advice to the public.

It has been a busy year for the four intergovernmental organisations that the Met Office works with. These are the World Meteorological Organization (WMO), the European Centre for Medium-Range Weather Forecasts (ECMWF), the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) and EUMETNET, a collaboration of European Met Services. I was

delighted that WMO Congress appointed Celeste Saulo as its first female Secretary General and the re-election of our Chief Executive, Penny Endersby, to the Executive Council demonstrates our leadership role. I was also particularly pleased to see Penny elected as the President of the ECMWF Council. Penny will play a key role in guiding ECMWF's strategy and direction as it also adapts to this changing world. ECMWF, like the Met Office, will need to incorporate the developing sphere of artificial intelligence into its operations. EUMETNET revised its partnership agreement reflecting a new status under Belgian Law and agreed its programme of activities for the next five years. It has integrated many of the functions previously carried out by ECOMET. The Met Office continues to play an active leadership role across all four bodies.



*...I remain proud of how the Met Office has continued to adapt in a year of heightened geopolitical tension and technological change. During this time, the Met Office has maintained its world leading advice and support to the UK's population and government whilst also maintaining its position at the forefront of global climate science.*







*I am approaching the end of my six-year tenure as Met Office Chair. It has been a privilege to serve such a globally renowned organisation through a significant time in its development.*



The Met Office's purpose is to help you make decisions to stay safe and thrive. From November to January, we've seen seven named storms and severe weather during Christmas and New Year. The response to these events showed that clear and effective communication of risk helps the public take action. This helps them keep themselves and their property safe.

Managing such weather events requires the collaboration of many teams from across the Met Office, in order to combine our scientific expertise with high quality and timely information from the observing network and clear internal and external messaging from our communications teams. I am grateful for the hard work and dedication of all involved. They ensure the Met Office provides accurate and timely weather information to the public.

Vice Admiral Duncan Potts CB, the Public Weather Service Customer Group (PWSCG) Chair, continues to push and challenge the Met Office to make improvements to forecast accuracy, especially during everyday weather conditions. This year, our Citizen engagement strategy has been implemented across the business. This outlines the Met Office's approach to reaching the whole UK population with trusted weather and climate services. During the year we have seen significant growth in the reach of our indirect services. This means more third-party providers are taking our National Severe Weather Warning

Service, and in turn we are reaching more people with our warnings. Similarly, a new 14-day video forecast was released on the Met Office weather app, addressing a priority gap identified by the PWSCG.

This year, the Met Office received accreditation through Great Place to Work®. Teamwork, fair treatment in the workplace and pride in the organisation all featured as highlights in the reports and I was delighted to see this recognition. I was also pleased to see significant progress has been made on reward in this period which resulted in a three year pay settlement.

I have been immensely impressed by the staff of the Met Office and their dedication to providing the best possible service in the UK and globally. Their contribution to weather and climate related decision-making touches all parts of our society. I was delighted to celebrate these successes at the Awards for Excellence ceremony in December. The wide and varied examples of world leading work remind me once again the Met Office really does "Live and Breathe It"!

I welcome Catherine Bremner and Andy Samuel to the Met Office Board as non-Executive Directors. Catherine Quinn stepped down after six years of service to the Board and Hunada Nouss is also soon to reach the end of her tenure. I am grateful to both of them for their outstanding service.

Finally, I am approaching the end of my own six-year tenure as Met Office Chair. It has been a privilege to serve such a globally renowned organisation through such a crucial time in its development. I am excited to see the ongoing work to commission the largest ever computer anywhere in the world dedicated to weather and climate come to fruition. This will allow the Met Office to deliver ever greater impact and benefit from its forecasting capabilities and to understand better and help tackle more effectively the challenges of our planet's changing climate.

# Chief Executive's summary



**Professor Penelope Endersby**  
CBE, FEng, Hon FInstP

2023 was the warmest year on record globally, in a series stretching back to 1850. It was the tenth year in succession that global temperatures have equalled or exceeded 1.0 °C above the pre-industrial period (1850-1900). Meanwhile, severe weather impacts have been seen globally. Severe storms and tornadoes in the US, flash flooding in Democratic Republic of Congo, Storm Daniel causing catastrophic flooding in Libya and extensive wildfires in Canada and parts of Europe to mention a few.

In the UK, storms Babet and Isha saw red warnings for wind and rain issued for parts of the UK and many areas have seen flooding through the winter months.

Events such as these remind us that the importance of accurate, timely and detailed weather and climate information has never been greater. Without such information it is impossible to make decisions to stay safe and thrive. This is true whether you are a homeowner trying to protect your property from flooding or a global leader working to adapt to climate change.

The exceptional global temperatures of 2023 were a surprise to many commentators. However, since 2020, the Met Office has been issuing a global annual to decadal forecast on behalf of the World Meteorological Organization (WMO). This uses multiple climate models from leading prediction centres around the world. In 2022 we stated that global near-surface temperature for each year between 2022 and 2026 was predicted to be between 1.1°C and 1.7°C higher than pre-industrial levels. This spans the observed value for 2023. Our updated forecast for May 2023 predicted there was a 66% likelihood that for at least one year between 2023 and 2027 the annual average near-surface global temperature would be more than 1.5°C above pre-industrial levels. The global temperature outlook for 2024 suggests another record-breaking year is likely. 2024 could temporarily exceed 1.5°C above pre-industrial levels, with a global temperature forecast between 1.34°C and 1.58°C.

The Met Office Hadley Centre has been a key contributor to the recent

Intergovernmental Panel on Climate Change Sixth Assessment Report. The Working Group I report alone cites more than 1,000 papers from Met Office authors. Six Met Office scientists are in key positions and either lead or coordinate lead authors across the Working Group I and II reports. This shows the influence and reputation of Met Office scientific expertise and Met Office scientists continue to participate in a wide range of collaborative research.

Great science like this relies on critical underlying capabilities. We are moving towards the initial operating phase of our new supercomputer facility. We have been undertaking the largest ever 'over the wire' data transfer, moving 320PiB and over 1.5 billion files to the new system. Generation 1 of the new supercomputer is now built, and we are in the process of testing our modelling codes on it. Whilst there have been frustrating delays caused by the pandemic and the worldwide shortage of electronic components we are nearly there! As we wait to switch across to the new computer, we have worked to

“  
*Events such as these remind us that the importance of accurate, timely and detailed weather and climate information has never been greater. Without such information it is impossible to make decisions to stay safe and thrive.*  
”



maintain our forward progress. We have made improvements in forecast accuracy, focusing in particular on post processing. After many years of hard work from many teams across the Met Office, the integrated model post-processing and verification project has successfully delivered a system which is now providing blended probabilistic forecasts for end users. The data produced by the system is called the Met Office Blended Probabilistic Forecast and is now available in a public BETA trial on our website and app as well as part of our data services portfolio for customers.

Work on our next generation forecasting model, known as Momentum, continues. Momentum will enable us to increase our modelling scale resolution even further and make use of the newest computer architectures. It is great to see our existing multi-national Unified Model partners signing up to join the partnership for the Momentum model. The Met Office Informatics Lab and our Joint Centre for Excellence in Environmental Intelligence partnership with Exeter University are exploring how the developing world of artificial intelligence (AI) can be exploited. We are very much aware of the disruptive rise of generative AI and its application to weather forecasting over the last year. Our previous work on strengthening our data science capabilities had put us in a good place to respond to this. We are applying AI and machine learning in many ways in the Met Office.

Our AI4NWP (Artificial Intelligence for Numerical Weather Prediction) programme continues to accelerate. In 2023 we launched a partnership with The Alan Turing Institute, the UK's national institute for data science and AI. Through this we have made much progress in terms of skills. Together we have developed the FastNet model for weather forecasting. This is now being tested against other leading AI models. We intend to use transformative

technology alongside physics-based methods to forecast the weather. We are already using neural networks for post processing and improving the accuracy of site-specific forecasts. AI is already deployed and helping people make better decisions to stay safe and thrive.

We are already seeing benefits from other areas of pioneering research. These include data-driven approaches to improve forecasts of maize yield in China; using artificial neural networks with both long-term and short-term data observation networks to forecast solar power in South Africa; and, a new machine learning framework (developed with the University of Exeter) for the short-term forecasting of ocean wave conditions, supporting critical decision-making associated with the safe and successful operation of offshore infrastructure.

Our successful internal 'AI4Everyone' event showcased use of AI across the whole of the Met Office. Trials of Microsoft 365 Copilot and GitHub Copilot are helping efficiency and productivity. We expect that we will be in fast learning mode for the next several years as we assess how best to embed AI into our daily work.

Our customers continue to provide positive feedback across the services that we provide. Last summer, NATS (National Air Traffic Services) praised our Forecast Team embedded in their operations centre. They stated that well communicated, accurate forecast information had reduced delays caused by thunderstorms, keeping the UK's airspace operating.

We have contributed to the UK's winter resilience planning for energy security. Our accurate long-range scenarios help decision makers plan the availability of weather-dependent renewable energy resources. Predictions of solar and wind resources allow them to make informed choices about energy resource management.

The National Audit Office (NAO) published their report 'Government Resilience: Extreme Weather' in December. This report examined the government's vision for responding to severe weather emergencies. It showed how we contribute through our National Severe Weather Warning Service and other public facing guidance. Alongside this we provide specialist advice to emergency responder and government decision-makers. The report also looked into how the UK is adapting to the challenges we can expect as the UK's climate changes. I, along with colleagues from the Cabinet Office, Department for Food and Rural Affairs and the Treasury appeared in front of the Public Accounts Committee. The committee scrutinised the NAO report and our role in the sector in some detail. They were very interested in what reasonable worst-case scenarios might look like for different types of severe weather.

Our mission to help keep people safe is not limited to the UK. In just one example, we are providing the Ukrainian National Meteorological Centre with pre-rendered broadcast-quality forecast information. This is then presented on their own communication channels. Combined with hourly weather data, their presenters are now able to provide more accurate forecasts to the Ukrainian public.

We have seen many interesting and high-profile visits in the past year. These include government ministers, figures from partner agencies and world-leading scientists from institutes and organisations. Even the visitors who know us best always leave commenting that they did not fully appreciate the extraordinary breadth of the Met Office's capabilities and activities. They recognise the huge impact our staff and our work have on society, helping people in the UK and worldwide to make better decisions to stay safe and thrive.

# Met Office at a glance

## About the Met Office

We combine deep expertise and world-class research and innovation to deliver accessible, relevant weather and climate services. Our services meet the needs of government, industry and citizens – both for today and tomorrow.



Using billions of observations from aircraft, buoys, satellites and ships all over the world, alongside the powerful capacity of our supercomputing technology and advanced atmosphere simulations, we generate thousands of tailored forecasts and briefings, every single day. Recognised as one of the world's most accurate forecasters, we help you make better decisions to stay safe and thrive.







## Pioneering science

Our pioneering experts work at the forefront of weather and climate science and technology. They help shape the worldwide response to our changing weather and the impacts of a changing climate.

We continue to push the boundaries of scientific, technological and operational expertise. This is enabled by significant investments in our weather observations networks, supercomputing technology, weather and climate modelling and processing capability.

We provide evidence on climate change directly to the UK government, and in part through the UK Climate Change Risk Assessment. Internationally, our scientific evidence is regularly incorporated within reports from the Intergovernmental Panel on Climate Change, including the latest comprehensive AR6 series which was completed in March 2023. Key scientists present their latest findings to the delegates at the annual Conference of the Parties including last year's event (COP28) in the United Arab Emirates.

To ensure we stay at the forefront of meteorological research we are investing in the the world's most powerful weather and climate supercomputer. This will take weather and climate forecasting to the next level. Implementing scientific and technological improvements and updates to our models is an ongoing process.



## Trusted services

The social and economic benefits of our services run broad and deep. As a direct result of our services, airlines are able to reduce costs and fly safely. Retailers can adapt their offering in response to upcoming weather and consumer trends, and energy providers can improve output and productivity.

The UK Armed Forces use our briefings to plan missions around the weather. Scientists in the Antarctic use our team at Rothera Base to conduct their research safely. Through the UK's National Severe Weather Warning Service, governments, industry and citizens are able to protect assets and minimise the risks of severe weather.

Our innovative content and delivery platforms, such as the Met Office weather app, ensure every one of our forecasts and briefings is easy to access and understand. Our weather app has been downloaded by millions of users since 2016.

We not only deliver our forecasts through our platforms and channels, we also use partnerships. Last year we introduced our forecasts on windy.com and continue to work with media partners such as Channel 5, Sky, ITV, Gibraltar Broadcasting Corporation, GB News, IRN and Channel 4. This ensures that as wide an audience as possible has access to our accurate forecasts wherever they may access them.



## Global impact

Much of our strength lies in the expertise and dedication of our people. As well as our collaborative relationships with partner organisations in the UK and around the globe.

At home, the impact of our forecasts and warnings have seen millions of people protected from the impacts of severe weather. Autumn 2023 saw the largest number of severe weather warnings issued for an autumn since impact-based warnings were introduced in 2011. During Autumn/Winter 10 storms were named by the Met Office and our partners Met Éireann and the Royal Netherlands Meteorological Institute. Our warnings and storm naming help people to keep themselves, their property and businesses safe.

Our experience as a public weather service and world leading modelling centre enables us to support a World Meteorological Organization Expert Team for the United Nation's Early Warning for All Initiative. We share our learnings as an implementer of programmes like WISER (Weather and Climate Information Services), to improve the quality, accessibility and use of weather and climate information services for the benefit of all around the world.



# Strategic report

Our purpose is clear: we are here to help you make better decisions to stay safe and thrive. It drives what we do, focusing us on making a difference to the people we serve, always delivering greater benefit and impact from our science and technology through the services we provide.

Our strategy sets out three anchors that are the main themes that allow us to deliver on our purpose:

- Excellent people and culture
- Exceptional science, technology and operations
- Extraordinary impact and benefit

These anchors capture everything we do in achieving our purpose.

The Met Office has an annual set of performance measures which are agreed by the Met Office Board as a representative set of measures of how well the organisation is performing.

The Key Performance Indicators (KPIs) are framed around the delivery and impact of the three strategic anchors, and related strategic actions, with a further KPI for financial performance and regulatory compliance.

Strategic actions are key short-to-medium term priority activities that are critical to the future success of the Met Office. They do not capture everything the Met Office will do but show where we must prioritise our efforts to achieve the Met Office vision. Delivery measures assess our delivery of products and services to our customers, together with our internal operating systems and process effectiveness.

Performance against agreed milestones for each action or measure is monitored and reported on throughout the year. Performance against these measures is then linked to Met Office-wide corporate performance pay. This encourages employee engagement in driving the performance of the Met Office, as all employees can benefit. Having a clear vision of the future continues to be the focus of our strategic actions. Our corporate vision to be 'Recognised as global leaders in weather and climate science and services in our changing world' provides us with a clear picture of where we are heading.

## Our values

Our values are our guiding principles. They reflect who we are and what we stand for here at the Met Office. Our values underpin every decision we make and the way in which we get our work done each and every day.

Our values are:

- We're experts by nature
- We keep evolving
- We live and breathe it
- We're better together
- We're a force for good







# Excellent people and culture



**Our work is life changing, often lifesaving, and has world-wide significance. Looking back over the last year, I recognise our amazing staff who strive to deliver our world changing work.**

We deliver our services through exceptional scientific, technological and operational expertise. Behind this is a team of excellent people, working to deliver extraordinary impact, making us one of the most trusted forecasters in the world.

We embrace diversity of expertise, thought and culture; creating an environment where our people can be the best they can be. Our headquarters in Exeter is designed with collaboration in mind. We were recognised by CIPD (the professional body for HR and people development) for our commitment towards empowering our people, gaining the prized People Partner Award.

We care about our people and their wellbeing. We also provide staff with

a range of benefits that matter to them and make a difference in their lives.

We support people in developing their career, whether this is in the early stages, or those looking for a change or further development. Over the last year, 115 employees participated in early career schemes, 71 on apprenticeships, 35 on the 23/24 industrial placements and summer internships and nine on our new graduate development programme. We have also provided online work experience to over 550 young people from across the UK who represent the population we serve. This has provided them with an insight into what it is like to work for this large, world leading organisation.

We love to learn and continue to support staff through their career with opportunities to develop, providing our staff with the tools to take control of their careers. Whether they would like to stay in their current job for a while (and get even better), or they have aspirations to move sideways

to build breadth or climb the career ladder. Development conversations are regularly held, and opportunities created through on the job, social and formal learning.

Our success is built on the sum of our parts. And we celebrate our success alongside our staff; we truly are better together. Our strategy recognises our Excellent People and Culture, looking to make even more improvement to attract and retain a world-leading workforce.



**Tammy Lillie**  
Chief People Officer

# Our strategy in action:

Helping ensure that world-wide travel is completed safely, and in good time

## **Weather such as fog, snow, and thunderstorms can have a significant effect on the efficiency of air travel.**

Our Senior Operational Meteorologists (Senior Op Mets) work on-site, side-by-side with colleagues from NATS (National Air Traffic Services) and the London Heathrow Airport Operations Team. We help them to make critical planning decisions to keep flights and procedures running on time. This keeps both the airlines and the millions of passengers travelling yearly through Heathrow happy. In 2023 alone, the total number of passengers travelling through Heathrow, Britain's busiest airport, totalled 79 million.

It's a team effort. Through short- and longer-term forecasting we help to ensure that our customers at Heathrow meet their required levels of compliance. We provide weather information to support the landing, take off and 'en-route' phases of flight. Weather forecasting is required to provide safe and efficient route

planning, to mitigate against the effects of weather phenomena like thunderstorms and turbulence, and to determine how much fuel is required for journeys.

We're committed to being 'Experts by nature'. We are a trusted team of Op Mets who have an embedded culture of sharing knowledge and experience with each other. Complementing central training, our team at Heathrow have a proven pipeline of in-house training and development. They have provided bespoke on-the-job training to Foundation Operational Meteorologists since 2019.

We have seen four Foundation level staff pass through Heathrow, with some progressing onto Senior Operational Meteorologist level. As Met Office offers a great diversity in its career pathways, we've also seen staff take expertise learned and translate this into other roles, such as Service Delivery Managers, Product Managers and Media Presenters.

We share our expertise with others too. Senior Op Mets from the team have delivered in person training events at Heathrow and Gatwick. Helping the customer prepare for winter, as well as providing self-led material for those who need to better understand how the weather may affect the airport and how the information provided by the Met Office can tell them about the possible impacts of a significant weather event.

But our dedication to expertise doesn't stop there. Our team demonstrates a passion for weather with integrity and customer need at the heart of their work. This is evident by providing extra enhanced briefings for severe weather events such as storms and snow, to support the operation.



*Having an embedded Met Office forecaster in our Swanwick Control Centre around the clock means we not only have accurate forecast information at our fingertips, but we also have the benefit of their expert advice which is really important when extreme weather conditions coincide with peak travel times. Collaborating in this way means we can work with our airport and airline customers to mitigate against delays. Collaboration is key when dealing with extreme weather events, not only in the UK, but on a European level too.*

**Darren Bunce**

Planning Manager for Airspace Capacity Management at NATS



# This year's highlights



Our **'great place to work'** certification, including for Women and Technology, celebrates our attractive work-life balance, contribution to society and teamworking.



The new **Ambassador Programme** coordinates volunteer work to better engage with new or existing audiences and increase their understanding of our services.



## We're experts by nature.

We gain our expertise through hard work and by focusing on our strengths. Of course, we're not born with our expertise but it's in our nature to be curious - always learning and developing to do things better. We trust in each other's expertise and take pride in being the best in our field.





Our **Employee Value Proposition** promotes our world-changing work, achieved through a people-first culture offering great development and immersion in expertise.



Our **Early Career schemes** aim to support levelling up, offering all ages and backgrounds the opportunity to train and fulfil their potential, including existing employees.



658 young people, across a range of demographic groups nationwide, completed our **work experience programme**, with the proportion likely to consider a STEM career increasing by 44% as a result of participation.



We received the **CIPD People Development Partner Award**, recognising our commitment to developing and continuously investing in our people.



Continuing our commitment to employee wellbeing, we introduced our **Workplace Adjustment Passport**. A living document of the adjustments agreed between an employee and their line-manager, to help support them in work.



We were successful in our pitch to the Government Communication Service (GCS) **Project Spark!** Programme which called for innovative ideas. Our proposal, under development in partnership with GCS, is driving improvements in government communication accessibility standards and ensuring digital content is accessible to all.

# Exceptional science, technology and operations



**2023 was the warmest year on record, globally, and our State of the UK Climate report published this year showed 2022 to be the UK's warmest on record. These are among the constant reminders that the climate is warming, and I'm proud that our science continues to be at the heart of understanding and communicating the impacts of climate change.**

This financial year we formally launched the Met Office Climate Data Portal. The geospatial visualisation platform was built using geospatial technology from Esri and provides easy access to UK climate change information for users from all communities. It allows users to combine the UK Climate Projections with datasets from other sources. This helps them to understand risks and support critical decision making. I look forward to us unlocking more opportunities like this with the new Hadley Centre Climate Programme, which has been agreed for the next four years.

It's been a busy year for our weather scientists and operational meteorologists. Autumn 2023 saw the largest number of severe weather warnings issued for an autumn season since impact-based warnings were introduced in 2011. Our forecasters did an excellent job of communicating risks early to the benefit of people across the UK. Their efforts have been aided by the integration of European Centre for Medium-Range Weather Forecasts (ECMWF) ensemble data into the Met Office's Decider tool. This improved access to probabilistic data and building on the foundations laid by our 'exploiting ensembles' strategic action that will complete this year.

And finally, to Artificial Intelligence (AI), which is transforming all aspects of our lives, and weather and climate science is no exception. In only a few years AI-driven numerical weather prediction (NWP) has made enormous strides. To explore emerging opportunities we have established an AI4NWP Team. They develop in-house expertise, and recently announced a partnership with the Alan Turing Institute to work together on

this important new technology. This effort sits within a cross-organisation 'AI4Everyone' initiative. The initiative has delivered AI-enabled tools to all professions within the Met Office. It is also accelerating novel AI use within our products and services. We continue to invest in our people's skills in this new and exciting area. The Transatlantic Data Science Academy facilitates knowledge exchange between the Met Office, National Oceanic and Atmospheric Administration (NOAA), and our academic partners in the US and UK. The Academy is, and will continue to be, an important route for us to develop and retain key skills.



**Professor Stephen Belcher**  
Chief of Science and Technology

# Our strategy in action:

Evolving our winter briefings to help ensure energy security for the UK



**Energy security is a key priority for government, where weather has a direct impact on demand and usage. This year we increased our support to the Department for Energy Security and Net Zero (DESNZ) in ensuring energy security throughout the winter months.**

Energy demand in winter is particularly sensitive to weather conditions, as is supply from renewable sources, including wind. It is critical for the UK to balance demand and supply and maintain a consistent energy supply.

For several years our operational meteorologists have been providing expert briefings to DESNZ, energy

suppliers and regulators throughout the winter. The briefings focus on the likely, and unlikely, weather to aid in ensuring energy security.

As our ensemble science (combining multiple other models in the prediction process) and technology has matured this year, we've developed new tools in a real-time testbed to respond to our customers' needs. We have developed visualisations of the compound risk of low temperatures over land with low wind offshore. These are based on the output of our ensemble prediction system. This has improved confidence in forecasts and aided our stakeholders in their decision making. Our customer in DESNZ

said the Met Office's "insights have been a vital part of our own in-house forecasting effort".

We are also working on the long-term consequences of climate change on the UK's future exposure to energy supply shortages. The UNSEEN methodology (UNprecedented Simulation of Extremes with ENsembles), pioneered by the Met Office Hadley Centre, uses very large ensembles of climate model runs to explore the possible extreme events in the current and future climate such as prolonged wind droughts. This work is leading to long-term resilience planning to complement the near-term continuity of supply.



*(The Met Office's) insights have been a vital part of our own in-house forecasting effort.*

**Departmental official**

Department for Energy Security and Net Zero





# This year's highlights



**340 publications authored** by the Met Office this year. 841 publications in first quartile (Q1) journals authored by the Met Office over the last 3 years. Q1 journals are the top 25% of journals for a particular subject area.



Our **global numerical weather prediction ensemble** skill has exceeded a target of 1% improvement over 3 years in 8/12 areas of skill that we monitor.



The first secondees have travelled on our **Transatlantic Data Science Academy** exchange programme with NOAA and other partners in the US.



**11 scientists** in the research.com UK Top 200 highest impact Environmental Sciences researchers.



## We keep evolving.

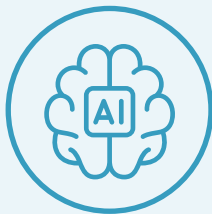
When we're not looking up, we look ahead. We push the boundaries to make tomorrow better for our customers. Forecasting the future is one thing. Creating it is another. We're never satisfied with the state of the art as it is now. We don't stand still, we're always pushing ourselves to achieve more.



**10 storms named** in winter 2023/24 by the Met Office and our partners Met Eireann and the Royal Netherlands Meteorological Institute.



Launched the **Climate Data Portal** to increase accessibility of climate data. The climate data maps have been accessed more than a million times since launch in June 2023.



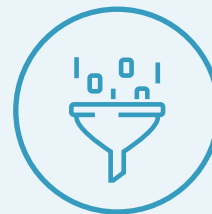
**AI4Everyone** initiative launched, including 300 early-adopter licenses for Microsoft Copilot AI assistant across all Met Office directorates.



Our new **lightning detection system LEELA** is now operational, improving lightning and thunderstorm observations using low-cost hardware designed by the Met Office.



First successful tests of **complete global weather forecasting system** based on our next generation model coupled to data assimilation.



**Global JEDI-based Observation Processing Application (JOPA)** is now in our Unified Model (a numerical model of the atmosphere used for both weather and climate applications) ready for the next upgrade to our Parallel Suite - PS 47.

# Extraordinary impact and benefit



## We have continued to extend and deepen our impact and benefit.

We have worked closely with the new government departments created last year including the Department for Science Innovation and Technology (DSIT) and the Department for Energy Security and Net Zero (DESNZ), ensuring our capabilities and services support their new objectives and priorities.

We have contributed to key policy and strategy development across government. This includes supporting the updates of the National Risk Register and National Adaptation Programme and the government response to the independent review of the research, development and innovation (RDI) organisational landscape.

Our relationships with users and customers continue to flourish. The renewal of strategic contracts such as the Hadley Centre Climate Programme and the Civil Aviation Authority highlight our value to customers.

We are applying our expertise in new opportunities supporting key government priorities including the

Arctic and autonomous vehicles. We have embraced opportunities presented by Horizon Europe, submitting a variety of proposals.

We have supported the strong resilience focus of the UK and devolved governments, in particular over the busy storm season, providing support across all timescales including our valued Winter Outlook engagement and tailored support for key departments such as Cabinet Office, DESNZ, Department for Transport and the Department for Environment Food and Rural Affairs. We supported customers and kept them informed leading to excellent feedback.

We have extended our reach to citizens working with our Public Weather Service Customer Group. We work hard to ensure that Met Office content is available through an increasing number of third-party channels and engagement. We will strengthen this position when data from the new supercomputer becomes available.

Internationally, our leadership position is strong. This includes in the World Meteorological Organization where the Met Office Presidency of SERCOM – the Commission for Weather,

Climate, Hydrological, Marine and Related Environmental Services and Applications - has been renewed. We are continuing to deliver transformative change to weather and climate information services (WISER). The WISER programme which has been running in Africa since 2015 has now expanded to include the Middle East, North Africa and Asia Pacific. WISER has delivered enhanced access to weather and climate information for over 3.3 million households so far and achieved in excess of £200 million of socio-economic benefits. The programme was highlighted at COP28 alongside other key Met Office activities.



**Ian Cameron**  
Markets Director



# Our strategy in action:

## Supporting UK Defence

**Weather and climate can have a significant impact on military capability. For example, equipment design and performance, mission planning and operational effectiveness. We support allies in the domains of air, land, maritime, cyber and space.**

We use our expert meteorological, oceanographic and climate science to enhance defence advantage on operations and in peacetime.

Over 120 Met Office Operational Meteorologists support defence capabilities. We have a permanent presence across 17 UK stations, and four bases overseas and provide services to many more sites remotely. The Mobile Met Unit (MMU) is a specially trained unit of advisors who work as sponsored reserves with UK armed forces. They work on deployments throughout the world. Some of which will have seen active service in operational areas within 2023/24.

We provided support to high profile UK military operations and priorities throughout 2023/24. One of these was the military evacuation of people fleeing violence in Sudan in May 2023.

This eight-day operation evacuated 2,450 people on 30 flights, the longest and largest evacuation of any Western nation. Our support has also been provided to military and humanitarian operations in the Middle East. Our meteorologists in the MMU, the UK and at RAF Akrotiri on the island of Cyprus, worked closely together to aid operational planning and tactical support. This enabled safe and successful flights in and out of Sudan.

We have strong strategic partnerships at home and globally. Internationally, we are integral to the North Atlantic Treaty Organisation (NATO), MetOc (NATO's Meteorological and Oceanographic Military Committee Working Group that advises the Military Committee on METOC issues) and the Five Eyes intelligence and defence community (an alliance composed Australia, Canada, New Zealand, the UK and the US).

We contribute to the Joint Operational Meteorological and Oceanographic Centre (JOMOC) of the Royal Navy in the daily production of vital operational weather assessments for numerous land, air and maritime

centred operations and exercises. JOMOC is currently supporting UK military teams taking part in NATO's largest military exercise since the Cold War. This spans air, land and maritime domains. The Met Office National Security Advice Group has provided expert analysis assessments and products to defence providing insight into weather, climate and environment to aid in tactical and strategic planning.

We are at the forefront of defence research and development, working with the Defence Science and Technology Laboratory and experts in the research community. We support those charged with developing new capabilities used by government and industry.

We supported the first successful stratospheric flight of BAE Systems Prismatic's PHASA-35 high altitude Uncrewed Air System. The PHASA-35 platform is designed to provide a persistent, stable platform for monitoring, surveillance, disaster relief and communications such as providing 5G. Our expertise enabled this ultra-light weight air system to successfully take flight.



*Being able to accurately forecast the weather conditions for the ascent, cruise and descent phases of flight were critical to our mission success. The expertise and support we received from the Met Office in the months leading up to, and during the flight, was outstanding. The combination of BAE Systems and Met Office capabilities on the PHASA-35 programme is a tremendous demonstration of world leading UK technology.*

**Dave Corfield**  
CEO of BAE Systems, Prismatic Ltd



# This year's highlights



We are delivering over **£190m of civil aviation support** for the next five years. We are a Civil Aviation Authority designated provider of meteorological services; a World Area Forecast Centre; and, a Volcanic Ash Advisory Centre.



Our new **Citizen engagement strategy** increases the reach and breadth of our services and we have seen large growth in our reach this year. In January 2024 alone there were 4.5m views of our content on YouTube. We continue to innovate our services including a new 14-day video forecast released this year on the Met Office app.



## We live and breathe it.

Helping people make better decisions to stay safe and thrive is what we live for. Your needs guide our decisions and our wish to maintain your trust guides our actions. We show a genuine passion for what we do, put our purpose at the heart of all decision making and take great pride in the impact we make on people's lives every day. We consider customers and employees needs first and always act with integrity.



We have developed significant new work on **meteorological capability in the Arctic**. Working with DSIT and in partnership with meteorological experts in Canada, Finland and Norway we have received funding from the International Science Partnership Fund of approximately £5m to progress this work over the next year.



Our **research and development capability** has received recognition through seven successful Horizon Europe projects worth over €3.5m in revenue. These will fund research into Climate Tipping points, Machine Learning into Earth System Modelling and Urban.



We support all aspects of **energy demand** and supply forecasting from today into the climate period through the use of Met Office data, consultancy and operational meteorology expertise.



**Met Office Hadley Centre Climate Programme (HCCP)** is home to some of the world's foremost climate scientists. It is funded by DSIT. This year has seen the successful sign off of an ambitious new workplan for the next 3 year period.



We are developing exciting propositions for **government use of Artificial Intelligence**, including autonomous vehicles. We are working alongside Centre for Connected Autonomous Vehicles and other government and industry partners to help shape the safety parameters that self-driving vehicles operate in.



We provided support to a number of **high-profile Parliamentary Inquiries**, including expert scientific input to support the Committees to ensure their investigations are taken forward on the basis of robust science. We also worked closely with Cabinet Office to support the Public Accounts Committee inquiry into Government Resilience to Extreme Weather.



# Update on status of KPIs

● Fully achieved   ● Not fully achieved

## KPI 1 - Excellent people and culture

### ● EPC 1.1

#### Investing in a dedicated community of people leaders

- a) Increase staff to line manager ratios in two directorates.
- b) In all directorates **(mandatory)**.
- c) Leadership professions established with clear articulation of leadership requirements.

### ● EPC 1.2

#### Great Place to Work

- a) Baseline and improve 'Great Place to Work Survey' - **repeated in future years**
- b) Action plan with deliverables shared with the Executive Team

### ● EPC 1.3

#### Improve Equality, Diversity & Inclusion

- a) Continue to improve EDI targets for hired staff - **Mar 24 onwards**.
- b) Establish a framework for embedding positive action.

## KPI 2 - Exceptional science, technology and operations

### ● ESTO 2.1

#### Delivering our next generation supercomputer capability (mandatory)

- a) Gen 1a critical workloads ready to be transitioned to the new service.
- b) Gen 2 business case approach approved by the Executive Team and Met Office Board.
- c) Operational transition plan for all workloads approved by the Executive Team.

### ● ESTO 2.2

#### National Capability data factory

- a) Agreed and planned way ahead for common post processing and analysis. Evidenced through signed business case and future programme plan.
- b) Develop a common post processing pipeline, enabling pull-through of ensemble outputs:
  - Baseline the number of products consuming core post processing (IMPROVER being the first instance of core post processing).
  - Have at least 2 'public' products consuming core post processing and analysis.

### ● ESTO 2.3

#### Delivering our next generation modelling capability (meet two out of three)

- a) Global JEDI-based Observation Processing Application (JOPA) in Unified Model ready for parallel suite 47.
- b) Design of a robust and efficient IO system for LFRic based models at scales used in operations.
- c) Produce a 10-year climate modelling development roadmap identifying key transition points, new capabilities and development needs to address anticipated scientific and user requirements.

### ● ESTO 2.4

#### Quality and accuracy of existing national capability data (meet three out of four)

- a) Global ensemble predictions: 8/12 components showing a 2% or greater improvement over past three years, compared with the equivalent three years earlier.
- b) UK ensemble predictions: 4/6 components showing a 1.5% or greater improvement over past three years, compared with the equivalent three years earlier.
- c) Quality of post processing in the delivery chain. Measure: 14/18 components showing an improvement over baseline Numerical Weather Prediction data.
- d) Develop a new metric to measure the performance of Met Office 1-month and 3-month outlooks for the UK.

## KPI 3 - Extraordinary impact and benefit

### EIB 3.1

#### Exploiting ensembles (mandatory)

- a) Ensemble outputs will be routinely used in:
  - Weekly media videos through the use of ensembles in multiple ways (e.g. presenting risk and storylines).
  - Guidance Unit created content that is available on the public website.

### EIB 3.2

#### Evidencing our value

- a) Updated external analysis of total Met Office social and economic benefits submitted to Department for Science Innovation and Technology for approval.

### EIB 3.3

#### Trust and engagement

- a) Deliver four out of six targets (basket to include trust tracker, perception of accuracy, share of voice, syndication etc).

### EIB 3.4

#### Quality and impact of science publications

- a) Papers in Quality (Q1) journals & sustained improvements in citation impact measure relative to the rest of world.

### EIB 3.5

#### Public Weather Digital Service

- a) Launch version 1 of Public Weather Digital Service and attribution policy.

### EIB 3.6

#### Climate services

- a) Establish evolving customer requirements for two seasonal forecasting propositions.
- b) Increase the volume of climate services briefing provided to UK Government focus departments and number of users to help track and target future growth in this sector.

### EIB 3.7

#### Expert weather services

- a) Delivery of the National Severe Weather Warning Service accuracy target at 82%.

### EIB 3.8

#### Product migration and legacy system retirement

- a) Exec approved retirement plans for WAVE, Ripple, ProdGen & Commercial Suite.
- b) 25% reduction in products being delivered from Product Suite.

### EIB 3.9

#### Thought leadership

- a) Highlight 6 examples of Met Office thought leadership (exclusive of science paper citations) This will include a topic on ensembles and their benefits to users.

## KPI 4 - Effective and Responsible Business

### ERB 4.1

#### Operating profit (mandatory)

- a) Deliver a budgeted operating profit of £12.6m.

### ERB 4.2

#### Efficiency

- a) Deliver a net £1.5m cost efficiency in line with FY 23/24 budget assumptions with further efficiencies in future years.

### ERB 4.3

#### Knowledge and innovation assets

- a) Effectively manage our knowledge and innovation assets by meeting the main Government Rose Book recommendations.

### ERB 4.4

#### Net Zero

- a) Travel emissions.
- b) RAG for supply chain.

### ERB 4.5

#### Health & safety

- a) A measured progression through ADKAR model of change management.

# Equality, diversity and inclusion

In 2020, we developed our first equality, diversity and inclusion strategy. This included our equality objectives. The strategy sets out our commitment to work towards being an inclusive organisation where everyone feels valued, included and respected. But also, an organisation that reflects the people we serve.

Over the last four years we have developed yearly Equality Diversity and Inclusion (ED&I) action plans. Our ED&I committee monitors progress of these plans. We are now beginning the process of reviewing our strategy and refreshing our equality objectives with the aim of having new objectives in the summer of 2024.

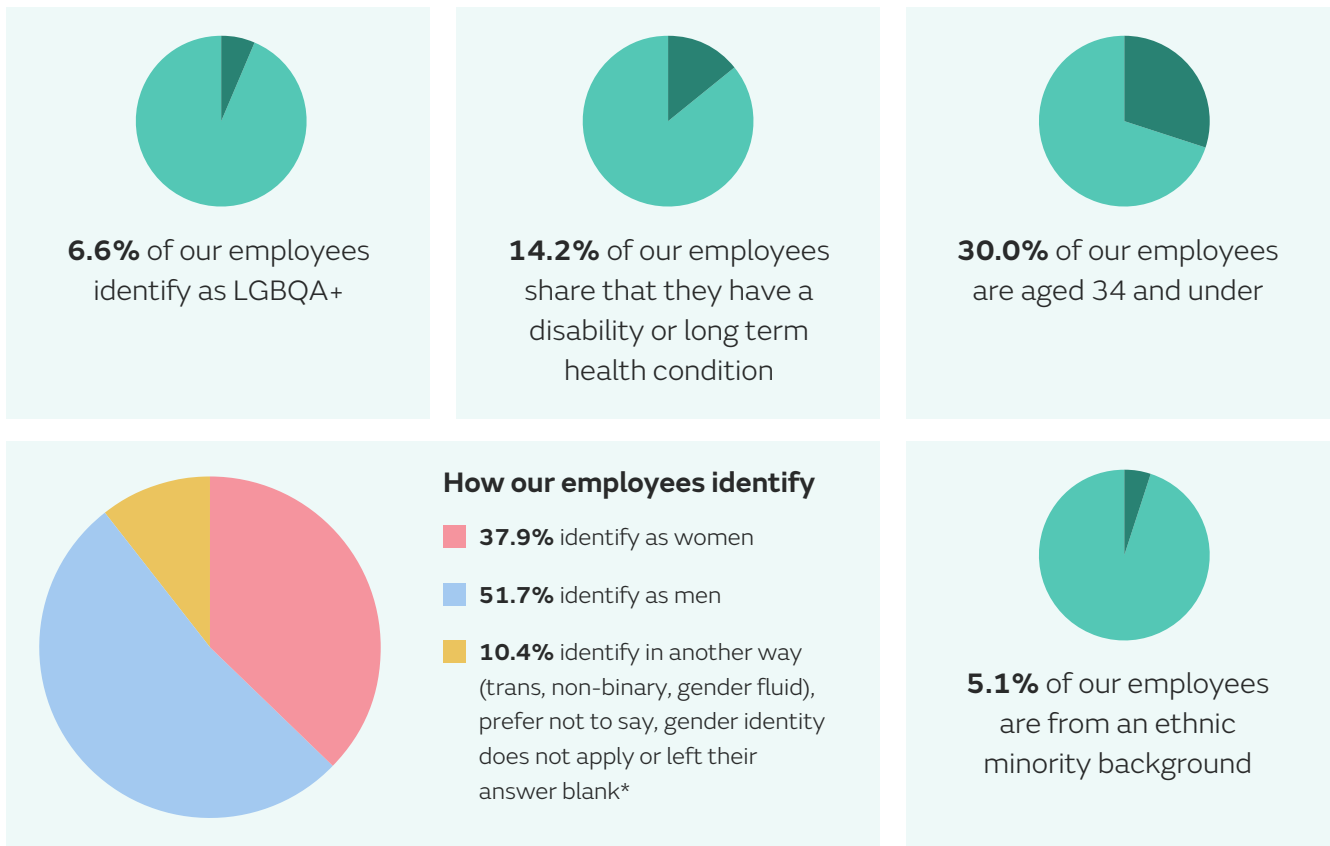
Our work in this area embodies the Met Office value ‘we’re better together’. We want our approach to equality, diversity and inclusion to be data-driven and evidence-led. But also informed by employee experience, including lived experience. We believe this will ensure that we develop the right objectives and actions.

Our current equality objectives are:

- Engaging with and understanding the diversity of our people and those we serve.
- Advancing equality of opportunity.
- Increasing representation of under-represented groups at all levels.
- Zero tolerance to bullying, harassment and discrimination.

On the next page are some actions we have taken over the last 12 months as progress towards meeting our equality objectives.

## At a glance: our diversity data for 2023-24



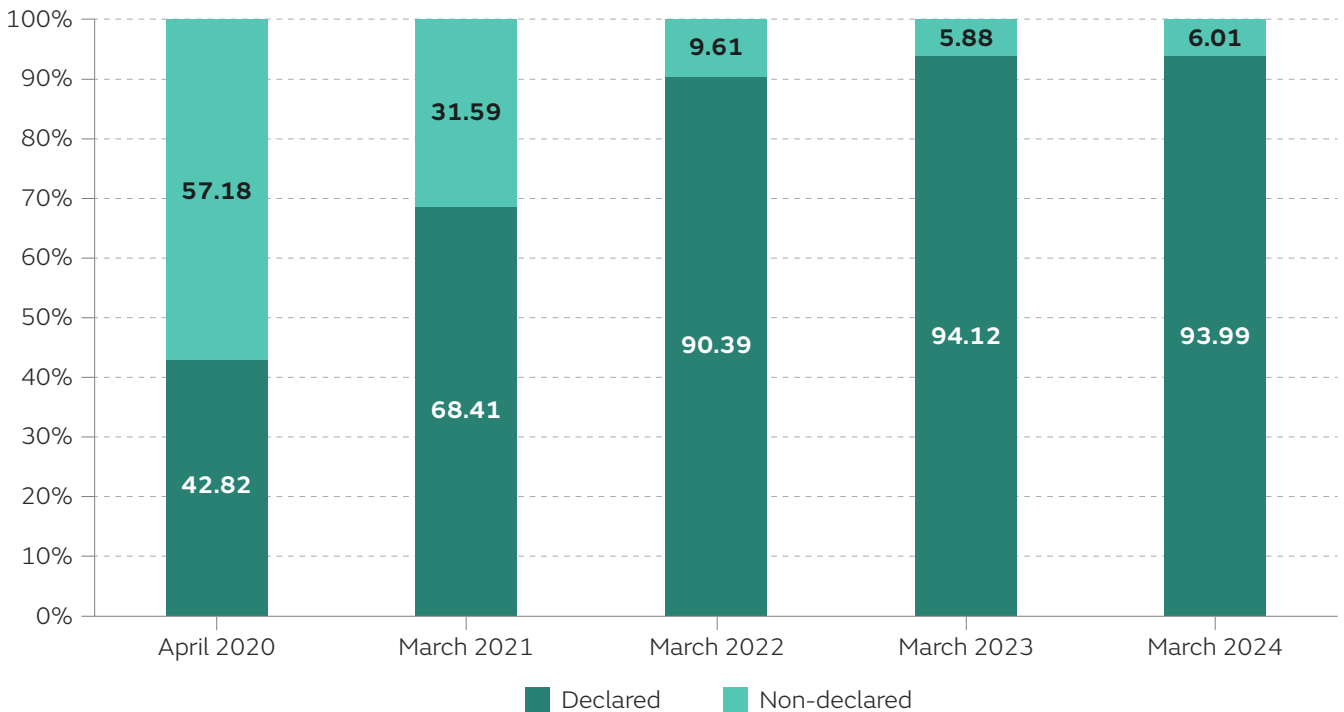
\*These are grouped together to reduce the risk of identification.



### Engaging with and understanding the diversity of our people and those we serve

We continue to encourage employees to share their diversity data. In the last year we made improvements to some of our data questions. Evolving our language, along with other inclusive practices such as regular people stories and working with our staff networks has led to increases in employees sharing more of their characteristics especially in sensitive fields such as disability and sexual orientation. Going forward, we are keen to make improvements to other diversity data questions including religion and belief and carers.

Our diversity data declaration rates continue to hover around 94% and the graph below details how far we have come from a 42% declaration rate in 2020.



### Gender identity by Civil Service pay grades, shown as % of overall headcount

Civil Service Grades	Male	Female	Identifies in another way	Unknown	Chose not to declare	Total
Senior Civil Servant	0.3%	0.1%	0.0%	0.0%	0.0%	0.4%
Grade 6	4.5%	2.5%	0.0%	0.3%	0.3%	7.6%
Grade 7	11.3%	7.8%	0.1%	0.5%	1.1%	20.8%
Senior Executive Officer	16.8%	12.5%	0.3%	1.2%	2.0%	33.0%
Higher Executive Officer	11.2%	8.9%	0.2%	1.0%	1.2%	22.5%
Executive Officer	5.8%	4.2%	0.3%	0.5%	0.5%	11.5%
Administrative Officer	0.5%	0.5%	0.0%	0.2%	0.0%	1.2%
Administrative Assistant	1.3%	1.3%	0.0%	0.3%	0.1%	2.9%

Figures are as per 1 March 2024 and are based on primary roles only. They include the following staff groups: staff, sponsored workers – tier two, apprentices and trainees and placements. Note: table percentages are to 1 decimal place and the columns may not round to 100 percent overall.

## Advancing equality of opportunity

As part of improving our workplace adjustments experience, we launched the Met Office Workplace Adjustments Passport. This can be used by any employee who feels that they may need additional support at work. Our passport recognises that everyone is different and is the starting point for conversations about how employees work best and what they need to achieve that.

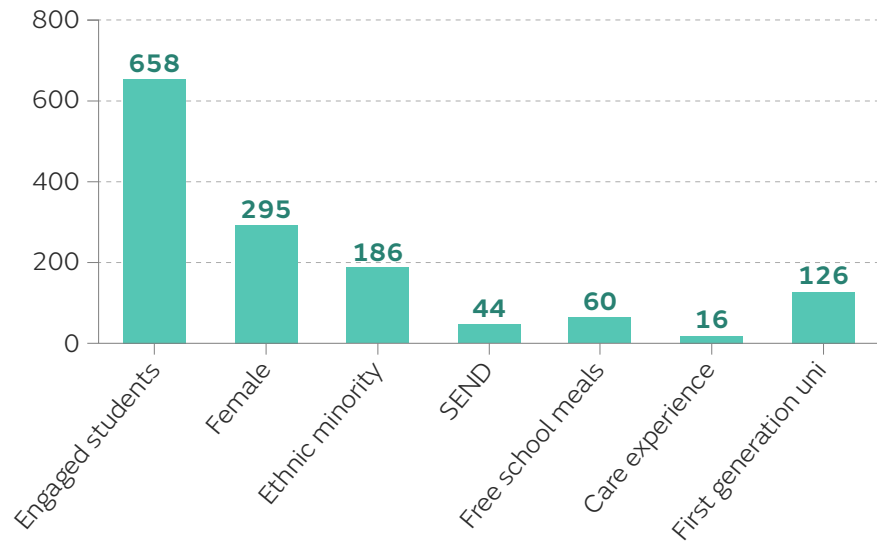
We also widened workplace adjustments to include employees who may have caring responsibilities, are transitioning or experiencing menopausal symptoms. By widening the conversation about workplace adjustments, employees can work more flexibly. This can help us to retain and strengthen our talent pipeline.

We know that even making small adjustments can have a significant impact on our employees' wellbeing. It can also help our employees feel more valued and supported.

Since July 2023, over 200 employees have used our workplace adjustments passport.

In the Civil Service People Survey for 2022, the percentage of Met Office employees who did not know what a workplace adjustments passport was 39%, the 2023 People Survey found that this had dropped to 6% and 21% of employees were using the passport and found that it was helping them to get appropriate workplace adjustments and support in place.

## Student demographic breakdown from online work experience



The graph above contains demographic data for FY 23/24. This includes data from the pilot scheme in July 2023 and online programme participants since the wider launch in January 2024.

## Increasing representation of under-represented groups at all levels

Our online work experience programme for 13- to 18-year-olds, launched last year. Offering the programme online gave a much greater number and diversity of young people the opportunity to gain work-based insight into different job roles across the Met Office. During the initial pilot period of three weeks, in July 2023, 547 young people undertook the online work experience with high levels of involvement from a range of under-represented groups.

The online programme is now available across the year and a schedule of in-person placements has been created for these students to apply for. In-person placements are two to three days in length, rather than a full week. This makes them more accessible to students less able to afford travel and subsistence costs and those who may have restricted time availability, such as young carers.

## Zero tolerance to bullying, harassment and discrimination

In May, we introduced 'Goodbye conversations' to understand why employees leave us. We are starting to develop data reporting about these conversations to provide insight into employee experiences both the positive and the negative. They also highlight changes or improvements we can make to retain talent.

## Gender pay gap

The gender pay gap shows the difference in the average pay between all men and women in a workforce and is different to equal pay. The snapshot taken on 31 March 2023 reports a mean pay gap of 5.9% in favour of men. This is an increase of 0.3% from 5.6% in 2022 and a median pay of 4.7% in favour of men, which is an increase of 0.6% from 4.1% in 2022.

We are disappointed to see an increase. Analysis has identified that the causes are more nuanced than necessarily arising from organisational actions.

For example, allowances are paid to employees working unsocial hours and/or in specific locations including overseas. Changes of location or working pattern may change an individual's eligibility to specific allowances. The proportion of women receiving allowances has dropped from 18% to 15%, while the proportion of men receiving allowances has increased from 17% to 21%; allowance rates also differ by location having a further impact.

Our [Gender Pay Gap Report](#) provides further information.



## We're better together.

Great minds don't always think alike. And we like it that way. We believe partnerships, inclusivity and honesty make us far greater than the sum of our parts. We stand together, we listen, respect and support one another.



# The environment and sustainability

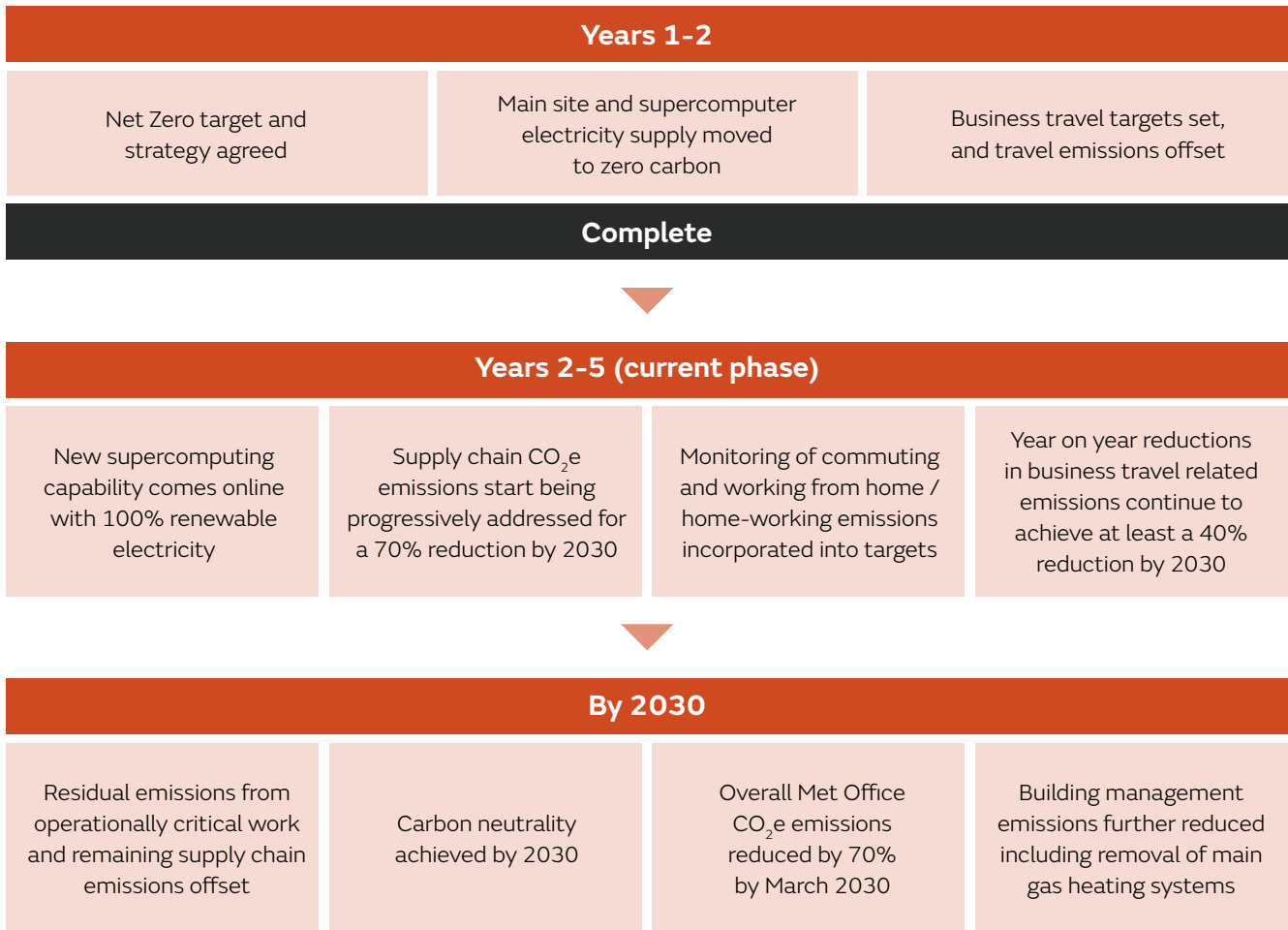
## Environmental sustainability

As a responsible business, the sustainability of our operations and our impact on the communities and environment around us are central to the way we manage our operations. In a year which turned out to be the hottest on record, with temperatures boosted by the arrival of an El Niño phenomenon in the Pacific Ocean, our scientists have had frequent calls to provide attribution analysis on a wide

range of extreme weather events around the world. The longer-term solutions to human induced climate change require both ‘mitigation’ - reducing greenhouse gas emissions - and ‘adaptation’ - preparing and adapting for those changes and risks that we will face in the years ahead. This section of the report outlines the actions we are taking to tackle these challenges.

This year the government has introduced Task Force on Climate-related Financial Disclosures (TCFD)

reporting for the public sector. We welcome this development as it starts to align public sector reporting with international standards used by the private sector and organisations around the world. TCFD focuses on an organisation’s governance and risk management as it develops its strategy to transition - at the same time as its customers, suppliers and markets - to a lower emissions world. Our TCFD summary, which we will develop in future years, is on page 50.



It is now four years since we did a stock take of the impact of the greenhouse gas emissions generated by our activities, and those of our partners and suppliers, to calculate our baseline emissions. At that time, we set an ambitious target to reach carbon neutrality in 2030 and set in motion a range of actions to help reach that goal. Last year, we recalibrated our baseline to include our share of the estimated emissions of launching and running EUMETSAT's satellite infrastructure and the full impact of building and then operating our new supercomputer. We also incorporated commuting data, in line with Greenhouse Gas (GHG) Protocol standards, as well as updating our calculation methodology to incorporate additional information. The thrust of our actions has, though, remained consistent over the period.

## Environmental activity in the last year

As in previous years, we have set a corporate key performance indicator (KPI) to focus the delivery of our plans. We again set targets to reduce business travel. This year we measured kilometres travelled as the emissions factors for airlines have been heavily distorted by the variability of passenger load factors during and after the pandemic. Given careful planning by our teams, travel has dropped by more than 20% from our baseline in 2019. However, our targets will continue to ratchet down. As a result, we need to continue to plan better and earlier in the programme design cycle. This is particularly important given demand for our services and expertise right around the world.

Our supply chain and partner emissions are the lion's share of our Scope 3, or indirect, emissions and are now around 72% of our total. The largest changes in our emissions will in future be driven by the actions of these organisations. Therefore, the second component of

the KPI has measured our engagement with our top dozen suppliers to understand their plans and how we can work with them to reduce emissions.

We have been particularly pleased with the progress made by our core European partners, the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) and the European Centre for Medium-Range Weather Forecasts (ECMWF). Both have completed their own baseline emissions, made positive progress (including adoption of renewable power sources for their significant computing infrastructures) and are formulating future plans. EUMETSAT's own supply chain is complex so they are continuing to investigate this. We were encouraged by the announcement by the European Space Agency that €40m will be invested in solar power and green hydrogen in French Guiana where their satellites are launched.

Our major suppliers of computing infrastructure (Microsoft and Amazon Web Services) have published comprehensive reports on their overall corporate environmental impact, linked to ambitious net zero plans. We have held meetings with both to understand better the emissions specifically associated with Met Office activities. It remains a challenge to identify these. However, given increasing demand for computing capacity, particularly in the cloud, it remains a priority to understand what we, and they, can do to reduce carbon intensity. We have also started to engage with our IT equipment suppliers, as a first step to understanding how to manage our procurement in this area as effectively as possible.

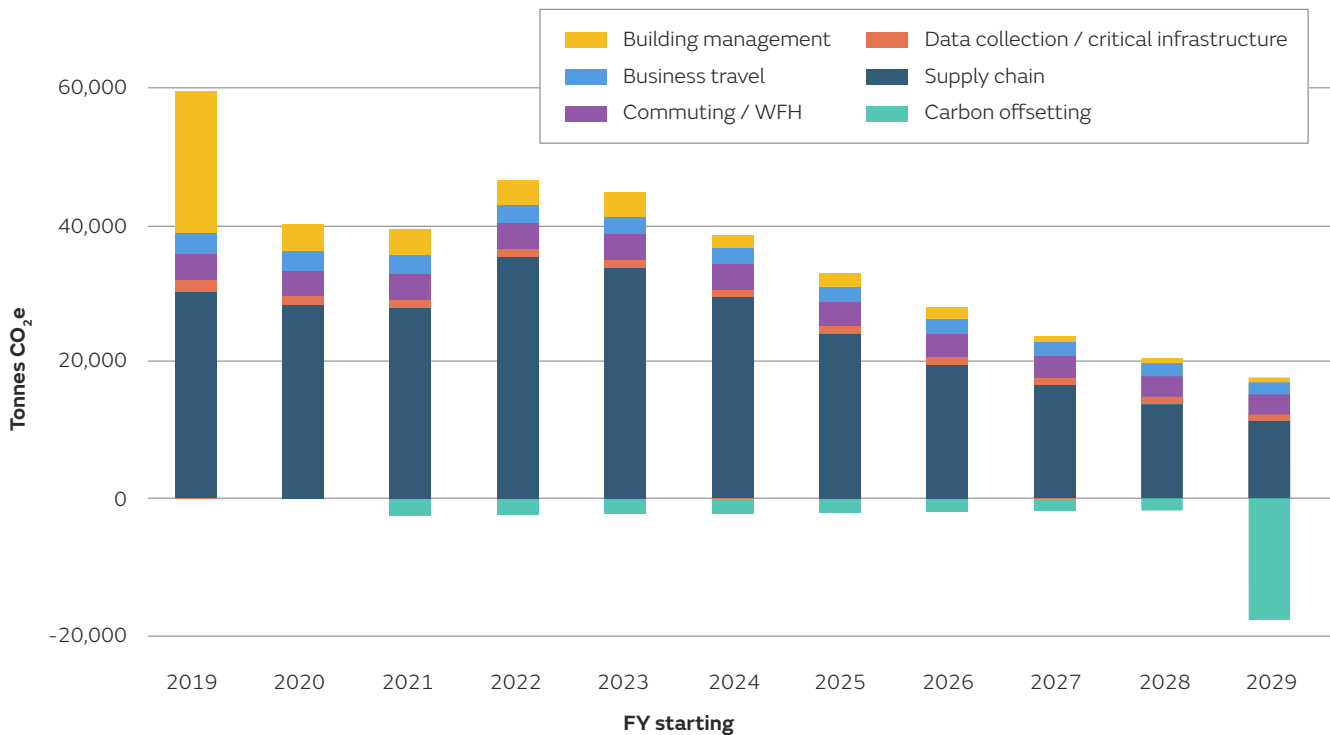
The nature of our activities and critical services means it would not be realistic for us to eliminate our emissions, including all those in our supply chain, in their entirety by 2030. To reach carbon neutrality by 2030 we will need to offset our residual emissions at that

point. Indeed, our scientific research suggests that nearly all likely pathways to net zero for the UK and globally will require offsetting to counter overshoots in emissions in the decades before 2050.

In the last couple of years, we have offset our business travel emissions through a certified scheme. Like almost all such schemes, this was overseas. Given the potentially large scale of offsetting we might require to reach our 2030 target, we have decided to investigate the options for offsetting in the UK. Rather than choose a well-established, verified scheme our aim is to learn by getting involved in the process. And if possible, help stimulate this embryonic activity in the UK. The scheme should of course still absorb emissions effectively, based on robust science, and deliver wider sustainability benefits. Following a fascinating tender, we are close to choosing a scheme.

We have continued to power our current supercomputer and associated infrastructure with zero carbon nuclear power. This reduces our emissions significantly from our original baseline. Renewable electricity continues to command a significant premium in the UK market given supply cannot yet match demand. However, once operational, Microsoft will operate our new supercomputer with renewable energy alone. We have also seen the benefits this year of reduced emissions, and bills, from our gas boiler refurbishment last year.

We have pursued a number of other initiatives across the many different activities we undertake. One such example is the introduction of fully electric pool cars, supported by the electric vehicle charging points we have installed. We also attended workshops with our sister agencies to consider more efficient utilisation of the scientific research from the FAAM 'Airborne Laboratory', whether through use of sustainable aircraft fuels or smarter flightpath planning.



We have published a regular series of articles for staff, engaging them in a range of sustainability issues. This has stimulated discussion and generated new ideas that we can incorporate in our future plans. We have a particularly strong contingent of employees who cycle to work. We were enormously proud to win for the second year in a row, the prestigious Love to Ride Cycle September challenge at both national and global level.

We have continued our focus on maintaining a sustainable environment right across our estate. We retained our Wildlife Trusts' Biodiversity Benchmark Award for our Exeter site for the twelfth year running. The long-term commitment to our own environment was rewarded with a record number of animal, bird and plant species being identified on site. This includes the purple hairstreak butterfly, green woodpeckers and bee orchids. Our relationship with The Wildlife Trusts continues to blossom and they are also our current corporate charity.

## The pathway to carbon neutrality

Despite this positive progress and the enthusiastic commitment of our staff, meaningful emissions reductions require difficult business questions to be tackled. We also recognise that achieving our goals will also depend on funding availability and the actions of our suppliers and partners, as we do not directly control the great majority of our remaining emissions.

With most organisations in the world only now starting to get to grips with the fundamental and often intricate challenges of implementing carbon reduction strategies, our pathway to carbon neutrality and beyond that to Net Zero will continue to evolve.

As more data becomes available, we will need to further refine our calculations and revise some assumptions we have made. Above all, we will need to learn together with our staff, partners and the wider

community, benefiting from the experience of others and sharing what we have discovered.

Aligning to TCFD reporting will help us cement a governance structure and develop our strategy to build on the work we have done and our staff's desire to be a force for good.

Further details of our actions are included in the sustainability report overleaf.



# Sustainability report

## Overall strategy for sustainability

As outlined above, we are committed to meeting our objectives in a sustainable way. As well as minimising our environmental impact, we endeavour to act in a positive way in our dealings with our staff, customers

and suppliers and maximising our contribution to the wider community.

During the year we have continued on our pathway to achieve carbon neutrality by 2030. Our overall approach is outlined above, below we provide more detail on emissions, energy consumption, waste

management and water usage as well as more information on our biodiversity work and sustainable procurement.

We are also committed to meeting the Greening Government Commitments (GGC) 2021-2025.

Greenhouse gas emissions (GHG) – Exeter and frontline sites		FY20/21	FY21/22	FY22/23	FY23/24
Non-financial indicators (tCO <sub>2</sub> e)	Total gross emissions for scopes 1 & 2 (including white fleet)	14,659	13,375	12,263	13,213
	Fugitive emissions (refrigerant gas leaks from cooling units/systems)	265	55	0	182
	Gross emissions scope 3 - business travel (less white fleet)	96	280	1,025	1,601
Related energy consumption (MWh)	Electricity: non-renewable – see Performance Commentary	56,595	57,745	58,670	58,607
	Electricity: renewable – see Performance Commentary	0	0	0	0
	Electricity: Good Quality Combined Heat and Power (GQCHP)	0	0	0	0
	Self-generated renewable (solar PV installation at HQ site)	229	252	244	245
	Natural gas	5,177	5,196	4,396	4,263
	Gas oil (diesel)	1,924	12	24	17
Financial indicators (£)	Expenditure on energy	7,633,897	7,991,965	9,695,403	11,834,693
	Expenditure on accredited offset purchases	N/A	9,435	18,750	N/A*
	Expenditure on business (administrative) travel	213,037	389,054	1,396,825	1,692,380

\* We are now investing in the development of UK nature-based offsetting solutions

## Energy

The energy consumed by our headquarters-based High-Performance Computer (HPC) accounts for most of our energy consumption and associated emissions. Electricity consumption for our Exeter offices and IT halls is at steady state. We seek to reduce our energy consumption where we can but cannot avoid the significant electricity requirements of the HPC which underpins our work.

For the last four years we have used a mix of renewable and zero carbon nuclear tariffs available to us through our Crown Commercial Services supplier EDF. Since FY22/23 this has been the EDF Zero Carbon for Business 100% which is 100% nuclear. For our overall emissions monitoring we use standard industry definitions for monitoring our energy consumption. However, as a Central Government funded body, for the purposes of GGC and this annual report we report our energy usage using standard UK electricity grid emissions factors.

Our fugitive gas emissions relate to losses from our air conditioning units and chillers which we use to cool our IT. The losses are from instances when, despite regular maintenance taking place, the equipment, which is now near end of life, has suffered unexpected failures.

Our gas consumption has reduced since FY21/22 when a full refurbishment of our gas boilers was completed, making them more efficient, and also due to stopping

using gas for cooking in our restaurant. With this work completed, we expect to maintain similar levels to FY22/23.

The gas oil (diesel) consumption this year was for maintenance work. In FY 20/21, there was an increase in diesel usage when the standby generators came online to provide power for the supercomputers during a power interruption at our Exeter HQ.

Our solar PV installation at our Exeter site continues to meet its projected outputs.

## Travel

Travel continued to recover during this financial year after the reduction due to the COVID restrictions. However, we have put in place measures to reduce air travel and continued to use technology to facilitate virtual meetings.

Our travel policy encourages staff to question whether their planned travel is essential. Where a business trip is necessary, then staff are encouraged to use the most sustainable form of transport and must consider rail before booking a flight.

As well as being one of our Net Zero KPIs, a reduction in staff business travel is a focus of the GGC. We are planning to continue increasing the number of electric charging points both at our Exeter HQ and at UK sites we own in order to facilitate the move to an all-electric vehicle fleet by 2027 (in line with the GGC).

Previously, as part of our Net Zero Strategy, we offset our expected business travel emissions through Climate Impact Partners' certified scheme facilitated by our travel provider Clarity. However, we are now looking to invest in the development of UK nature-based offsetting solutions which will provide carbon offsets in the coming years.

## Waste and recycling

Our total waste arising at our Exeter site has decreased since last financial year, when various large projects generated more waste. We have continued to achieve high recycling and recovery rates and have consistently achieved less than 5% of our waste going to landfill in line with the GGC.

We have a wide range of recycling facilities on site which staff are encouraged to use.

In line with the GGC, we continue to work to reduce our total waste through initiatives such as reducing or removing Consumer Single Use Plastics in our catering and stationery supplies and ensuring that all our IT waste is either re-used or recycled.

Waste		FY20/21	FY21/22	FY22/23	FY23/24
Non-financial indicators (t)	Total waste arising	53.3	121.1	166.8	124.8
	Recycled and re-used	40.1	99.2	128.4	95.9
	Information communication technology waste recycled and re-used (externally)	5.2	9.5	10.8	9.7
	Composted	11.5	17.5	12.5	15.4
	Anaerobic digestion	2.7	3.6	8.5	12.4
	Incinerated/energy recovery	10.3	17.0	18.2	11.6
	Landfill	0.2	0.9	3.7	1.3
Financial indicators (£)	<b>Total disposal cost</b>	<b>40,754</b>	<b>40,754</b>	<b>40,754</b>	<b>39,313</b>

## Finite resources (Water)

We have metering at our headquarters to monitor and record our onsite water usage, most of which goes to cool our HPC. We use a mix of mains water and

softened borehole water for this purpose.

In July 2020, our borehole enhancement project was completed, increasing our water softening capability to enable us to meet a higher proportion of the demand

from the borehole. A portion of the incoming mains cold water is still used to mix with the softened borehole water in order to prevent corrosion issues occurring with the cooling towers as advised by our water treatment specialist.

Water		FY20/21	FY21/22	FY22/23	FY23/24	
Non-financial indicators (m <sup>3</sup> )	Water consumption	Imported (potable)	19,773	17,330	23,631	17,252
		Abstracted (borehole)	27,508	28,209	28,514	35,053
		Grey water (harvested rainwater)	0	0	0	0
		Recycled water (discharge from cooling towers)	3,246	2,279	1,999	2,513
Financial indicators (£)	Water supply costs	39,936	35,480	47,479	35,054	

## ICT and digital

We have adopted the ‘Greening Government: ICT and Digital Services Strategy’ and associated targets and provide membership to the Sustainable Technology Advice and Reporting Team, who manage and deliver the Greening Government Commitments ICT reporting. We deliver an annual ICT and digital footprint, waste and best practice data.

Highlights include all our data bearing IT assets being data cleansed and then refurbished for reuse or, where this is not possible, being dismantled and recycled.

## Biodiversity action planning

Our staff-led Biodiversity Working Group continues to work closely with colleagues in our Property Management Team to protect and enhance biodiversity on our estate. In 2023 we reached 548 species of flora and fauna in our Exeter grounds

We continue to hold The Wildlife Trusts’ Biodiversity Benchmark award for our Exeter site. We manage our grassland to benefit different butterfly

species and to promote botanical diversity. We collect observational data from our regular butterfly transects, bird surveys and reptile refugia checks.

## Sustainable procurement

The Commercial Team and stakeholders continue to work with Small and Medium-sized Enterprises (SMEs), where possible. We aim to deliver benefits to match market capacity and to encourage SME engagement in the competitive process. We provide lotted or unaggregated contracts to attract SMEs, to deliver added value, innovation and flexibility. Expenditure with SMEs averaged 24% of spend in the last financial year which covered 367 different SMEs.

The Met Office Social Value Charter aligns to the Met Office values and ‘strategic anchors’, and sets out a clear purpose that we will follow across all commercial activity. We continue to engage with our suppliers through our commercial process, to help them understand how we deliver social value for the organisation and

how their efforts can be maximised. As outlined above, the environmental performance of our suppliers is crucial to our own sustainability targets, but we also aim to foster improvements in training and diversity aligning with our objectives as a sustainable business.

The Commercial Team continue to progress the Met Office social value actions and plans, which align with the best practice from the Department for Science Innovation and Technology and the Department for Energy Security and Net Zero. They are also aligned to the Met Office values and reflect the government guidance. We provide a framework of tools and templates in our commercial processes, including a social value register to report the measurable and tangible benefits of social value in our contracts.

The Team are embedding the requirements of the Procurement Policy Note (PPN) 02/23: Tackling Modern Slavery in Government Supply Chains and PPN 03/23: Standard Selection Questionnaire (SQ) and further actions regarding PPN 01/24 (Carbon Reduction Schedule) are also in progress to be implemented this year.



## Task Force on Climate-related Financial Disclosures

Under the auspices of the Financial Stability Board, the Task Force on Climate-related Financial Disclosures (TCFD) developed recommendations about how organisations around the world can assess and disclose their governance, strategy, risk management and metrics and targets related to climate change.

TCFD recommendations were initially designed for the private sector, aiming to provide markets with clear, comprehensive, high-quality climate-related information for financial decision making. The UK government has now adapted TCFD reporting requirements to help provide consistency and make similar climate-related information for decision-making and accountability available for public sector organisations.

## Compliance Statement

The Met Office has reported on climate-related financial disclosures consistent with HM Treasury’s TCFD-aligned disclosure application guidance. The guidance interprets and adapts the framework for the UK public sector. The Met Office has complied with the TCFD recommendations and recommended disclosures around:

- governance (all recommended disclosures)
- metrics and targets (disclosure (b)).

This is in line with the central government’s TCFD-aligned disclosure implementation timetable. The Met Office plans to make disclosures for strategy, risk management and metrics and targets (disclosures (a) and (c)) in future reporting periods in line with the central government implementation timetable.

## TCFD Disclosure

The Met Office is a world-leading centre of climate change science. We provide information to customers in HM Government, the UK private sector and around the world, to target effective climate mitigation and adaptation action. Understanding climate change is core to our mission. Considering climate impact is integrated into decision making at all levels within the Met Office.

The Met Office Chief Executive is responsible for the management of the Met Office. This includes climate change strategy, supported by the Executive Board and sub-committees.

Two sub-committees support senior management in assessing and managing climate-related risks and opportunities climate change:

- **The Responsible Business Committee**  
Sponsored by the Chief Financial Officer, the committee is responsible for advising the Executive on sustainability and providing oversight and assurance of the Met Office’s environmental and social responsibility activities. This includes climate adaptation and mitigation and meeting our carbon neutrality target.
- **The Investment and Bid Committee (IBC)**  
The committee is responsible for approving expenditure for new and ongoing activities. Where relevant, the IBC procurement process considers Net Zero and social value impact, as well as commercial factors, when evaluating business cases.

The Met Office Board has oversight of climate-related risks and opportunities through the Audit and Risk Assurance Committee (ARAC). ARAC is a subcommittee of the Met Office Board. Currently climate change impact is integrated into the normal

course of assessment of all risks, not as a separate risk.

The Met Office is undertaking a new climate change risk assessment that includes a scenario analysis. This is in-line with the recommendations of the TCFD and the climate change Adaptation Reporting Power (ARP4) risk assessment requirements. While the ARP4 requirements focus on physical risks, the scenario analysis performed will also consider transition risks and opportunities.

While the Met Office faces a number of transition risks, from ensuring reliable power supplies for its computing infrastructure to reputation management as a high-profile scientific research organisation, its expertise in the field of climate science will also present significant opportunities to develop and deliver climate services to assist other organisations with their own transitions. The Met Office plan to report on the financial-related risks and opportunities identified in the scenario analysis, and the impact on strategy, in FY24/25 in line with the central government implementation timetable.

The Met Office reports Scope 1,2 and 3 emissions in line with the Greenhouse Gas (GHG) Protocol standards and provides reporting to central government under the Greening Government Commitments. These are detailed on page 47. The Met Office has a carbon neutrality target for Scope 1,2 and 3 emissions by 2030, and a plan for achieving the target. Further information is on page 46.



**We're a force for good.**

Our planet matters and we want to make a difference. That's why we take our environmental and social impact seriously. We're a force for good, making sure that people stay safe and thrive and contributing to the world's understanding of climate change. But we're also looking for ways to reduce our impact and make a positive difference to our environment and our community.

# Financial review

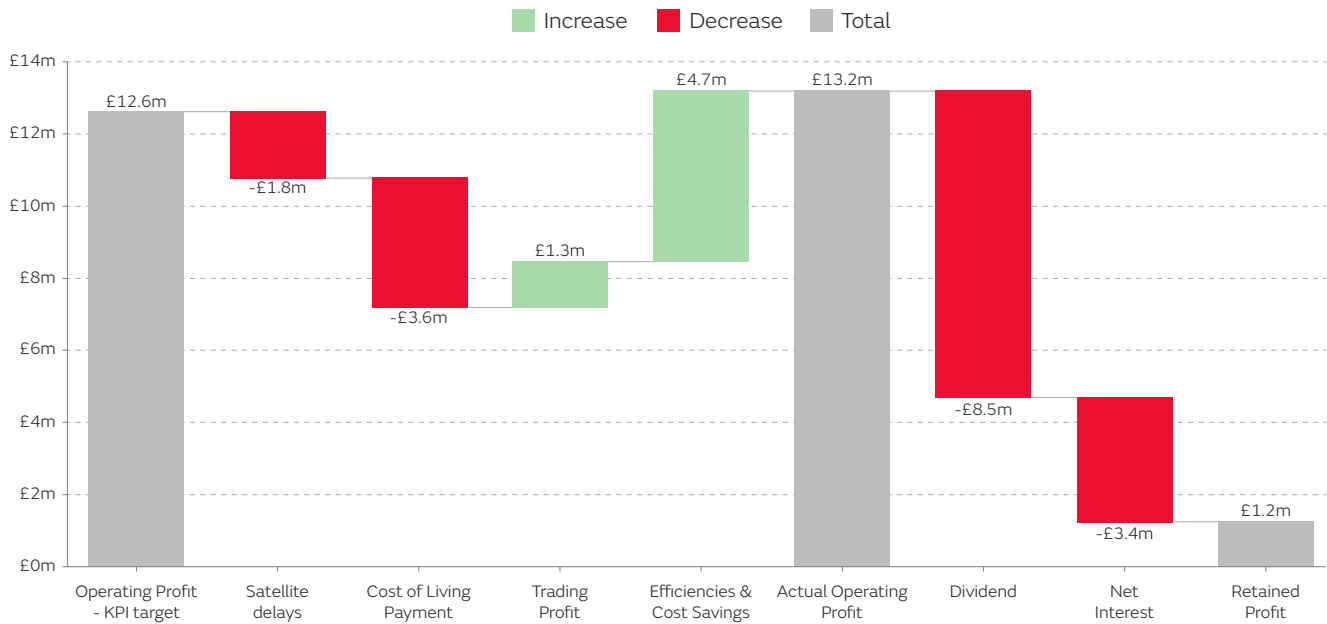
## Summary

The Met Office met both of its financial targets for the year:

Key Performance Indicators (KPI)	Target (£m)	Achieved (£m)
KPI profit	12.6	13.2
Cost efficiencies	1.5	6.2

## Operating profit

### FY23/24 Operating Profit: Actuals v KPI Target



Operating profit in 2023/24 was £13.2m which is a £1.2m increase on 2022/23 of £12.0m and is £0.6m above the Key Performance Indicators (KPI) target of £12.6m.

The increase on 2022/23 is driven by profit on a £9.1m increase in revenue as explained in more detail below.

The improved operating profit on the KPI target of £0.6m is outlined above and is driven by both improved trading profit of £1.3m and efficiencies and cost savings of £4.7m. This allowed the Met Office to absorb the additional

£3.6m civil service cost of living payment of £1,500 for all staff and to manage the £1.8m impact of the operational delay of next generation satellites.

### Efficiencies

The efficiencies KPI target has been met with a total of £6.2m of efficiencies and cost savings delivered in year. The KPI measure is the achievement of budgeted operating cost of £261.7m which included a budgeted £1.5m efficiency saving. The final actual operating cost is £257.0m

which is £4.7m below target and plus the budgeted £1.5m efficiency gives a total of £6.2m. Although there have been a few significant cost changes for additional revenue, satellite delays and the cost of living payment, these largely offset. Further detail on change to costs are given below.

The efficiencies and cost savings have been delivered through careful management of the use of contractor and 3rd party resources, lower capital expenditure, lower usage of cloud services and reduced software licence expenditure.



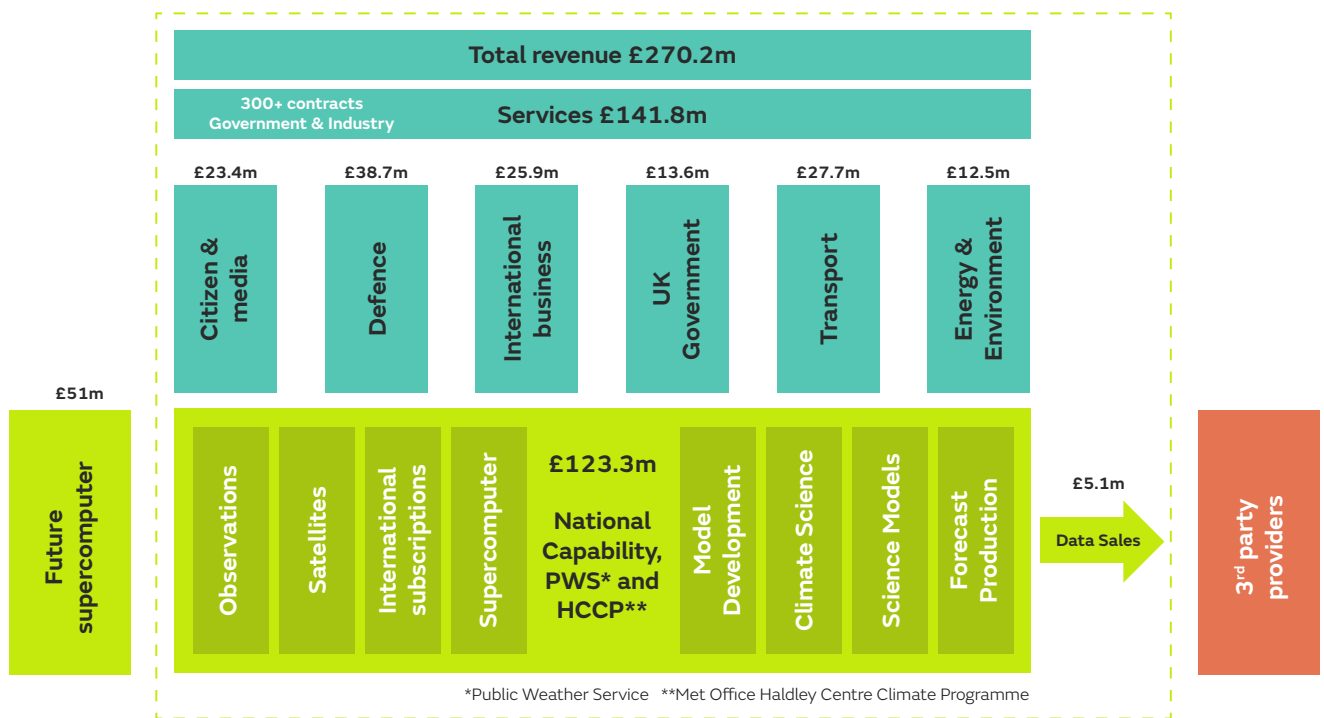
## Revenue

Revenue saw significant growth in 2023/24 and is £9.1m higher than in 2022/23. There were a range of increases in specific contracts including £3.0m additional funding from the Civil Aviation Authority to support delivery of improvements to aviation industry services, £2.4m for the Earth Observations Investment Package (EOIP) to deliver marine and climate services and a transatlantic

data academy, along with a £4.5m increase in the Weather & Climate Information Services (WISER) programme as it entered the key delivery phase in the Africa and Asia Pacific Regions. In addition there was £3.6m of inflationary increases in major contracts including Public Weather Service (Citizen & Media), MOD (Defence) and Civil Aviation Authority (Transport) regulated aviation services.

These increases are offset by reductions in some revenue streams including RIMNET (Radioactive Incident Monitoring NETWORK) services of £1.7m, as the service has now transitioned to the Radiological Response and Emergency Management System managed by the Department for Energy Security and Net Zero, along with a £1.8m reduction in the Strategic Priorities Fund as delivery slows ahead of its planned end date in March 2025.

## Met Office 2023/24 Funding sources



## Operating costs

Operating costs are £7.9m higher than 2022/23 but £4.7m lower than budget. The primary driver of cost is the £9.9m increase in staff costs which reflects year 2 of the 3 year pay deal approved in June 2023 along with the central government decision to pay a £1,500 cost of living award to all civil servants. Other significant increases include equipment and services, international subscriptions and accommodation, primarily driven

by inflation, particularly in energy costs and increased use of technology cloud-based services. These were offset by reductions in depreciation of £4.1m to £11.0m as much of our on-premise technology estate comes to the end of its planned life and amortisation of £1.2m to £10.7m due to the extended life of the current European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) satellite data asset to reflect the continued reliance

on current satellites while the next generation satellites are brought into operation. There is also an offsetting increase in grant utilisation of £6.8m to £46.9m which reflects the continued progress on the delivery of the future supercomputer.

## Dividend

Total dividend payable to our owner, the Department for Science Innovation and Technology (DSIT), is £8.5m (2022/23 £8.5m).

## Cashflows and liquidity

The Met Office holds cash balances primarily to meet short-term commitments as they fall due. In the medium- to long-term the Met Office also meets commitments to EUMETSAT for the funding of meteorological satellite programmes.

Cash balances held reduced from £56.2m to £23.5m. Operating activities generated a cash surplus of £34.9m. This includes £52.7m of supercomputer grant funding received. Payments to acquire assets, particularly payments to EUMETSAT, were £48.6m. Continued investment in EUMETSAT programmes was partly funded by loan funding received of £29.0m. Repayments and interest on previous loans totalled £36.3m. The agreed 2022/23 dividend of £8.5m was also paid.

## Borrowing

Under the Met Office Trading Fund Order and Framework Document, the sole provider of loan funding is the Met Office's sponsor department, DSIT. Therefore, exposure to liquidity risk is limited to these arrangements. As at 31 March 2024, £232.8m in loans were outstanding (31 March 2023, £235.2m). Loan funding requirements are anticipated to continue in future years to finance the UK contribution to the EUMETSAT satellite programmes.



# Risk review

We identify and manage risks that could prevent us delivering our strategy and mission to protect our colleagues, customers and the communities that we serve.

Effective risk management is part of a robust corporate governance framework which provides assurance

to stakeholders that their investments are in safe hands and is a necessary ingredient for the improvement of business performance and organisational success.

A fuller explanation of how our risk management processes operate is included in the 'Governance statement'.

The following table outlines the risks from our 'Corporate risk register' that have been the recent focus of our risk management. These risks usually extend beyond a single financial year. They are tracked and subject to regular reporting to ensure the long-term success of our strategy.

Corporate Risk	Risk commentary
<b>Red risks: HIGH PROBABILITY AND/OR IMPACT</b>	
Supercomputer implementation and benefits realisation; Next Generation Modelling Systems (NGMS)	Until the new supercomputer is implemented, the production of our core weather forecasting services is vulnerable to the resilience of our existing, but aging, supercomputer. Delays or issues with delivery of future enhancements could jeopardise the full realisation of benefits from the public investment into the new supercomputing infrastructure. These include the benefits from our Next Generation Modelling Systems which have been designed to run on the new infrastructure.
Strategic resourcing to deliver our ambition	There is a risk we are unable to deliver both our baseline workload and our strategic ambition because we are unable to retain or recruit the necessary skills. Government constraints on pay, a lack of requisite internal skills and the inability or unwillingness to outsource work effectively, could compound this.
Cyber security	We are entirely dependent on our technology infrastructure to complete our mission. Cyber security threats (both internal and external) leave infrastructure at risk of disruption and potentially unable to deliver our life critical services.
Artificial Intelligence for Numerical Weather Prediction	AI has the potential to transform how weather and climate prediction is done and drastically lower the barrier of entry for competitors. This presents risk to the Met Office but is also an opportunity if we stay abreast of this evolving technology.
<b>Amber risks: MEDIUM PROBABILITY AND/OR IMPACT</b>	
Resilience	If we do not ensure that appropriate steps are taken to protect and maximise our resilience there is a risk that we fail to deliver critical services to customers. This would result in deep reputational and financial impacts which might ultimately threaten the Met Office's authoritative position as a world-leading meteorological service.
Health and safety	If we do not take appropriate steps to ensure our organisational Health and safety strategy, governance and accountabilities are robust and effective, the safety of Met Office employees or other key stakeholders could potentially be at risk.
Change readiness	If we do not have the collective ability and culture to keep pace and embrace changes at the rate required, then we may not be able to achieve our strategic ambitions. This could result in a lower return on our investments and an inability to realise our corporate vision through and with our people.



**Professor Penelope Endersby**  
 Chief Executive  
 19 July 2024



# Corporate governance report

## Directors' report

The following items, required as part of the Directors' report, are included in the Governance statement on page 58:

- Composition of the Met Office Board.
- Disclosure of other interests held by members of the Met Office Board.
- Disclosure of personal data-related incidents.

## Statement of the Met Office and Accounting Officer's responsibilities

Under section 4(6)(a) of the Government Trading Funds Act 1973, HM Treasury has directed the Met Office to prepare a statement of accounts for the 2023/24 financial year in the form and on the basis set out in the Accounts Direction issued on 14 December 2023 and in guidance on accounting for grants received during 2017.

Accounts are prepared on an accruals basis and must give a true and fair view of the Met Office's state of affairs as at 31 March 2024 and of the income and expenditure, changes in taxpayers' equity, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the financial statements;

- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the Chief Executive of the Met Office as the Accounting Officer for the Trading Fund. Her responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances, for which she is answerable, for keeping of proper records and for safeguarding the Met Office's assets, are set out in Managing Public Money published by HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Met Office's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.



# Governance statement

Professor Penelope Endersby CBE, FREng, Hon FInstP

## Scope of responsibility and purpose of the Governance statement

As Accounting Officer, it is my responsibility to ensure that there is a sound system of governance, risk management and internal control in place. The Met Office operates in accordance with the Framework Document agreed with our owning Government department. Our business is conducted in accordance with Managing Public Money to ensure public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Met Office complies with the provisions of Corporate Governance in Central Government Departments: Code of Good Practice.

The Governance statement, for which I, as Accounting Officer, take personal responsibility, gives a clear understanding of the dynamics of the Met Office. Its control structures provide an adequate insight into the business and resources of the Met Office to enable me to make informed decisions about progress towards our strategic objectives and, if necessary, steer performance back on track. In doing this, I am supported by a governance structure that includes the Met Office Board, its Executive and senior management and a robust assurance framework.

This statement explains how we have complied with the principles of good governance and reviews the effectiveness of these arrangements.

## Governance structure

### Role of owning department and sponsorship team

The Met Office is an arm's length body (ALB) of the Department for Science, Innovation & Technology (DSIT). We also maintain strong links with the Department for Energy Security and Net Zero (DESNZ), which oversees the Met Office Hadley Centre Climate Programme.

An owning department's sponsorship team is central to ensuring an ALB's focus and activities are aligned with government objectives and advises Ministers on the management of the government's interest in the Met Office. The Met Office has developed strong relationships with its sponsorship team in DSIT. At the end of the previous financial year, we received a very positive assessment of our role as an ALB as part of the Public Bodies Review Programme. This year we have worked with the team to update the Met Office Framework Document, which outlines our purpose, role and responsibilities and our governance framework as an ALB with Trading Fund and Public Sector Research Establishment status. This has been forwarded to HM Treasury for endorsement.

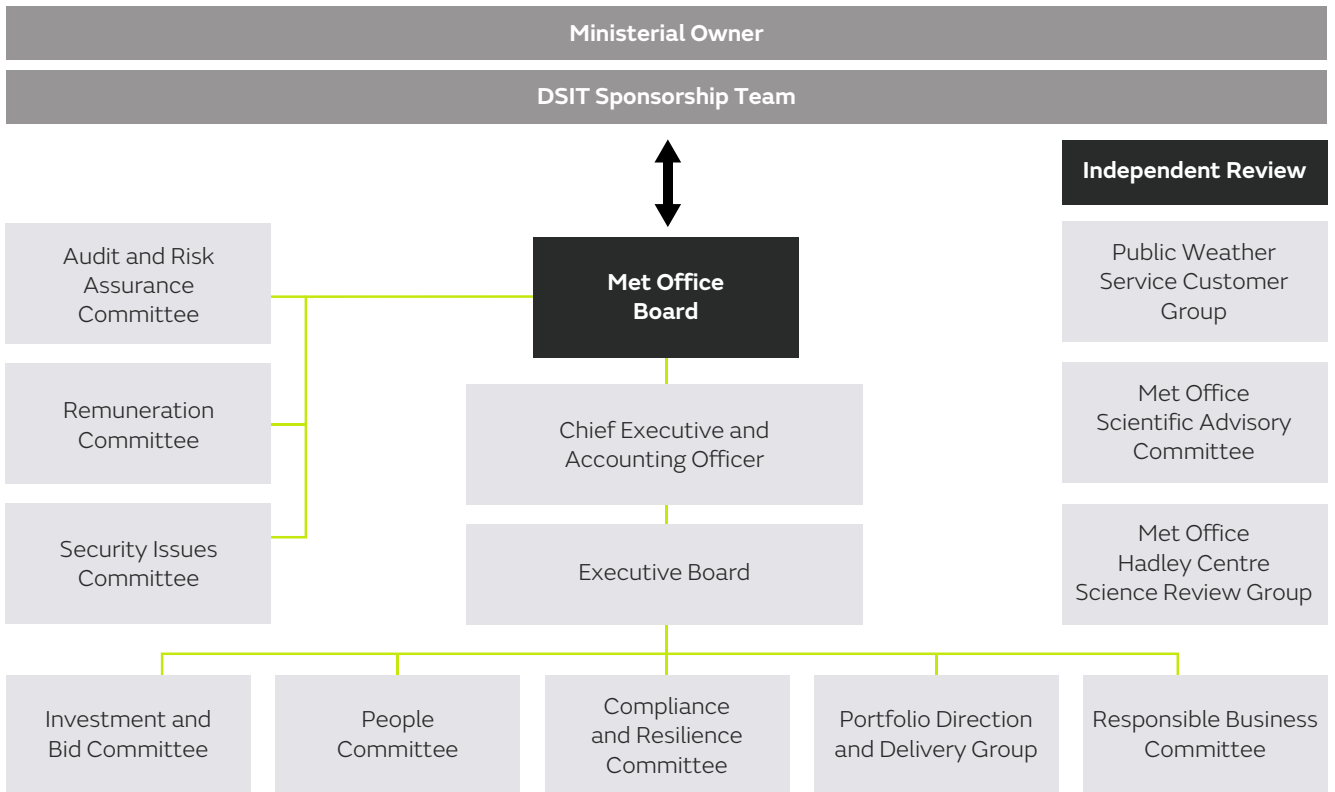
### Role of the Met Office Board

The Met Office Board challenges and supports the Executive Team, carefully scrutinising its proposals and performance, particularly in relation to the development of the Met Office's long-term business strategy and delivery of its Corporate plan. It monitors performance against agreed Key Performance Indicators that are aligned with the strategy. In addition, the Met Office Board takes an overview of corporate risk and works with the Executive Board to agree the organisation's risk appetite.

The Non-Executive Chair is responsible for leading the Board and ensuring that it is effective in discharging its role. He is supported by additional independent non-executive directors, chosen to bring diverse insights and relevant skills. The Met Office Board is supported by three committees – the Audit and Risk Assurance Committee, the Remuneration Committee and the Security Issues Committee, each chaired by a Non-Executive Board Member.

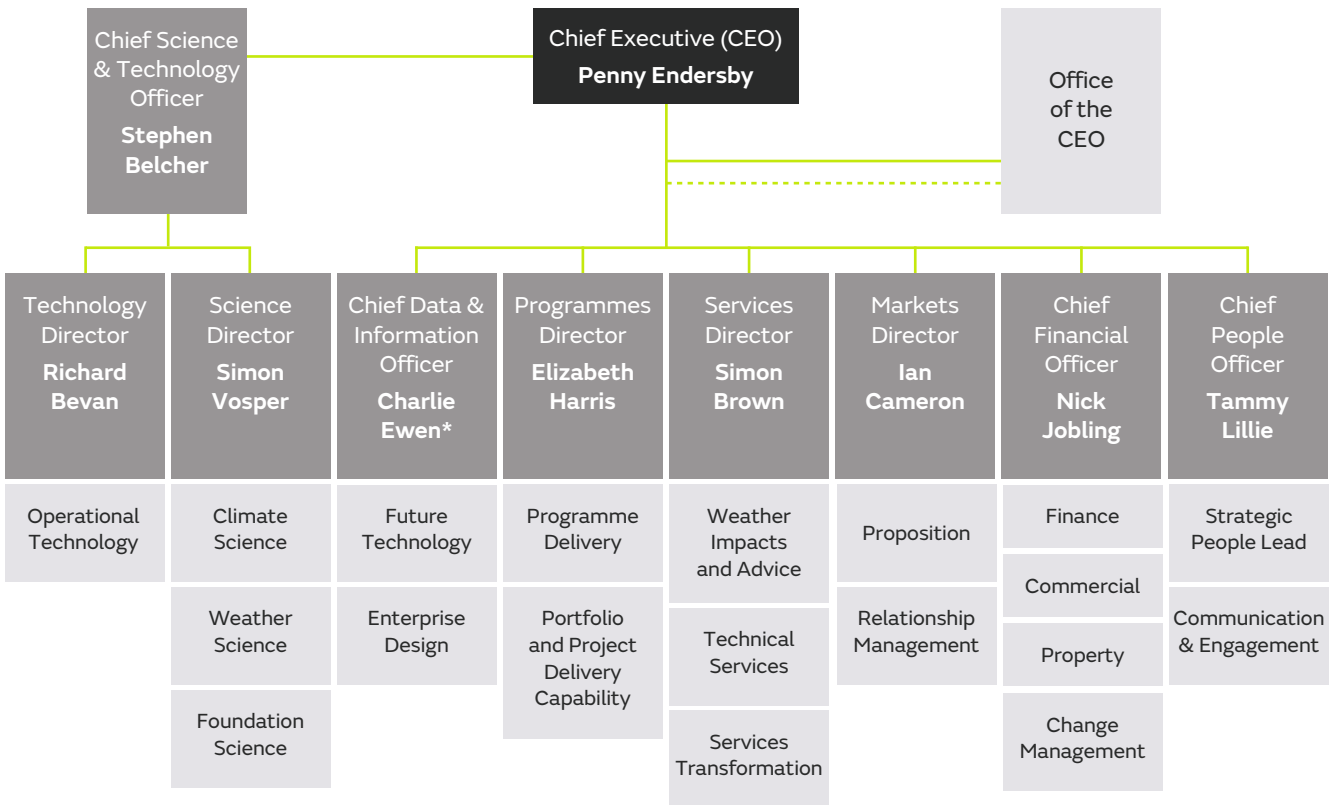


### The Met Office governance structure



There are a number of working groups providing specialist advice to the individual Committees.

NOTE: The Audit and Risk Assurance Committee provides advice and assistance to both the Board and the Accounting Officer; it also receives relevant reports from the Accounting Officer.



The Executive Board co-ordinates and provides oversight of the activities of the directorates which deliver our business operations. Five Executive Committees (Investment and Bids, People, Compliance and Resilience, Portfolio Delivery and Direction, and Responsible Business) support the Executive Board in the management and implementation of its responsibilities, facilitating communication and decision-taking for issues that cut across directorates.

\*Charlie Ewen's line management moved from Stephen Belcher to Penny Endersby on 1 August 2023.

## Role of Chief Executive and Accounting Officer

In my role as Chief Executive and Accounting Officer, I am responsible for the day-to-day leadership and management of the Met Office. I am accountable to the Ministerial Owner and the Met Office Board (acting, where appropriate, on the Ministerial Owner's behalf) for the performance of the Met Office. As Accounting Officer, I am personally responsible and accountable to Parliament for the organisation and quality of management in the Met Office, including its use of public money and the stewardship of its assets. As Chief Executive, I chair the Executive Board, which is responsible for supporting me in the implementation of the strategy agreed by the Met Office Board.

## Role of the Executive Board

My colleagues and I, as members of the Executive Board, remain accountable to (and open to challenge, advice and scrutiny from) the Met Office Board, with whom we are responsible for formulating, developing and agreeing the Met Office's strategy. In turn, both the Executive Board and the Met Office Board are accountable to, and act under delegated authority from, our Ministerial Owner at the Department for Science, Innovation & Technology (DSIT).

The Executive Board is the primary management forum for the Met Office. It brings together the Executive Directors who are responsible for implementation of our agreed strategic objectives and delivery of our customer services.

We have ensured there is a clear allocation of roles and responsibilities within operational directorates to facilitate the implementation of the Corporate Plan and delivery of Key Performance Indicators which encapsulate our strategic objectives. The directorate structure is designed

to ensure the outputs of our science and technology research flow - as we develop new programmes and infrastructure - into the delivery of operational products and services to meet the needs of, and provide real benefits to, our users and customers.

## Additional independent review bodies

The following bodies provide additional independent review of Met Office activities:

**Public Weather Service Customer Group (PWSCG)** – oversees the Public Weather Service, ensuring the quality, suitability and value for money of the service provided. The PWSCG comprises independent members and representatives from government departments, agencies, emergency responders, local authorities, the Scottish and Welsh Governments and the Northern Ireland Executive. The PWSCG is chaired by Vice Admiral Duncan Potts and its Annual Report is available through the Met Office website.

**Met Office Scientific Advisory Committee (MOSAC)** – provides an independent assessment of the quality and relevance of the Met Office's Research and innovation strategy which underpins our weather, climate and oceanographic services. The Committee comprises independent experts in the fields of science and technology, drawn from UK and overseas universities and climate and meteorological institutions. MOSAC is chaired by Dr Gilbert Brunet.

**Met Office Hadley Centre Science Review Group (SRG)** – provides an independent review, on behalf of DESNZ, of the climate research carried out by the Met Office Hadley Centre. The SRG is chaired by Professor Rowan Sutton.

In addition to these standing review bodies, we have invited independent review on various aspects of the

delivery of the new supercomputer, the largest investment programme the Met Office has ever undertaken. Following on from the legal challenge which closed in 2022, we have been supported by a senior commercial specialist from the Cabinet Office, as 'critical friend', who has aided our Commercial Team with the management of supplier delivery contractual obligations.

## Work of the Met Office Board and its committees

### Met Office Board composition

The Board's membership aims to incorporate a diverse and appropriate range of leadership experience, business backgrounds, technical skills and viewpoints to help guide the Met Office's strategy. Board members' expertise ranges from meteorology, science and data, through to finance and business transformation. Appointments are made through the government's Public Appointments process and approved by the Minister. A sponsor department representative sits alongside the Non-Executive Directors and, in addition, a Trade Union representative has right of attendance at Board meetings.

During the year, Catherine Bremner and Andy Samuel were appointed to the Board, while Catherine Quinn stepped down after six years of invaluable service to the Met Office. Details of the Board can be found on the Met Office website.

### Met Office Board business

During 2023/24, the Met Office Board held six regular Board meetings. A summary of each Board meeting is published on the Met Office website. In addition, the Board holds a strategy day, allowing Directors dedicated time to debate and help formulate the development of the Met Office's strategy. This year the strategy day

focused on the capabilities the Met Office will need to develop over medium- to long-term time horizons, which was particularly pertinent given current advances in technology and machine learning.

It is important that the Board engages with our major stakeholders to understand the environment within which the Met Office operates and to promote and support the work it does. This year the Board was kindly hosted by two of our major academic partners, the Universities of Leeds and Reading, and by the RNLI, a major customer, at their headquarters in Poole.

Over the year the Board has had the opportunity to discuss a wide range of issues that underpin the delivery of the strategy and monitor the organisation's progress in delivering its objectives. Key topics have included:

- Components of science and technology that help build our national meteorological capability, including our Observation strategy, plans and funding for our satellite infrastructure and the exploitation of the new supercomputer once operational.
- Delivering impact and benefit through our products and services, including reviews of the service provided to our customers, reports on the quality of our weather forecasts and warnings, our international framework and potential future opportunities.
- Our people and the internal capabilities that enable us to develop our national capability and deliver our products and services, including regular reports from the People Directorate, the recruitment and remuneration challenges facing the Met Office, and our Communication and engagement strategy.
- Implementation plans for the first generation of the new supercomputer in partnership

with Microsoft. The Board challenged the Executive to ensure appropriate resilience and contingency was in place and that the benefits could be sustained over the duration of the contract.

- Financial and business performance, including the Met Office's budget, performance and progress in meeting financial targets and Key Performance Indicators. This year, we reviewed a draft of London Economics' assessment of the value and socio-economic benefit the Met Office creates. The Board received comprehensive management information in the form of dashboards and financial reports, allowing the Directors to monitor business performance effectively and objectively.
- Risk Management and control, including the Met Office's risk management and assurance framework, review of the Corporate Risk Register and approving the organisation's Risk Appetite.
- Responsible business, including review of the progress of the Equality, diversity and inclusion strategy, review of the Met Office's work to improve sustainability and reduce its emissions on its own journey towards Net Zero, and the Met Office's social value work.

### **Audit and Risk Assurance Committee (ARAC)**

The Audit and Risk Assurance Committee supports the Board and Accounting Officer in assuring that the organisation's risk management, control and governance systems are appropriately designed and effective. The ARAC met four times during the year, receiving reports from senior management, risk owners, Internal Audit and the Corporate Risk Manager. The Committee reviewed the nature and status of key corporate risks, along

with details of mitigating actions being taken. Key risk areas were reviewed in detail to better understand the management of those risks, particularly organisational resilience, cyber and capacity and capability risks. The ARAC reviewed the work of external audit, which was delivered by the National Audit Office. The Internal Audit Team reported their audit findings and assurance ratings, and progress of the implementation of management actions, to the Committee monthly and at each meeting. The Chair of ARAC reported to the Met Office Board after each meeting.

### **Remuneration Committee (RemCom)**

The role of the Remuneration Committee is to ensure that senior management remuneration arrangements are appropriate and based upon achieving stretching objectives. It also approves the corporate performance award scheme and provides advice on wider Met Office reward issues. The Committee met twice, to approve awards for 2022/23 and to set objectives for 2023/24.

### **Security Issues Committee (SIC)**

The Security Issues Committee met twice. It has oversight of those Met Office operations that operate at higher levels of security and help support government agencies with responsibility for national security, using Met Office expertise in weather and climate change to make a highly valued contribution to wider government. The Committee brings oversight and accountability to this work which has become increasingly important in the context of rising geopolitical tension and disruptive extreme weather events.



## Board and Committee attendance for the period 1 April 2023 to 31 March 2024

Board or committee member	Dates served	Met Office Board (MOB)	Audit and Risk Assurance Committee (ARAC)	Remuneration Committee (RemCom)	Security Issues Committee (SIC)
<b>Total meetings during period</b>		6	4	2	2
<b>Non-Executive Directors</b>					
<b>Rob Woodward</b> Chair		6/6	4/4	2/2	2/2
<b>Adam Jackson</b> DSIT Appointed Director		5/6	2/4	1/2	1/2
<b>Professor Alan Thorpe</b>		6/6	4/4	-	-
<b>Hunada Nouss</b> Chair of ARAC		6/6	4/4	2/2	2/2
<b>Catherine Quinn</b> Chair of Remuneration Committee	Until 4 Jul 2023	2/2	1/1	1/1	-
<b>Professor Jordan Giddings</b> Chair of SIC		6/6	-	2/2	2/2
<b>Anusha Shah</b>		5/6	-	2/2	-
<b>Catherine Bremner</b> Chair of Remuneration Committee	From 31 May 2023	6/6	1/1	2/2	1/1
<b>Andy Samuel</b>	From 28 Sep 2023	4/4	2/3	-	-
<b>Christine Ourmieres-Widener</b>	Until 16 May 2023	0/0	0/0	0/0	-
<b>Executive Directors</b>					
<b>Professor Penelope Endersby</b> Chief Executive		6/6	3/4	2/2	2/2
<b>Nick Jobling</b> Chief Financial Officer		6/6	4/4	-	-
<b>Professor Stephen Belcher</b> Chief Science and Technology Officer		5/6	-	-	-
<b>Tammy Lillie</b> Chief People Officer		5/6	-	2/2	-
<b>Simon Brown</b> Services Director		5/6	-	-	-
<b>Charlie Ewen</b> Chief Data and Information Officer		6/6	-	-	-

1. The Met Office Board held 6 regular Board meetings during the year.
2. A Board strategy day was held on 29th June 2023. This was preceded by a short additional Board meeting.
3. Jane Lancaster attended 2 out of 3 Board meetings before Lisa Browne took over as the Prospect Union Representative, attending all 3 remaining meetings.
4. Rob Woodward, Adam Jackson, Penelope Endersby and Nick Jobling are not members of the Audit & Risk Assurance Committee (ARAC) but are regular attendees and are therefore included for completeness. Paul Riches attended ARAC as the DSIT representative instead of Adam Jackson in June 23 and March 24.
5. Penny Holt (Chief Financial Officer at the National Physical Laboratory) remained as a co-opted member of ARAC to continue the provision of additional financial expertise and attended 3 meetings.
6. The National Audit Office appointed agents are invited to attend ARAC meetings where applicable and have attended 4 of the 4 meetings.
7. Paul Riches attended the Board Meeting as the DSIT representative on behalf of Adam Jackson in March 24.

## Evaluation of Board performance

The performance of the Met Office Board and the Audit and Risk Assurance Committee (ARAC) is evaluated each year. Following an external review two years ago, we again conducted an internal effectiveness review this year, based on a questionnaire followed by one-to-one sessions with the Chair. The review indicated a continued highly effective functioning Board. We have fostered positive boardroom dynamics, promoting transparency and an environment that facilitates open and constructive, but challenging, debate. Both the Board and ARAC reviews expressed confidence there was effective oversight of the organisation's financial position, risk management and assurance framework. The importance of strategic debate was highlighted in both the last two reviews and we have continued to enhance the strategic engagement between the Board and the Executive. The relationship between the Chair and the Chief Executive is central to an effective Boardroom and I am grateful for the invaluable support and guidance Rob Woodward has provided me as his second term draws towards completion.

Reviews of the Executive Board and its Committees are also conducted each year to assess their performance and effectiveness. Feedback is assessed and actions for improvement identified.

## Conflicts of interest

The Met Office maintains a public Register of Interests that details company directorships and other significant interests held by Board members which may conflict with their responsibilities. The register has been reviewed at every Met Office Board meeting. Where appropriate, conflicts of interest were declared during 2023/24 and, if there was any perceived conflict, the member in question was excluded from the relevant conversation and any

decisions made on that subject. The register is available to view on the Met Office's website.

## Risk management

The Met Office risk management is aligned with government best practice, in particular the Orange Book. In line with the updated Orange Book, we have started to implement the Risk and Control Framework tool. We adopt a pragmatic approach, seeking to achieve a balance between mitigation and acceptance of risk, with targets set for individual risks. Our corporate risk management processes support this and enable us to assess the potential impact of identified risks against our corporate risk appetite. This means that we can understand our risks and respond proportionately. Risk management information is used throughout the organisation to inform the annual planning process, key business decision-making processes and the assurance needs of the organisation.

We continue to actively manage those risks that may impact upon the achievement of our Strategy and delivery of the Met Office's business. The identification, mitigation and escalation of risks is embedded as a key activity of Executive Directors and other senior leaders, across all business areas, programmes and projects.

The Executive determine and continually assess the nature and extent of the corporate risks, and formally review the risk categories, their definitions and appetites annually with the last review occurring in November 2023. We have defined thirteen primary risk categories, each of which has a defined risk appetite statement. These risk appetite statements provide clear, consistent guidance for decision-making throughout the Met Office, setting an appropriate balance between uncontrolled innovation and excessive caution. The Executive perform a formal horizon scan and risk refresh

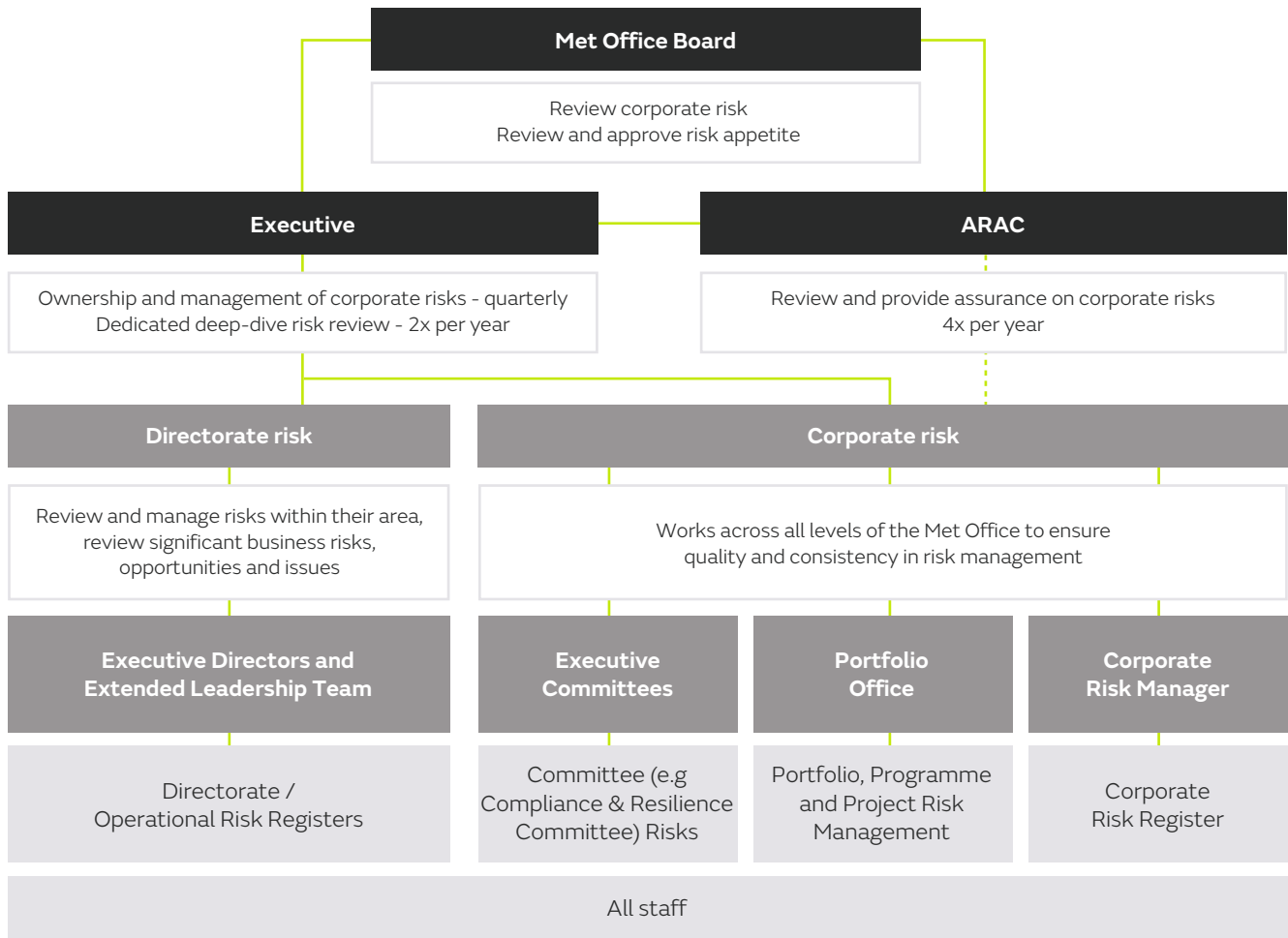
collectively to identify and consider the nature of emerging risks, threats and trends. Any new risks are either incorporated into the corporate risk register or assigned to directorate registers to manage.

The Corporate Risk Manager works across all levels of the Met Office to ensure quality and consistency in risk management. This includes undertaking training, maintaining oversight of compliance with risk management processes and identifying areas of the business where risk management needs strengthening.

## Risks relating to delivery and benefits realisation of supercomputer

The delivery of the Met Office's largest programme, the new supercomputer contract with Microsoft UK, remains critical to our strategic and operational effectiveness. The impact of delays to this programme has been reflected in the risks relating to delivery, benefits realisation, business continuity and Next Generation Modelling System, and there have been timely mitigation responses on each of these elements. We continue to work with Microsoft to achieve operational readiness as soon as possible, and with HPE-Cray to ensure the resilience of the existing machine. As we draw closer to live implementation, it was pleasing to receive a delivery confidence rating of "green" from an independent Infrastructure and Projects Authority (IPA) Gate 4 review for service readiness.

## Accountability and responsibility framework for risk management



## Other control and governance structures

### Functional Standards

We continue to apply the Functional Standards issued by the Cabinet Office to support the effectiveness and efficiency of our functional work. Adherence to each Standard has been reassessed during the year, with an emphasis on proportionate compliance and the mandatory elements in each Standard. Where possible, we have liaised with departmental contacts in DSIT to share our compliance results and support peer review activity.

### Counter fraud

In May 2023, the Government Internal Audit Agency rated the Met Office as meeting the mandatory requirements in 11 out of 12 elements of the GovS013 Counter Fraud Functional Standard. We are currently strengthening the line of sight between our Fraud risk assessment, the Counter fraud strategy and our Action Plan.

During this year, we conducted a self-assessment against the new Public Sector Fraud Authority (PSFA) Continuous Improvement Assessment Framework (CIAF). This is the new means through which compliance with the requirements of GovS013 will be measured across the Civil Service. We believe that the resourcing required to meet these increased requirements are disproportionate to the Met Office’s low fraud risk exposure level and have

requested the CIAF process be applied proportionately to the Met Office. We will continue to improve our counter fraud response within the boundaries of what we consider to be proportionate.

### Quality Management System

To ensure the provision of robust and reliable services to our customers, the Met Office implements a Quality Management System (QMS) in line with international standards (ISO9001). The QMS is subject to surveillance assessments by external auditors Lloyd’s Register Quality Assurance every six months and a full re-certification assessment every three years. A full recertification took place in July 2023. We successfully retained our ISO certification with no major non-conformities raised and only one minor finding identified.



## Business-critical models

The Met Office follows the HM Treasury Aqua Book: Guidance on Producing Quality Analysis for Government. Quality Assurance is a fundamental part of our development processes for all our business-critical models (for example, the Unified Model and its applications for weather and climate science and services).

We are preparing to deploy our business-critical workflows onto a new supercomputer, with objective validation and verification processes in place to ensure a smooth transition and the necessary assurance to support a go live decision. We are also in the process of redeveloping our weather and climate prediction systems to exploit future generations of supercomputer, which will be implemented in phases over several years.

Quality analysis and assurance is at the heart of what we do. Throughout all development, from test driven development of new codes to validation of the modelling system outputs, we ensure our models and codes are effective, efficient and safe to deploy, to preserve operational resilience. Our 'Parallel Suite' process maintains a secure segregated development process, between our research and development and operational activities.

## Governance of knowledge and information assets

Governance and policy making for data, information and knowledge assets is managed under delegated authority from the Executive Board by the Chief Data and Information Officer (CDIO) who is also the Senior Information Risk Owner. The CDIO is also the Executive Lead for Data, with overall accountability for the organisation's data and information assets, including its environmental data.

The Heads of Knowledge and Information Management and Data have responsibility for setting the direction, defining principles and implementing policies and processes in relation to knowledge, information and environmental data management. These roles support the Information Asset Owners (IAOs) who collectively have accountability to ensure data and information across all domains is fit for purpose, and used, shared and managed in accordance with its risk and criticality to the delivery of Met Office business objectives. Information Asset Guardians provide subject matter expertise and support the IAOs in discharging their responsibilities.

## Information / cyber security

The Met Office recognises that there is still an upward trend in cyber-attacks, with Artificial Intelligence (AI) based attacks targeting new areas. There has been a focus on ensuring that patching is consistent and timely, the perimeter is hardened, and end user devices are secure. There have been no significant cyber or personal data breaches during the year, but this has not led to complacency and there continues to be a focus on improvement.

The Chief Information Security Officer reports to the Chief Technology Officer and is responsible for the security architecture, cyber governance risk and compliance, business continuity, security testing and security operations. The Security and Resilience Management Group meets monthly, delivering wider governance and overseeing cyber security, physical security, business continuity, information management and personnel security. It reports to the Compliance and Resilience Committee.

The Met Office reports compliance against the Cyber Assessment Framework to Cabinet Office via GovAssure and is embedding Secure by Design processes and procedures to ensure secure delivery.

## Monitoring governance performance and effectiveness

### Head of Internal Audit's annual opinion

The Head of Internal Audit has given moderate assurance over the adequacy and effectiveness of the Met Office's systems of governance, risk management and internal control. On balance, the moderate assurance rating is slightly weaker than for the prior year, following an increase in low assurance rated audit reports and an increase in higher tariff findings, impacting upon governance, risk management and internal control. Management actions are in place to address issues found, which are tracked by the Internal Audit Team.

The opinion is based upon all the internal audit work performed (assurance and advisory), engagement with other assurance providers such as the National Audit Office, Lloyd's Register Quality Assurance (LRQA) reviews of ISO compliance, information from the Executive Board and supporting Committees, the Corporate Risk Manager and staff in general. The opinion considers new findings as well as action taken by management over the last year to address issues.

The Directors' annual statements, which provide director personal assurances on the operation of controls in their areas of responsibility, have been refreshed following the introduction of a new tool, the Risk and control framework, which forms part of the Orange Book. The changes to the Directors' questionnaires create a clearer line of sight between Accounting Officer responsibilities, set out in multiple handbooks, and individual Director accountabilities.

Annual functional standard assessments have been rolled into the usual governance mechanisms for the Met Office and good progress has been made in ensuring compliance.

Internal audit assessed the systems of governance, risk and control through a planned programme of assurance generating work throughout the year. All audits are risk based and the annual opinion draws attention to themes arising from the results.

### Accounting Officer review

I have based my opinion of our system of governance, risk management and internal control on a number of lines of evidence. These include the Internal Audit annual opinion, findings of external audits including the National Audit Office and LRQA ISO9001 and ISO14001 audits during the year, Directors' annual assurance statements, the view of our Audit and Risk Assurance Committee and routine monitoring of performance and control systems through our Executive Board's oversight of Directorate and Corporate KPIs.

I agree with the Head of Internal Audit's opinion that we have moderate control overall. I acknowledge that there have been some weaknesses identified in internal audits during the year, which reflect the loading on the organisation during the supercomputer transition. There are actions underway to address all improvement areas raised, most especially health and safety and cyber assurance. I therefore think these are not of sufficient magnitude to undermine the overall rating.

## Significant governance and control issues

No governance or internal control issues have been identified during the year that are considered to be material in relation to the Met Office's overall governance framework. Specific opportunities for improvement identified as part of the assurance processes detailed above have been addressed or are included in action plans for the relevant manager.

### Accounting Officer's conclusion

Taking into consideration all of the evidence provided with regards to the production of the annual Governance statement, I conclude that the organisation's overall governance, risk management and internal control structures are effective.



**Professor Penelope Endersby**  
Chief Executive  
19 July 2024







# Remuneration and staff report

## Remuneration report

### Remuneration policy

The remuneration of those who serve on the Met Office Board is disclosed within this report.

The following Executive members of the Met Office Board were members of the Senior Civil Service:

- **Professor Penelope Endersby,**  
**Chief Executive**

The following Met Office Board members are also members of the Executive Board and are Met Office employees:

- **Nick Jobling,**  
**Chief Financial Officer**

- **Professor Stephen Belcher,**  
**Chief of Science and Technology**

- **Simon Brown,**  
**Services Director**

- **Charlie Ewen,**  
**Chief Data and  
Information Officer**

- **Tammy Lillie,**  
**Chief People Officer**

The Constitutional Reform and Governance Act 2010 requires civil service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when

appointments may be made otherwise. Unless otherwise stated, the officials covered by this report hold appointments which are open ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at <http://civilservicecommission.independent.gov.uk>.

Total remuneration includes salary, nonconsolidated performance-related pay, benefits-in-kind and severance payments. It does not include employer pension contributions and the Cash Equivalent Transfer Value (CETV) of pensions.

## Remuneration (audited)

	2023/24					2022/23				
	Salary	Other taxable allowances	Performance - related pay	Pension benefits <sup>1</sup>	Total	Salary	Other taxable allowances	Performance - related pay	Pension benefits <sup>1</sup>	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Penny Endersby</b>	135-140	-	10-15	-	<b>150-155</b>	130-135	-	0-5	-23	<b>105-110</b>
<b>Nick Jobling</b>	115-120	0-5	10-15	-	<b>130-135</b>	105-110	5-10	10-15	10	<b>140-145</b>
<b>Stephen Belcher</b>	145-150	-	10-15	-	<b>160-165</b>	140-145	-	10-15	58	<b>215-220</b>
<b>Tammy Lillie</b>	100-105	-	10-15	-	<b>115-120</b>	95-100	-	10-15	38	<b>145-150</b>
<b>Simon Brown</b>	100-105	-	10-15	-	<b>110-115</b>	90-95	-	10-15	38	<b>145-150</b>
<b>Charlie Ewen</b>	110-115	0-5	10-15	-	<b>125-130</b>	100-105	5-10	10-15	40	<b>160-165</b>

1. The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase of any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increases or decreases due to a transfer of pension rights. Accrued pension benefits for directors are not included in this table for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

2. P Endersby's performance related pay is set under Senior Civil Service arrangements. Amounts reported in 2022/23 were earned in 2021/22 and paid in 2022/23

Salary includes gross salary, overtime, non-consolidated pay, recruitment and retention allowances. Performance-related payments reflect performance levels attained as assessed during the appraisal process. Payments are non-consolidated and

non-pensionable and represent part of Executive remuneration, which is at risk and must be re-earned each year. Amounts shown opposite relate to the performance attained in the relevant year and are paid in the following year.

### Fair pay disclosures (audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

	2023/24	2022/23
25 <sup>th</sup> percentile pay ratio	4.3	4.5
Median pay ratio	3.6	3.7
75 <sup>th</sup> percentile pay ratio	3.0	3.1

	2023/24		2022/23	
	Total remuneration	Salary and allowances excluding performance related pay	Total remuneration	Salary and allowances excluding performance related pay
	£'000	£'000	£'000	£'000
Highest paid Director (banded)	160-165	145-150	155-160	140-145
75 <sup>th</sup> centile employee	55	48	50	49
Median employee	46	43	42	38
25 <sup>th</sup> centile employee	38	34	35	33

	Highest paid director (banded)	Average for other employees
<b>2023/24</b>		
Salary and allowances (£'000)	145-150	43
% change	3.5%	8.3%
Performance related pay (£'000)	10-15	3
% change	0.0%	4.7%
<b>2022/23</b>		
Salary and allowances (£'000)	140-145	40
Performance related pay (£'000)	10-15	3

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. The above disclosures do not take account of amounts paid to contractors as it is not possible to distinguish the amount received by individuals from the cost to the Met Office. The annualised costs of some contractors exceed the amount paid to the highest paid director above.

No employees received remuneration in excess of the highest-paid director in either 2022/23 or 2023/24. The lowest staff remuneration in 2023/24 was £17,481 (2022/23: £13,968).

## Pension entitlements for each Director (audited)

Pension entitlements for directors are not included for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

## Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015.

Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022.

Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it is expected that, in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see overleaf).

All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate.

Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic,

there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate in 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member).

The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha.



(The pension figures quoted for officials show pension earned in PCSPS or alpha –as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's

pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying

additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The real increase in CETV, reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



## Staff report

### Staff numbers as at 31 March 2024 (audited - totals only)

	Full time equivalents			
	Male	Female	31 March 2024	31 March 2023
Directors	7	3	10	10
Other permanent staff	1,354	888	2,242	2,175
Met Office employees total	1,361	891	2,252	2,185
Temporary/agency staff			79	79
<b>Total</b>			<b>2,331</b>	<b>2,264</b>

### Staff costs (audited)

	2023/24	2022/23
	£ '000	£ '000
Salaries, performance-related pay and allowances	105,515	97,590
Social security	11,744	11,003
Pension contributions	24,946	23,096
Early retirement and exit costs	151	157
Temporary/agency labour costs	10,998	11,554
<b>Total staff costs</b>	<b>153,354</b>	<b>143,399</b>

### Sickness and absence data

In 2023/24 the average working days lost per person was 5.9 (2022/23 6.5 days).

### Consultancy expenditure

In 2023/24 the Met Office had no consultancy expenditure (2022/23 - £162,000).

### Staff turnover

In 2023/24 the Met Office had a staff turnover rate of 6.2%. Staff turnover is calculated as the number of leavers within the financial year divided by the average of staff in post during the financial year.

## Off-payroll engagements

<b>No of existing engagements as of 31 March 2024, for more than £245 per day and that last for longer than six months.</b>	<b>67</b>
<b>Of which...</b>	
Number that have existed for less than one year at time of reporting.	37
Number that have existed for between one and two years at time of reporting.	25
Number that have existed for between two and three years at time of reporting.	4
Number that have existed for between three and four years at time of reporting.	1
Number that have existed for four or more years at time of reporting.	-
<b>New off-payroll engagements, or those that reached six months in duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months.</b>	<b>26</b>
<b>Of which...</b>	
Number assessed as in scope of IR35.	26
Number assessed as out of scope of IR35.	-
Number engaged directly (via Personal Service Companies contracted to BEIS) and are on the Met Office payroll.	-
Number of engagements reassessed for consistency/assurance purposes during the year.	N/A
Number of engagements that saw a change to IR35 status following the consistency review.	-
<b>Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.</b>	<b>-</b>
<b>Total number of individuals on payroll and off-payroll that have been deemed 'board members, and/or, senior officials with significant financial responsibility', during the financial year.</b>	<b>10</b>



## Fees paid to non-executive directors (audited)

	2023/24	2022/23
	£'000	£'000
<b>Rob Woodward</b>	35-40	35-40
<b>Hunada Nouss</b>	15-20	15-20
<b>Catherine Quinn</b> (Until 4 July 2023)	0-5 (15-20 full year equivalent)	15-20
<b>Professor Alan Thorpe</b>	15-20	15-20
<b>Professor Jordan Giddings</b>	15-20	15-20
<b>Christine Ourmières-Widener</b> (Until 16 May 2023)	0-5 (15-20 full year equivalent)	15-20
<b>Anusha Shah</b>	15-20	15-20
<b>Catherine Bremner</b> (From 31 May 2023)	10-15 (15-20 full year equivalent)	-
<b>Andy Samuel</b> (from 28 September 2023)	5-10 (15-20 full year equivalent)	-

## Exit packages (audited)

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
£0 - £10,000	0	0	0	0	0	0
£10,000 - £25,000	0	0	1	0	1	0
£25,000 - £50,000	0	0	1	0	1	0
£50,000 - £100,000	0	0	1	2	1	2
£100,000 - £150,000	0	0	0	0	0	0
£150,000 - £200,000	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>
Total cost £'000	0	0	128,893	157,073	128,893	157,073

---

# Parliamentary accountability and audit report

---

## Remote contingent liabilities (audited)

The Met Office owns a 5% share of Mercator Ocean at a cost of €100,000. Mercator Ocean is the co-ordinating entity for Copernicus Marine Services, in which the Met Office participates.

The organisation is a 'société civile' (a not-for-profit organisation) under French law, meaning it has unlimited liability. As a shareholder the Met Office is exposed to liability risk in proportion to the shareholding. The organisation protects its shareholders through contractual mechanisms and through insurance. Also any residual claim would first be met from the assets of the organisation. Any contingent liability is considered to be extremely remote. In addition any contingent liability will cease to exist should the Met Office dispose of the shares, which it is able to do with six months' notice.

## Losses and special payments (audited)

During 2023/24 the Met Office incurred no reportable losses.



**Professor Penelope Endersby**

Chief Executive  
19 July 2024

# The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Met Office for the year ended 31 March 2024 under the Government Trading Funds Act 1973.

The financial statements comprise the Met Office's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Met Office's affairs as at 31 March 2024 and its retained profit for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial

transactions recorded in the financial statements conform to the authorities which govern them.

## Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Met Office in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Met Office's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Met Office's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Met Office is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Performance Report and the Accountability Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Met Office and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the Met Office or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of the Met Office and Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Met Office from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- assessing the Met Office's ability to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Met Office will not continue to be provided in the future.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and



regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Met Office's accounting policies;
- inquired of management, the Met Office's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Met Office's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Met Office's controls relating to the Met Office's compliance with the Government Trading Funds Act 1973, Managing Public Money and the Meteorological Office Trading Fund Order 1996.
- inquired of management, the Met Office's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations; and
  - they had knowledge of any actual, suspected, or alleged fraud.
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Met Office for fraud and identified

the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Met Office's framework of authority and other legal and regulatory frameworks in which the Met Office operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Met Office. The key laws and regulations I considered in this context included Government Trading Funds Act 1973, Managing Public Money, Meteorological Office Trading Fund Order 1996 and relevant employment law and tax legislation.

#### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I performed substantive testing on a sample of revenue transactions where we were unable to rebut the risk of fraud, agreeing back to source documentation; and
- I addressed the risk of fraud through management override of controls by testing the

appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

#### **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

#### **Report**

I have no observations to make on these financial statements.

#### **Gareth Davies Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP  
22 July 2024



# Accounts

## Statement of comprehensive income for the year ended 31 March 2024

		2023/24	2022/23
	Notes	£ '000	£ '000
<b>Revenue</b>	3	270,211	261,135
Operating costs	4	(257,018)	(249,129)
<b>Operating profit</b>		<b>13,193</b>	<b>12,007</b>
Finance income	5	1,702	973
Finance expense	6	(5,149)	(4,234)
<b>Net finance expense</b>		<b>(3,447)</b>	<b>(3,261)</b>
<b>Profit for the financial year</b>		<b>9,746</b>	<b>8,746</b>
Dividend payable to Department for Science, Innovation and Technology	12	(8,500)	(8,500)
<b>Retained (loss) / profit for the year</b>		<b>1,246</b>	<b>246</b>
<b>Other comprehensive income / (expenditure):</b>			
Net gain on revaluation of property, plant and equipment		3,282	7,215
Net gain on revaluation of intangible assets		905	907
Net gain / (loss) on cash flow hedges	15	(2,823)	746
<b>Other comprehensive income</b>		<b>1,364</b>	<b>8,868</b>
<b>Total comprehensive income for the year</b>		<b>2,610</b>	<b>9,114</b>

The notes on pages 82-101 form part of these accounts.

## Statement of financial position as at 31 March 2024

	Notes	31 March 2024		31 March 2023	
		£ '000	£ '000	£ '000	£ '000
<b>Non-current assets</b>					
Property, plant and equipment	7		133,387		136,262
Intangible assets	8		404,842		365,900
Trade and other receivables	10		9,092		10,210
Derivative financial assets	15		-		-
Other financial assets	21		91		91
<b>Total non-current assets</b>			<b>547,412</b>		<b>512,463</b>
<b>Current assets</b>					
Inventories	9	1,624		1,523	
Trade and other receivables	10	74,435		64,947	
Derivative financial assets	15	0		860	
Cash and cash equivalents	11	23,459		56,216	
<b>Total current assets</b>			<b>99,518</b>		<b>123,546</b>
<b>Total assets</b>			<b>646,932</b>		<b>636,009</b>
<b>Current liabilities</b>					
Trade and other payables	12	(93,940)		(78,551)	
Borrowings	14	(32,995)		(31,369)	
Lease liabilities	19	(37)		(3)	
Derivative financial liabilities	15	(1,535)		0	
Provisions for liabilities and charges	16	(780)		(805)	
<b>Total current liabilities</b>			<b>(129,287)</b>		<b>(110,728)</b>
<b>Non-current assets plus net current assets</b>			<b>517,645</b>		<b>525,281</b>
<b>Non-current liabilities</b>					
Trade and other payables	12	(14,397)		(21,411)	
Borrowings	14	(199,828)		(203,823)	
Lease liabilities	19	(2,022)		(2,170)	
Derivative financial liabilities	15	(545)		(116)	
Provisions for liabilities and charges	16	(1,953)		(1,471)	
<b>Total non-current liabilities</b>			<b>(218,744)</b>		<b>(228,991)</b>
<b>Assets less liabilities</b>			<b>298,901</b>		<b>296,290</b>
<b>Capital and reserves</b>					
Public dividend capital			58,867		58,867
Revaluation reserve			60,316		47,453
General reserve			181,798		189,228
Hedging reserve			(2,080)		743
<b>Total Government funds</b>			<b>298,901</b>		<b>296,290</b>

The notes on pages 82-101 form part of these accounts.



**Professor Penelope Endersby**  
Chief Executive  
19 July 2024



## Statement of cash flows for the year ended 31 March 2024

		2023/24	2022/23
	Notes	£ '000	£ '000
<b>Cash flows from operating activities</b>			
Operating profit		13,193	12,007
Adjustments for non-cash transactions:			
Depreciation charges (net of capital grants)	4, 7	11,002	15,073
Loss / (gain) on property plant and equipment	4	69	(12)
Amortisation	4, 8	10,736	11,974
Deferred grants released		(46,868)	(40,076)
Operating grants received		52,701	34,700
Decrease / (increase) in inventories		(101)	(211)
(Increase) / decrease in trade and other receivables		(8,371)	(11,098)
(Decrease) / increase in trade and other payables		2,116	(1,964)
(Decrease) / increase in provisions for liabilities and charges		457	(3,330)
<b>Net cash inflow from operating activities</b>		<b>34,932</b>	<b>17,062</b>
<b>Cash flows from investing activities</b>			
Payments to acquire satellite data		(48,568)	(50,031)
Payments to acquire property, plant and equipment		(4,404)	(2,768)
Government grants received	13	-	-
Proceeds from sale of property, plant and equipment		39	22
Payments to acquire intangible assets (excluding satellite data)		(205)	(26)
Payments to acquire other financial assets		-	-
Interest received		1,702	973
<b>Net cash outflow from investing activities</b>		<b>(51,435)</b>	<b>(51,830)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(8,500)	(8,500)
Loan advance received		29,000	33,000
Loan repayments		(36,329)	(32,164)
Payments on IFRS 16 leases		(425)	(660)
<b>Net cash (outflow) / inflow from financing activities</b>		<b>(16,254)</b>	<b>(8,324)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>11</b>	<b>(32,757)</b>	<b>(43,091)</b>
<b>Cash and cash equivalents at 1 April</b>		<b>56,216</b>	<b>99,307</b>
<b>Cash and cash equivalents at 31 March</b>	<b>11</b>	<b>23,459</b>	<b>56,216</b>

The notes on pages 82-101 form part of these accounts.

## Statement of changes in taxpayers' equity for the year ended 31 March 2024

	Public dividend capital	Revaluation reserve	General reserve	Hedging reserve	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Balance at 1 April 2022</b>	<b>58,867</b>	<b>46,366</b>	<b>181,946</b>	<b>(2)</b>	<b>287,177</b>
<b>Comprehensive income</b>					
Profit for the financial year	-	-	8,746	-	8,746
Dividend	-	-	(8,500)	-	(8,500)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>	<b>246</b>	<b>-</b>	<b>246</b>
<b>Other comprehensive income</b>					
Movement on foreign currency cash flow hedge	-	-	-	746	746
Net gain on revaluation of satellite data	-	907	-	-	907
Net gain on revaluation of property, plant and equipment	-	7,215	-	-	7,215
Transfers between reserves	-	(7,036)	7,036	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>1,087</b>	<b>7,036</b>	<b>746</b>	<b>8,868</b>
<b>Total comprehensive income for 2022/23</b>	<b>-</b>	<b>1,087</b>	<b>7,282</b>	<b>746</b>	<b>9,114</b>
<b>Balance at 31 March 2023</b>	<b>58,867</b>	<b>47,453</b>	<b>189,228</b>	<b>743</b>	<b>296,290</b>
<b>Comprehensive income</b>					
Profit for the financial year	-	-	9,746	-	9,746
Dividend	-	-	(8,500)	-	(8,500)
<b>Retained profit for the year</b>	<b>-</b>	<b>-</b>	<b>1,246</b>	<b>-</b>	<b>1,246</b>
<b>Other comprehensive income</b>					
Movement on foreign currency cash flow hedge	-	-	-	(2,823)	(2,823)
Net loss on revaluation of satellite data	-	905	-	-	905
Net gain on revaluation of property, plant and equipment	-	3,282	-	-	3,282
Transfers between reserves	-	8,677	(8,677)	-	-
<b>Total other comprehensive income/(expenditure)</b>	<b>-</b>	<b>12,864</b>	<b>(8,677)</b>	<b>(2,823)</b>	<b>1,364</b>
<b>Total comprehensive income/(expenditure) for 2023/24</b>	<b>-</b>	<b>12,864</b>	<b>(7,431)</b>	<b>(2,823)</b>	<b>2,610</b>
<b>Balance at 31 March 2024</b>	<b>58,867</b>	<b>60,316</b>	<b>181,798</b>	<b>(2,080)</b>	<b>298,900</b>

A description of the nature and purpose of each reserve is provided in Note 1.

The notes on pages 82-101 form part of these accounts.

## Notes to the accounts

### 01 Accounting policies

#### Basis of preparation

These financial statements have been prepared on a going concern basis and in compliance with an Accounts Direction dated 14 December 2023 and in accordance with Section 4(6) (a) of the Government Trading Funds Act 1973. These statements also comply with the principles laid out in the 2023/24 Government Financial Reporting Manual (FReM) issued by HM Treasury, including additional guidance on the treatment of capital grants issued to the Met Office on the 20 February 2015.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Met Office for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the Met Office are described below.

They have been applied consistently in dealing with items that are considered material to the accounts.

The accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### Accounting developments and changes IFRSs, amendments and interpretations in issue but not yet effective or adopted

There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The Met Office has not adopted any of these revised standards early and none are anticipated to have a future material impact on the financial statements of the Met Office.

#### Critical accounting policies and key judgements

##### Revenue from contracts with customers

Revenue comprises the accrued value of services (net of VAT) supplied to the private sector, Government departments and the wider public sector.

Most Met Office revenue is recognised against performance obligations delivered over time. These obligations are either simultaneously received and consumed by customers (e.g. forecast services or data sales), or are specialised, with no alternative use and an enforceable right to income for work performed to date (e.g. research).

A smaller number of performance obligations are recognised at a point in time where appropriate (e.g. training). Revenue for these obligations is recognised on completion of the service.

Revenue is either recognised on a cost-plus basis or based on the proportion of total services to be provided where the price is fixed.

Where payments received from customers are greater than the revenue recognised under the contract, the amount in excess of the revenue recognised is treated as a contract liability and included within trade and other payables. Where revenue is recognised as contract activity progresses and subject to the contractual arrangements, revenue is accrued. To the extent that the revenue is in advance of an invoice being raised, the amount is shown as a contract asset within trade and other receivables.

##### Other revenue

The Met Office receives revenue from funders where an agreement does not meet the requirements of IFRS 15 to be classified as revenue from contracts with customers. The agreements provide for funding to be given where agreed criteria are met or services performed. However, they do not contain an enforceable right for these services and so cannot be considered performance obligations.

Revenue for these agreements is recognised as the agreed criteria are met or services performed. The amount of funding is fixed and so revenue is recognised based on the proportion of criteria/services which have been met.

##### Valuation of property, plant and equipment

All property, plant and equipment are carried at fair value. In arriving at fair value a number of methods are used dependent on the nature of the asset.

### Freehold land and buildings

Freehold land and buildings in continuing use are revalued by qualified valuers every five years, in accordance with the Practice Statements and Guidance Notes set out in the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

Valuations are based on fair values for existing use from market-based evidence, except where the asset is considered specialised. These are assets where due to their location and/ or specification, market-based evidence is either not available or does not reflect the full characteristics of the asset.

Specialised assets are valued on the basis of depreciated replacement cost.

The quinquennial valuations are supplemented by a 'desk based' review carried out by a qualified valuer for the Exeter headquarters building and Science Park properties and for other assets by annual indexation using appropriate price indices.

Assets classed as Information Technology use historical cost as a proxy for fair value due to the shorter lives of these assets.

### Depreciation on revaluation

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

### EUMETSAT satellite data

The UK is a member of a member of the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT) and the Met Office, as the UK National Meteorological Service, has the right to receive all EUMETSAT data, products and services to fulfil its official duty. The Met Office uses the data to generate its weather forecasts and climate predictions used to deliver services to its customers.

The Met Office makes contributions to satellite programmes operated by EUMETSAT. This share is determined by the UK's Gross National Income (GNI) compared to other member states. Each programme consists of multiple identical satellites over the life of the programme. These contributions are capitalised as intangible assets as a right to access and utilise data generated by the programme over its useful life.



## Satellite programme life cycle and treatment of contributions

Programme stage	Activity	Treatment of contributions
Research	Scoping and design.	Expensed.
Development and construction	Development, construction, launch and commissioning of first satellite in programme.	Capitalised as intangible assets in the course of construction.
Operational	Becomes primary programme. Data received from first satellite. Remaining satellites in programme constructed, launched and commissioned.	Reclassified as satellite data assets and amortised. Additional contributions capitalised.
Post-operational	No longer primary programme. Data continues to be received as satellites maintained as 'hot-spares' or repurposed until final decommissioning.	Expensed.

### Treatment of contributions to satellite programmes generating operational data

Contributions are treated differently at each stage of a programme's lifecycle (above).

### Valuation

Intangible assets in the course of construction are valued at historic cost. Progress reports provided by EUMETSAT are used to identify any impairments and ensure that the programmes are still viable.

Once a programme becomes operational, it is revalued annually at the lower of depreciated replacement cost (DRC) and value in use.

The value in use calculation measures the expected future cashflows generated from the use of EUMETSAT satellite data and discounts this at an appropriate rate to determine a value that will be generated from the use of the data.

### Amortisation

EUMETSAT satellite data assets are amortised using the straight-line method to allocate the costs of the programmes over their estimated useful lives. The amortisation charged in a period is calculated as the net book value of contributions made to date, plus the estimated amount of contributions over the remainder of the programme's operational

life divided by the number of years remaining in the programme's operational life. This method reflects the principle that the economic benefit of satellite data remains constant between individual satellites and over the programme's life.

### Judgements and uncertainty in estimating future contributions

The value of contributions by the UK is determined by the UK's GNI relative to other member states. The share is fixed for three year periods based on an average GNI in the previous three years.

As contributions are paid in Euros, the value of future payments is also sensitive to future changes in exchange rates. Where contributions are hedged, the sterling contract value is used. For unhedged commitments a single planning rate is used. This rate is reviewed at least annually.

### Judgements and uncertainty in estimating useful life

The useful lives of operational satellite programmes are initially based on design lifetimes specified by EUMETSAT. On successful launch of the final satellite in a programme, the useful life of the programme is reviewed and adjusted based on:

- actual lifetime of previous satellites in the programme,
- any issues experienced with existing satellites in a programme,

- expected operational dates for satellites in any successor programme.

Actual useful lives have historically exceeded design lifetimes and programmes have continued to produce data beyond the point where a successor programme has become operational. The useful life of a programme is therefore usually extended to match the expected operational date of its successor programme.

The lifetime is reviewed at least annually as planning assumptions for successor programmes are updated. These planning assumptions are subject to a high degree of uncertainty as the design and construction of the first satellite in the programme carries a high degree of risk.

### De-recognition of satellite data assets

Once a programme has been replaced by its successor, its satellites may continue to generate useful data for open ended period. Individual satellites may be used as 'hot-spares' and provide backup to the new primary programme or may be repurposed to provide additional data.

Whilst a programme continues to generate data a programme asset is retained in the statement of financial position at a nil net book value. An asset is only de-recognised when the final satellite in that programme has been decommissioned.

## Current and successor programmes and their life/planning assumptions

Programme	METEOSAT (Geostationary)	EUMETSAT Polar System
Current primary programme	Second Generation (MSG)	First Generation (EPS)
Remaining life at 31 March 2023	0.75 years	2.25 years
Remaining life at 31 March 2024	0.25 years	1.75 years
Successor programme	Third Generation (MTG)	Second Generation (EPSSG)
Planned to be operational	See below	Q3 2025/26

### Uncertainty on timing of Meteosat Third Generation operational date

Meteosat Third Generation was expected to become operational in the last quarter of 2023/24. Delays to the commissioning of the first imaging satellite (MTG-I1) mean that there is now uncertainty on when operational status will be achieved. The issues experienced are not expected to prevent the satellite reaching operational status. For the 2023/24 financial statements the Met Office have used a planning assumption of the first quarter of 2024/25 and this was used to determine the remaining lifetime for the MSG asset as the primary operational geostationary programme.

The main impact on the 2023/24 financial statements to delay the recognition of amortisation costs and customer revenue generated from the MTG asset. The MSG asset's life was also extended. The 2023/24 financial statements remain sensitive to the assumption of MSG's life, but the impact of any change would be immaterial. Each assumed 3-month delay would result in a reduction in amortisation cost and revenue recognised of £329k and £382k respectively.

### Computer software and software licences

Assets classed as computer software or software licences use historical cost as a proxy for fair value due to the shorter lives of these assets.

### Capital grants

Grant funded property, plant and equipment assets are capitalised at their fair value on receipt. Where the donor has imposed a condition on how the future economic benefits embodied in the grant are to be consumed, the grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met. This will usually result in the grant being deferred until the asset is completed and in active use.

The grant is then released to the income statement to match depreciation costs associated with the asset. Where no condition is imposed, the grant is recognised immediately in the income statement.

Grant-funded assets are otherwise accounted for in the same way as other property, plant and equipment.

## Key accounting policies

### Research and development

The Met Office receives funding for a variety of research and development activities. This funding is treated as revenue attributable to the relevant business programme. Externally funded research and development costs are recognised based on the stage of completion of the project. Related revenues are recognised on an equivalent basis and in accordance

with the revenue recognition policy outlined above. All research expenditure is charged to the income statement. Development expenditure is recognised in the income statement in the period in which it is incurred unless it is probable that economic benefits will flow to the Met Office from the asset being developed, the cost of the asset can be reliably measured and technical feasibility can be demonstrated. Where these criteria are met, it is capitalised as an intangible asset.

### Retirement benefits

Met Office staff are covered by civil service pensions arrangements. These are unfunded multi-employer defined benefit schemes. However, since the Met Office is unable to identify its share of the underlying assets and liabilities they are accounted for as defined contribution schemes.

Contributions are paid at rates determined from time to time by the scheme's actuary. The Government Actuary's Department conducted a full actuarial valuation as at 31 March 2020. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)).

Full provision for early retirements is normally made in the year of retirement.

## Property, plant and equipment

### Recognition

Plant, equipment and information technology expenditure is capitalised where the useful life exceeds three years and the cost of acquisition and installation exceeds £10,000 (excluding VAT).

### Depreciation

Freehold land and assets in the course of construction are not depreciated.

Depreciation on other assets is calculated to write off the cost, or value, by equal instalments over the asset's estimated useful life. The lives assigned to the principal categories of assets are as follows:

**Plant and equipment**  
3-30 years

**Information technology**  
2-12 years

## Intangible assets

### Computer software and licences

Where computer software forms an integral part of any hardware equipment (e.g. an operating system) this is capitalised under the hardware asset as a tangible asset.

Computer software and licences are capitalised where the useful life exceeds three years and the cost of acquisition and installation exceeds £10,000 (excluding VAT).

Amortisation is calculated using the straight-line method to allocate the cost of software and licences over their estimated useful lives of three to five years.

## Leases

The option under IFRS 16 to reassess whether a contract is, or contains, a lease at the date of initial application has not been used.

The definition of a contract is expanded to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, Memorandum of Terms of Occupation (MOTO) agreements.

The Met Office has elected not to recognise right of use assets and lease liabilities for the following leases:

- intangible assets;
- non-lease components of contracts where applicable;
- low value assets (these are determined to be in line with capitalisation thresholds on Property, Plant and Equipment); and
- leases with a lease term of 12 months or less

## Financial assets

### Trade and other receivables

Financial assets within trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount or transaction price, and are subsequently carried at amortised cost adjusted for loss allowances for expected credit losses. Loss allowances are measured using lifetime expected credit losses under IFRS 9's simplified model.

### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and qualifying institutions, which are readily convertible to cash and are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Cash also includes any surplus funds held by EUMETSAT that are attributable to the Met Office.

## Other financial assets

The Met Office holds an interest in Mercator Ocean. Mercator Ocean is a not-for-profit entity and co-ordinates the Copernicus marine services, which provides free and open access to constantly updated information about the global ocean and the seas of the European region. The Met Office has a right to dispose of the interest at the same value as purchased. The interest is therefore held at amortised cost.

## Financial liabilities

### Trade and other payables

Financial liabilities within trade and other payables are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost.

### Borrowings

Borrowings are recognised initially at the proceeds received. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method.

### Derivative financial instruments and hedge accounting

The Met Office uses derivative financial instruments such as foreign currency contracts to hedge the risks associated with changes in foreign exchange rates in relation to amounts payable to certain international bodies. The payments are in respect of annual subscriptions and contributions, including payments for satellite programmes.

The Met Office policy is to buy forward foreign currency for payments to international bodies as soon as amounts can be reliably estimated. The use of financial derivatives is governed by the Met Office's hedging strategy, approved by the Met Office Executive Board, which provides written principles on the use of financial derivatives consistent with the Met Office's risk management strategy. There is no trading activity in derivative financial instruments.

All the Met Office's derivative financial instruments are designated as cash flow hedging instruments. At the start of a hedging transaction, the Met Office documents the relationship between the hedged item and the hedging instrument together with its risk management objective and the strategy underlying the proposed transaction.

The Met Office also documents its assessment, both at the start of the hedging relationship and on an ongoing basis, of the effectiveness of the hedge in offsetting movements in the cash flow of the hedged items.

To the extent that the hedge is effective, changes in the fair value of the hedging instrument arising from the hedged risk are recognised directly in other comprehensive income rather than in the income statement. The ineffective portions of any gain or loss on the hedging instrument are recognised in the income statement.

Derivative financial instruments are initially measured at fair value on the contract date and are remeasured to fair value at subsequent reporting dates.

## Capital and reserves

### Public dividend capital

Public dividend capital represents the capital invested by the Ministry of Defence in the Met Office on becoming a Trading Fund on 1 April 1996.

Following a Machinery of Government changes, public dividend capital is held by the Department for Science, Innovation and Technology (DSIT).

Public Dividend Capital is not an equity instrument as defined in IAS 32 Financial Instruments: Presentation.

### General reserve

The general reserve represents the cumulative retained net income (after dividends) since the Met Office became a Trading Fund.

### Revaluation reserve

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments to assets. Increases arising on revaluation are taken to the revaluation reserve. A revaluation decrease is charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the income statement.

### Hedging reserve

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges



## 02 Operating segments

The Met Office has no separate reportable business segments.

More than 80% of Met Office revenue is derived from UK sources. The Met Office Executive do not review the business on a geographical basis. A geographical analysis would not be necessary to aid users' understanding of these financial statements.

## 03 Revenue

### A. Disaggregation of revenue from contracts with customers

	2023/24	2022/23
	£'000	£'000
<b>Revenue from contracts with customers</b>		
Citizen and Media	131,613	130,712
Defence	38,749	36,122
Energy and Environment	12,482	13,226
International	25,898	23,879
Transport	27,711	23,724
UK Government	26,838	10,571
<b>Total revenue from contracts with customers</b>	<b>263,290</b>	<b>238,233</b>
<b>Other revenue</b>		
UK Newton Fund	-	14,252
Strategic Priorities Fund	5,758	7,576
EU Horizon 2020 and FP7	1,162	1,074
<b>Total revenue</b>	<b>270,211</b>	<b>261,135</b>

All revenue relates to products and services transferred over time.

Other revenue includes income generated by agreements that do not meet the requirements of IFRS 15.

The Met Office is a delivery partner for the Newton Fund Weather and Climate Science for Service Partnership and the Strategic Priorities Fund under grant agreements with DSIT. Revenue is recognised as costs associated with delivery of the programmes, by the Met Office and third parties, are incurred. Newton Fund activities are now funded under the International Science Partnerships Fund, included under UK Government.

The Met Office also participates in the European Union's Horizon Europe programme (HE) and its predecessor the Horizon 2020 programme (H2020). These provide funding for research and innovation activities. The Met Office recognises revenue over time as costs are incurred and to the extent that those costs are recoverable under the rules of each programme.

**B. Assets and liabilities related to contracts with customers**

	2023/24	2022/23
	£'000	£'000
Receivables included in trade receivables	26,861	17,479
Contract assets included in accrued income	18,970	18,965
Contract liabilities included in deferred income	19,313	10,419

Contract assets relate to amounts owed for work undertaken but for which no invoice has been raised at the reporting date. Contract assets are transferred to receivables when an invoice is raised. Contract liabilities are amounts received in advance from customers. Revenue is recognised and amounts transferred as work against these contracts is completed.

During the period £10,419,000 (2022/23: £35,402,000) of revenue was recognised that had been included in the contract liability at the start of the period.

**C. Transaction price allocated to remaining performance obligations**

The majority of Met Office revenue is derived from agreements with Departments or other bodies within the UK Government. Even where agreed for multiple years the amounts are subject to review as part of the UK Government Budget and Comprehensive Spending Review processes. The actual revenue recognised in each year will depend on performance against priorities agreed with customers during each financial year, and the Met Office's progress against them.

In accordance with the practical expedient in IFRS 15, the Met Office does not disclose information on unsatisfied performance obligations where the original underlying agreement is of less than 12 months duration.

## 04 Operating costs

	2023/24	2022/23
Note	£ '000	£ '000
<b>Staff costs</b>		
Salaries, performance-related pay and allowances	105,515	97,590
Social security	11,744	11,003
Pension contributions	24,946	23,096
Early retirement and exit costs	151	157
Temporary/agency labour costs	10,998	11,554
<b>Total staff costs</b>	<b>153,354</b>	<b>143,399</b>
Equipment and services	82,839	78,981
International services and subscriptions	19,538	17,785
Depreciation	11,002	15,073
Amortisation	10,736	11,974
Accommodation	20,121	16,951
Travel and subsistence	3,861	3,110
Other operating costs	2,434	1,931
Release of Government Grants	(46,868)	(40,076)
<b>Total operating costs</b>	<b>257,018</b>	<b>249,129</b>
<b>Operating costs include the following:</b>		
Audit fees	122	103
Apprenticeship levy	517	449
Lease payments on short-term or low value assets	338	248
Foreign currency (gains)/loss	105	(36)
Net loss / (gain) on disposal of non-current assets	69	(12)
Supercomputer programme	45,319	35,373
Research and development expenditure	60,035	57,723
<b>International services and subscriptions comprise the following:</b>		
European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT)	5,282	4,383
European Centre for Medium-Range Weather Forecasts (ECMWF)	10,267	9,477
World Meteorological Organisation (WMO)	2,459	2,541
Network of European Meteorological Services (EUMETNET)	942	950
Other international services and subscriptions	589	435
	19,538	17,785
<p>Membership of these organisations enables the Met Office, on behalf of the UK, to engage in and benefit from, the European meteorological satellite programme and to receive support in its provision of medium-range weather forecasts and associated research. Membership also enables the Met Office, on behalf of the UK, to promote and benefit from co-operations between members in the exchange of observational data and forecasts, together with a widening range of environmental programmes.</p>		
<b>Government grants are analysed as follows:</b>		
DSIT Future Supercomputer	45,318	35,373
DSIT Current Supercomputer	1,180	4,275
DSIT Polar Satellite Transfer	167	209
Environment Agency Weather Radar Network Renewal	203	121
Department for Transport LIDAR project	-	98
	46,868	40,076

## 05 Finance income

	2023/24	2022/23
	£ '000	£ '000
Interest receivable	1,702	973
<b>Total finance income</b>	<b>1,702</b>	<b>973</b>

## 06 Interest payable and similar charges

		2023/24	2022/23
	Note	£ '000	£ '000
On Department for Science Innovation and Technology loans	14	5,125	4,211
On lease liabilities		24	22
<b>Total interest payable and similar charges</b>		<b>5,149</b>	<b>4,234</b>

## 07 Property, plant and equipment

The movements in each class of assets were:

	Land and buildings	Right of use assets land and buildings	Fixtures and fittings	Plant and equipment	Right of use assets vehicles	Information technology	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Cost or valuation:</b>							
At 1 April 2023	93,882	4,637	16,613	100,840	237	109,444	325,653
Additions	-	372	753	1,767	158	1,883	4,934
Disposals	-	(384)	(443)	(775)	(7)	(1,785)	(3,395)
Revaluation	685	-	(1)	(23)	-	-	661
<b>At 31 March 2024</b>	<b>94,567</b>	<b>4,625</b>	<b>16,923</b>	<b>101,809</b>	<b>388</b>	<b>109,542</b>	<b>327,853</b>
<b>Depreciation:</b>							
At 1 April 2023	75	1,221	11,296	71,694	192	104,913	189,391
Charged during year	2,715	564	1,037	3,863	106	2,717	11,002
Disposals	-	(384)	(423)	(695)	(7)	(1,778)	(3,287)
Revaluation	(2,636)	-	(0)	(5)	-	-	(2,640)
<b>At 31 March 2024</b>	<b>154</b>	<b>1,402</b>	<b>11,910</b>	<b>74,857</b>	<b>290</b>	<b>105,853</b>	<b>194,465</b>
<b>Net book value:</b>							
<b>At 1 April 2023</b>	<b>93,807</b>	<b>3,415</b>	<b>5,317</b>	<b>29,146</b>	<b>45</b>	<b>4,531</b>	<b>136,262</b>
<b>At 31 March 2024</b>	<b>94,413</b>	<b>3,223</b>	<b>5,013</b>	<b>26,952</b>	<b>98</b>	<b>3,689</b>	<b>133,387</b>



## Property, plant and equipment (continued)

	Land and buildings	Right of use assets land and buildings	Fixtures and fittings	Plant and equipment	Right of use assets vehicles	Information technology	Assets under construction	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Cost or valuation:</b>								
At 1 April 2022	91,989	4,317	13,820	90,482	206	108,595	2,240	311,649
Additions	-	615	513	1,485	31	817	-	3,460
Transfers	-	-	1,042	957	-	241	(2,240)	-
Disposals	-	(295)	-	(167)	-	(209)	-	(671)
Revaluation	1,893	-	1,238	8,084	-	-	-	11,215
<b>At 31 March 2023</b>	<b>93,882</b>	<b>4,637</b>	<b>16,613</b>	<b>100,840</b>	<b>237</b>	<b>109,444</b>	<b>-</b>	<b>325,653</b>
<b>Depreciation:</b>								
At 1 April 2021	-	754	9,442	62,368	95	98,320	-	170,979
Charged during year	2,495	763	1,008	3,920	97	6,791	-	15,073
Transfers	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-
Disposals	-	(295)	-	(167)	-	(198)	-	(661)
Revaluation	(2,420)	-	846	5,573	-	-	-	4,000
<b>At 31 March 2023</b>	<b>75</b>	<b>1,221</b>	<b>11,296</b>	<b>71,694</b>	<b>192</b>	<b>104,913</b>	<b>-</b>	<b>189,391</b>
<b>Net book value:</b>								
<b>At 1 April 2022</b>	<b>91,989</b>	<b>3,563</b>	<b>4,378</b>	<b>28,114</b>	<b>111</b>	<b>10,275</b>	<b>2,240</b>	<b>140,670</b>
<b>At 31 March 2023</b>	<b>93,807</b>	<b>3,415</b>	<b>5,317</b>	<b>29,146</b>	<b>45</b>	<b>4,531</b>	<b>-</b>	<b>136,262</b>

All land and buildings are held as freehold. The net book value of freehold land and buildings includes £18m of freehold land, which has not been depreciated. Freehold buildings are depreciated in full over their estimated life (not exceeding 50 years).

The freehold assets which comprise the Met Office's property portfolio were subject to a quinquennial valuation for financial reporting purposes in 2021/22 (values as at 31 March 2022), in accordance with the RICS Valuation Standards (6th Edition) by external valuers the Valuation Office Agency, who are regulated by the RICS.

The bases of valuation adopted is Existing Use Value as defined in the Standards. In carrying out the valuation, a number of the assets were identified as specialised as a result of their location and/or specification. As a result they are considered to be assets which would rarely, if ever, sell on the open market. For these assets the Depreciated Replacement Cost methodology has been used.

The sources of information and assumptions made in producing the various valuations are set out in the valuation report.

For further details of valuation and depreciation assumptions refer to Note 1 Accounting Policies.

For further details of assets held under leases see note 19.

The following net book values are included above for supercomputer related assets:

	2023/24 £'000	2022/23 £'000
Land and buildings	24,016	24,115
Information technology	-	-
<b>Total</b>	<b>24,016</b>	<b>24,115</b>

These assets are funded by capital grant.

## 08 Intangible assets

	EUMETSAT satellite data	Computer software	Software licences	EUMETSAT payments on account	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Cost or valuation:</b>					
At 1 April 2023	386,036	3,093	535	357,360	747,023
Additions	6,271	205	-	42,297	48,773
Transfers	-	535	(535)	-	-
Disposals	-	(336)	-	-	(336)
Revaluation	22,831	-	-	-	22,831
<b>At 31 March 2024</b>	<b>415,137</b>	<b>3,497</b>	<b>(0)</b>	<b>399,657</b>	<b>818,291</b>
<b>Amortisation:</b>					
At 1 April 2022	377,721	2,894	508	-	381,123
Charged during year	10,616	119	-	-	10,735
Transfers	-	508	(508)	-	-
Disposals	-	(336)	-	-	(336)
Revaluation	21,926	-	-	-	21,926
<b>At 31 March 2024</b>	<b>410,263</b>	<b>3,185</b>	<b>(0)</b>	<b>-</b>	<b>413,448</b>
<b>Net book value:</b>					
<b>At 1 April 2023</b>	<b>8,314</b>	<b>199</b>	<b>27</b>	<b>357,360</b>	<b>365,900</b>
<b>At 31 March 2024</b>	<b>4,874</b>	<b>312</b>	<b>0</b>	<b>399,657</b>	<b>404,842</b>

	EUMETSAT satellite data	Computer software	Software licences	EUMETSAT payments on account	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Cost or valuation:</b>					
At 1 April 2022	354,396	3,093	509	314,205	672,203
Additions	6,832	-	26	43,155	50,013
Disposals	-	-	-	-	-
Revaluation	24,808	-	-	-	24,808
<b>At 31 March 2023</b>	<b>386,036</b>	<b>3,093</b>	<b>535</b>	<b>357,360</b>	<b>747,023</b>
<b>Amortisation:</b>					
At 1 April 2022	341,961	2,812	476	-	345,249
Charged during year	11,860	82	32	-	11,974
Disposals	-	-	-	-	-
Revaluation	23,901	-	-	-	23,901
<b>At 31 March 2023</b>	<b>377,721</b>	<b>2,894</b>	<b>508</b>	<b>-</b>	<b>381,123</b>
<b>Net book value:</b>					
<b>At 1 April 2022</b>	<b>12,435</b>	<b>281</b>	<b>33</b>	<b>314,205</b>	<b>326,954</b>
<b>At 31 March 2023</b>	<b>8,314</b>	<b>199</b>	<b>27</b>	<b>357,360</b>	<b>365,900</b>

## Intangible assets (continued)

The EUMETSAT satellite data intangible asset represents the value of all EUMETSAT observational data used in generating Met Office forecasts. This principally includes data from both the Meteosat geostationary satellite and polar orbiting satellite. The Met Office, as the UK's national meteorological service, has the right to access and use this data to generate its weather forecasts and climate predictions in fulfilling its Public Task. The Met Office makes contributions on behalf of the UK to EUMETSAT's programmes.

EUMETSAT payments on account represent the contributions made by the Met Office, on behalf of the UK, to the Meteosat Third Generation and Polar Second Generation satellite programmes. These programmes are currently in the build phase and are not expected to provide operational data until mid 2024 at the earliest.

Further information on the assumptions made and sensitivity of satellite asset data values to those assumptions is included in note 1 accounting policies.

## 09 Inventories

	31 March 2024	31 March 2023
	£ '000	£ '000
Meteorological equipment	1,584	1,492
Reserve equipment	14	10
Consumable stores	26	21
<b>Total inventories</b>	<b>1,624</b>	<b>1,523</b>

## 10 Trade and other receivables

	31 March 2024	31 March 2023
	£ '000	£ '000
<b>Amounts falling due within one year:</b>		
Trade receivables	26,908	17,538
Less: provision for impairment of receivables	(47)	(59)
	26,861	17,479
Other receivables	74	49
Accrued income	19,306	24,171
Prepayments	28,195	23,248
<b>Total trade and other receivables</b>	<b>74,435</b>	<b>64,947</b>
<b>Amounts falling due after more than one year:</b>		
Prepayments	9,092	10,210
Total non-current trade and other payables	9,092	10,210
<b>Total trade payables and other current liabilities</b>	<b>83,527</b>	<b>75,157</b>

The carrying amount of receivables and current assets is a reasonable approximation to fair value.

Prepayments includes £11,629,000 (2022/23 - £11,629,000) of milestone payments made under the Met Office's contract with Microsoft.

Accrued income includes £589,000 relating to EU funding (£352,000 at 31 March 2023).

## 11 Cash and cash equivalents

		31 March 2024	31 March 2023
	Note	£ '000	£ '000
Balance at 1 April		56,216	99,307
Net change in cash and cash equivalent balances	18	(32,757)	(43,090)
<b>Balance at 31 March</b>		<b>23,459</b>	<b>56,216</b>
Cash held at commercial banks and in hand		3,585	6,111
Cash held with Government Banking Service		19,874	50,106
<b>Balance at 31 March</b>		<b>23,459</b>	<b>56,216</b>

The Met Office holds four Euro bank accounts, in which there were amounts totaling £122,322 at 31 March 2024 belonging to third parties (31 March 2023, four accounts totaling £2,037,000).

The Met Office Board have ring fenced £5 million to meet the costs of any claims covered by the Met Office's decision to self-insure against professional indemnity claims.

## 12 Trade and other payables

		31 March 2024	31 March 2023
	Note	£ '000	£ '000
<b>Amounts falling due within one year:</b>			
Trade payables		3,246	1,903
VAT		6,388	7,518
Other taxation and social security		5,045	4,672
Accruals		25,564	31,657
Dividend payable		8,500	8,500
Deferred income		19,603	11,555
Government grants	13	25,594	12,747
<b>Total amount falling due within one year</b>		<b>93,940</b>	<b>78,551</b>
<b>Amounts falling due after more than one year:</b>			
Government grants	13	14,397	21,411
<b>Total non-current trade and other payables</b>		<b>14,397</b>	<b>21,411</b>
<b>Total trade and other payables</b>		<b>108,337</b>	<b>99,962</b>



## 13 Government grants

		31 March 2024	31 March 2023
	Note	£ '000	£ '000
Government Grants at 1 April		34,158	39,534
Deferred funding reclassified as grants		52,701	34,700
Grants recognised through the Statement of Comprehensive Income	4	(46,868)	(40,076)
<b>Government grants at 31 March</b>		<b>39,991</b>	<b>34,158</b>
<b>Amounts falling due within one year</b>		<b>25,594</b>	<b>12,747</b>
<b>Amounts falling due after more than one year</b>		<b>14,397</b>	<b>21,411</b>
<b>The following balances are included in Government grants:</b>			
DSIT - Future supercomputer		23,937	18,254
DSIT - Current supercomputer		12,574	13,754
DSIT - Autosonde Network		1,700	-
DSIT - Polar Satellite Transfer		241	409
Environment Agency Weather Radar Network Renewal (WRNR)		1,539	1,741
		<u>39,991</u>	<u>34,158</u>

## 14 Borrowings

Loans from the Department for Science, Innovation and Technology by instalments and bearing interest between 1.04% and 4.68% per annum

	31 March 2024	31 March 2023
	£ '000	£ '000
<b>Loans due:</b>		
Within one year	32,995	31,369
Between one and five years	126,868	121,203
Over five years	72,960	82,620
<b>Total</b>	<b>232,823</b>	<b>235,192</b>

## 15 Derivative financial instruments

	Assets	Liabilities	Total
	£ '000	£ '000	£ '000
Forward foreign currency contracts - cash flow hedges			
<b>As at 31 March 2023</b>	<b>860</b>	<b>116</b>	<b>744</b>
Movement on fair value	<b>(860)</b>	<b>1,963</b>	<b>(2,823)</b>
<b>As at 31 March 2024</b>	<b>0</b>	<b>2,080</b>	<b>(2,079)</b>
Analysed between:			
Current	0	1,535	
Non-current	-	545	
	0	2,080	

The following table details the forward purchase currency contracts outstanding at the year end:

Contract maturity date	Commitment hedged	Foreign currency	Foreign currency value	Contract value	Forecast spot rate on maturity	Fair value	Assets	Liabilities
			'000	£ '000	Currency/£	£ '000	£ '000	£ '000
29 April 2024	EUMETSAT	EURO	15,000	13,453	1.1652	(580)		580
29 April 2024	EUMETSAT	EURO	3,000	2,621	1.1652	(47)		47
29 April 2024	EUMETSAT	EURO	5,625	4,849	1.1652	(22)		22
29 August 2024	EUMETSAT	EURO	10,000	8,990	1.1600	(370)		370
29 August 2024	EUMETSAT	EURO	5,000	4,401	1.1600	(91)		91
29 August 2024	EUMETSAT	EURO	5,250	4,552	1.1600	(27)		27
3 January 2025	WMO	CHF	3,022	2,876	1.1098	(153)		153
16 January 2025	EUMETSAT	EURO	9,000	7,992	1.1533	(188)		188
16 January 2025	EUMETSAT	EURO	8,000	6,994	1.1533	(58)		58
29 April 2025	EUMETSAT	EURO	9,000	8,040	1.1484	(202)		202
29 April 2025	EUMETSAT	EURO	10,000	8,793	1.1484	(85)		85
29 August 2025	EUMETSAT	EURO	7,500	6,745	1.1425	(180)		180
29 August 2025	EUMETSAT	EURO	8,000	7,080	1.1425	(78)		78
				<b>87,386</b>		<b>(2,080)</b>	<b>-</b>	<b>2,080</b>

Forecast spot rates are provided by the Debt Management Office of HM Treasury.

All cash flow hedges are in respect of forecast transactions. In line with IFRS 9, gains or losses on effective cash flow hedges are held in equity; material gains or losses relating to the ineffective portion of the hedge will be recognised in the Income Statement when the forecast transaction occurs.

## 16 Provisions for liabilities and charges

	Early retirement and exits	Dilapidations	Leaseholds	Other	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Balance at 1 April 2022</b>	<b>17</b>	<b>1,368</b>	<b>27</b>	<b>3,750</b>	<b>5,162</b>
Provided in the year					-
Revaluation at year end		444		-	444
Written back in the year			(27)	-	(27)
Utilised in year	(3)		-	(3,300)	(3,303)
<b>Balance at 31 March 2023</b>	<b>14</b>	<b>1,812</b>	<b>(0)</b>	<b>450</b>	<b>2,276</b>
Provided in the year	22	206		328	556
Written back in the year		(97)			(97)
Utilised in year	(2)				(2)
<b>Balance at 31 March 2024</b>	<b>34</b>	<b>1,921</b>	<b>0</b>	<b>778</b>	<b>2,733</b>

The Early Retirement and Exit Provision represents the outstanding liability for pension and severance costs as at 31 March 2024. For staff offered early retirement, the provision represents the full cost of meeting each individual's pension payments to normal retirement age.

The Dilapidations Provision relates to contractual future costs of making good leasehold properties when they are vacated. There is no uncertainty as to the timing of amounts but the final amounts may change during final negotiations with the relevant landlord at the end of the lease.

The Leaseholds Provision was principally in respect of future cost of leasehold properties, which became surplus to requirements on relocation to Exeter.

The commitments provided for fall due in the following periods:

	Early retirement and exits	Dilapidations	Leaseholds	Other	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
<b>Amounts payable:</b>					
Within one year	2	-	-	778	780
Between one and five years	8	-	-	-	8
Over five years	24	1,921	-	-	1,945
<b>Total</b>	<b>34</b>	<b>1,921</b>	<b>-</b>	<b>778</b>	<b>2,733</b>

## 17 Related parties

The Met Office's parent department is the Department for Science, Innovation and Technology (DSIT) previously part of the Department for Business, Energy and Industrial Strategy (BEIS). DSIT is considered to be a related party and during the year, the Met Office had material transactions with DSIT and with other entities for which DSIT is regarded as parent department. In addition, the Met Office had material transactions with a number of other public bodies, Government departments and their agencies, the Department for Environment, Food and Rural Affairs, the Cabinet Office, the Civil Aviation Authority, the Maritime and Coastguard Agency, the Environment Agency and the UKRI. None of the Met Office Board members, key managerial staff or other related parties undertook any material transactions with the Met Office during the year.

The Met Office manages the UK's membership of a number of international organisations: EUMETSAT, ECMWF, WMO, EUMETNET and ECOMET. As part of this, it sits on the relevant governing body of those organisations. The Met Office had material transactions with these entities during the year and these are disclosed in note 3 to the financial statements. There were no material outstanding balances with these organisations as at 31 March 2024 (31 March 2023 - nil). The Met Office holds a 5% interest in Mercator Ocean. The Met Office participates in the Copernicus Marine programme, which Mercator ocean co-ordinates. During the year the Met Office recognised £0.5m in revenue (2022/23 £1.0m) from Mercator Ocean. There were no material balances outstanding with Mercator Ocean as at 31 March 2024 (2023 - nil).

Our Owning Department (DSIT, formerly BEIS) also appoint a non-Executive Director to the Met Office Board. This role was filled by J Partington, D Sandford and A Jackson during the year. Further details can be found in the Governance Statement.

## 18 Notes to the cash flow statement

Reconciliation of cash and cash equivalents to movement in net funds.

	At 1 April 2023	Cash flows	At 31 March 2024
	£ '000	£ '000	£ '000
Cash at bank and in hand	56,216	(32,757)	23,459
Borrowings due within one year	(31,369)	(1,626)	(32,995)
Borrowings due after one year	(203,823)	3,995	(199,828)
<b>Total net funds</b>	<b>(178,976)</b>	<b>(30,387)</b>	<b>(209,363)</b>

## 19 Lease commitments

Total future minimum lease payments under operating leases are given in the table below for each of the following periods.

	Land and buildings		Other	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£ '000	£ '000	£ '000	£ '000
<b>Leases expiring:</b>				
Within one year	12	4	25	3
Between one and five years	216	329	68	20
Over five years	1,920	2,031	-	-
<b>Undiscounted future lease obligations</b>	<b>2,148</b>	<b>2,364</b>	<b>93</b>	<b>23</b>
Interest element	(183)	(215)	-	-
<b>Discounted future lease obligations</b>	<b>1,965</b>	<b>2,149</b>	<b>93</b>	<b>23</b>

The amounts above include liabilities where the Met Office expects to exercise an option to extend a lease, or expects not to exercise a lease break.



## 20 Capital commitments

	31 March 2024	31 March 2023
	£ '000	£ '000
<b>Contracted but not provided for:</b>		
Information technology	-	178
Equipment	1,065	2,287
Property works	-	226
Contributions for satellite data	38,867	38,384
<b>Total</b>	<b>39,932</b>	<b>41,075</b>

The commitment for satellite data represents the unpaid portion of the UK approved contribution to EUMETSAT programmes for the current calendar year.

## 21 Other financial commitments

	In less than 1 year	2 - 5 years	In more than 5 years
	£ '000	£ '000	£ '000
<b>Commitments due:</b>			
Supercomputer contract	127,278	454,379	259,649

In September 2021 the Met Office signed a ten-year agreement with Microsoft for the provision of Supercomputing services. The maturity of commitments under the contract dependant on the timing of contractual milestones prior to delivery of services.

## 22 Other financial assets and remote contingent liabilities

The Met Office owns a 5% share of Mercator Ocean at a cost of €100,000 (£91,000). Mercator Ocean is the co-ordinating entity for Copernicus marine Services in which the Met Office participates.

The organisation is a "société civile" (a not-for-profit organisation) under French law, meaning it has unlimited liability, and its shareholders are exposed to liability risk in proportion to their shareholding. A remote contingent liability will therefore exist as long as the Met Office retains a shareholding in Mercator Ocean.

The organisation protects its shareholders through contractual mechanisms and through insurance. Also any residual claim would first be met from the assets of the company. Any contingent liability is considered to be extremely remote. In addition any contingent liability will cease to exist should the Met Office dispose of the shares, which it is able to do so at cost at any point within the first three years of ownership, and with six months' notice after this point.

## 23 Financial instruments and financial risk management

The Met Office's treasury operations are governed by the Met Office Trading Fund Order 1996, under the Government Trading Funds Act 1973 as supplemented by the Met Office's Framework Document. The Met Office's financial instruments comprise cash deposits, receivables, payables, loans and foreign currency forward exchange contracts. The main purpose of these financial instruments is to finance the Met Office's operations. The Met Office has limited powers to borrow or invest surplus funds. The main risks arising from the Met Office's financial instruments are foreign currency, liquidity and interest rate risks. The Met Office's policies for managing these risks are set to achieve compliance with the regulatory framework including the rules contained within Managing Public Money.

### Credit risk

The Met Office is subject to some credit risk. The carrying amount of trade receivables, which is net of impairment losses (bad debt provision), represents the Met Office's maximum exposure to credit risk. Trade and other receivables consist of a large number of diverse government and non-government customers spread over a diverse geographical area.

Receivables are impaired where there is sufficient knowledge to indicate that recovery is improbable including the probability that customers will enter bankruptcy or financial reorganisation, that the customer is facing financial difficulties or that economic conditions are likely to lead to non-payment.

### Liquidity risk

The Met Office maintains short-term liquidity throughout the year by management of its cash deposits. The Met Office aims to maintain cash levels to allow it to meet its short-term obligations. The Met Office holds cash deposits within the Government Banking Service. Under the Met Office Trading Fund Order and Framework Document, the sole provider of loan funding is the Met Office's sponsor department, the Department for Science, Innovation and Technology. Therefore, exposure to liquidity risk is limited to these arrangements. Loan funding requirements are anticipated to increase over forthcoming years to finance the UK contribution to the EUMETSAT satellite programme, and additional supercomputing investment, in line with our current corporate plan.

### Foreign currency risk

The Met Office makes significant foreign currency payments for subscriptions and contributions to international meteorological organisations including payments for satellite programmes. These costs are funded by the Public Weather Service. In order to manage foreign exchange risk the Met Office policy is to buy forward foreign currency for payments to international bodies as soon as amounts can be reliably estimated. The forward currency contracts are in hedging relationships under IFRS 9 and the Met Office has elected to adopt IFRS 9 hedge accounting rules.

Details of forward contracts held can be found in note 15.

£25.5 million of expenditure was undertaken in foreign currencies which are not funded through the forward purchase contracts.

### Interest rate risk

The Met Office finances its operations through retained profits. Amounts retained in the business but surplus to immediate requirements are held in our Government Banking Service account from where they earn overnight interest through being automatically swept up into the National Loans Fund. A higher rate of interest is earned on the ring-fenced £5 million cash balance (see Note 11) which is usually held on longer term deposit at the National Loans Fund. The Met Office may also be funded by additional monies from its sponsor department to fund specific strategic requirements.

Details of cash on deposit are included in note 11. The fair values of cash and cash equivalents approximate to book value due to their short maturities.

### Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in Note 1 to the financial statements.

## 24 Events after the reporting period

The accounts were authorised for issue on the date the accounts were certified by the Comptroller and Auditor General. There are no events after the reporting period to report on.



ISBN: 978-1-5286-4940-7  
E03132286

[www.metoffice.gov.uk](http://www.metoffice.gov.uk)

Produced by the Met Office 02469  
Met Office and the Met Office logo are registered trademarks