



The Met. Office

Annual Report and Accounts 1990/91



Annual Report and Accounts 1990/91

© Crown copyright 1991

*Designed, produced and published by the Corporate
Communications Section of the Meteorological Office*

July 1991

Met.O.1002
UDC 551.5(058):35(410)
ISBN 0 86180 289 6

The Meteorological Office

Annual Report and Accounts 1990/91

CONTENTS

Review by the Chief Executive	1
Aims and Objectives	4
Performance against Key Targets	5
Organization	9
Financial performance	12
Audit	13
Accounts	
Accounting policies	14
Income and Expenditure Account	16
Statement of Assets and Liabilities	17
Cash flow statement	18
Notes to the Accounts	19

A more detailed description of the activities undertaken during the year is to be found in the *Meteorological Office Annual Review*, available from:

Corporate Communications
The Meteorological Office
London Road
Bracknell, Berks RG12 2SZ

Review by the Chief Executive

It is with pleasure that I present this report of the first year of operation of the Meteorological Office as an Executive Agency. The move to Agency status has been one of the most important events in the recent history of the Meteorological Office, and has provided a stimulus for reorganizing our activities for the benefit of all our customers, streamlining our operations and placing greater emphasis on the quality of our services.

During the year we exceeded our commercial revenue targets. Income for commercial services totalled £13.1M, up 17% from the previous year. This success is particularly encouraging against the background of the depressed business climate during the year, and bodes well for the future. An increased emphasis is being placed on commercial work under a newly appointed Director of Commercial Services recruited from the private sector. This has led to the development and introduction of a number of new services and products, for instance, The Weather Initiative (TWI), a consultancy service aimed at helping managers in the retail industry identify and exploit the sensitivity of their businesses to the weather. We are also concentrating on improvements in delivery techniques. Automated facsimile transmission is already in operation and dial-up fax will be available in 1991/2 for a number of services. We are developing further our own Meteorological Information System (MIST), created originally for military applications, to deliver continuously updated data to the users' terminals.

This commercial success contributed to a fall in net operating costs of 4% when compared with budget. But this result also reflects the impact of past investment in semi-automated observing systems, computers and new communications equipment to improve the productivity of our operational support services. In particular as part of our strategy to implement a modern Weather Information System, 45 Outstation Display Systems were upgraded during the year to improve access to radar and satellite data and an increasing range of forecast products. The introduction of a new Financial and Administration Management Information System (FAMIS), which is partially complete, will provide the base for more effective management and delegation. Here the background and expertise of our other recent appointment from the private sector to the newly created post of Director of Finance and Administration is proving valuable.

During the year Bracknell was confirmed as one of two World Area Forecast Centres, and given increased responsibilities in serving civil aviation. New initiatives were taken to improve the quality of service delivered to this sector and to reduce costs through automation.

We have continued to develop the Public Meteorological Service which is funded by Government and provided to the public in the national

interest. During the year a National Severe Weather Warning Service was introduced, and proved its worth in the hard weather at the turn of the year which brought to an end a succession of mild winters. The Storm Tide Warning Service introduced some years ago has continued to improve as we advance our understanding of the physical processes involved; it was gratifying that the Welsh Affairs Committee investigating the breach of sea defences in Wales at the beginning of 1990 was able to compliment us, if a little backhandedly, by describing our surge forecasts as 'surprisingly accurate'. We were able during the year to add a new air-quality service to our regular weather forecasts for the media, a service which was launched in collaboration with the Departments of Health and of the Environment. The popularity of the regular radio and television forecast presentations continued to increase, and because of their profile we have selected these forecasts to provide a yardstick of performance. Over the last year we achieved an overall accuracy of 84% for the following day forecasts, 1% greater than our target, and we aim to improve this record.

The defence services remain the biggest customer of the Office, absorbing some 40% of its total effort. Following the move to Agency status we have sought to become more responsive to our military customers, and a new Defence Services division has been created to deal exclusively with them. New data transmission and display systems allow faster access by local forecasters to basic information, and in parallel, trials of MIST at RAF Marham improved the flow of meteorological information to aircrew. For military aviation we achieved a success rate for warnings issued 6–9 hours ahead of 77% against our target of 75%, and the new customer-satisfaction index we set up based on 50 key forecasting offices showed an average score of 0.83, against our target of 0.70; targets have been raised for the coming year.

The Meteorological Office played a significant role in supporting the allied forces in the Gulf War by providing a wide range of meteorological services from the Principal Forecast Office at HQ Strike Command and through forecast cells at other operations centres in Britain, Germany and Cyprus. In-theatre support was provided by the Mobile Meteorological Unit (MMU) whose members are Office volunteers holding active commissions in the Royal Air Force Reserve or who are officers of the Royal Air Force Volunteer Reserve. The advanced modelling techniques pioneered at Bracknell were employed to give Gulf-centred numerical weather prediction, and the resulting forecasts, particularly of low-level winds, were of crucial operational value.

During the Gulf conflict the Department of the Environment asked for predictions of the possible environmental consequences should the oil wells in Kuwait be ignited. The report of the Office work was lodged by

the Secretary of State for Defence in the Library of the House of Commons on 17 January 1991. Many of the findings of this investigative work were subsequently confirmed by observation. This was a novel and unexpected use of the formidable skills on climate study and research accumulated within the Meteorological Office. These have been recognized by the establishment within the Office of the Hadley Centre for Climate Prediction and Research, and we were honoured that Mrs Thatcher as Prime Minister should underline the importance of its work by opening the new building in May 1990. The Centre brings together a new programme concentrating on climate prediction funded by the Department of the Environment with the existing work undertaken from defence funds as part of the public meteorological service. This is an increasingly important field given the impact on future climate of human activities and I expect that the Hadley Centre will play a leading part in future developments in climate prediction and research. My own chairmanship of the Scientific Assessment Working Group of the Intergovernmental Panel on Climate Change reflects the international acceptance of the expertise which the Office has to offer.

Climate work is only one part of the extensive research programme maintained by the Meteorological Office. Past work has established the leading world position we now hold in the meteorological sciences. The translation to Executive Agency status does not diminish the requirement for continued research and development of the highest quality. In this we shall continue to work closely with the Universities and research institutions both in the United Kingdom and in other countries.

The ability to offer such advanced opportunities also ensures that we continue to recruit able young men and women on whom the future success of the Office rests. I and the senior management of the Meteorological Office are very conscious that our strength lies in the ability and devotion of our staff. The development of individual talent is a key management aim; over 50% of the staff have benefitted from further training either on outside courses or in the Office's own Meteorological College, and during the year 62 members gained extra qualifications from recognized outside bodies.

This year has been busy, eventful and exciting. We have been involved in a war; a major new institution of world stature, the Hadley Centre, has been established within the Office; and our status within Government and relationship with the Ministry of Defence have undergone a major shift. And we have more than coped. We now have an expanded scientific presence and we are organized for business. We look forward to developing the new opportunities available to us with energy and skill.

Sir John Houghton

25 June 1991



Aims and Objectives

(Taken from the *Framework Document* of the Meteorological Office Executive Agency)

Aim

The aim of the Meteorological Office Executive Agency is to provide for United Kingdom military and civil users an effective, modern and efficient National Meteorological Service.

Objectives

In fulfilling its aim, the principal objectives of the Meteorological Office shall be to:

- provide a range of meteorological services to meet the requirements specified by the British Armed Forces and the Ministry of Defence Procurement Executive and approved by the Secretary of State for Defence
- provide under contract meteorological services to the Civil Aviation Authority
- make available warnings, forecasts and other meteorological services to shipping, the general public and others as may be required by the Secretary of State for Defence
- offer, and provide on payment, meteorological services to other Government Departments, commerce and industry
- provide information and advice to Ministers as required by them on matters related to meteorology
- represent and maintain British interests within the World Meteorological Organization and other relevant international bodies
- maintain an up-to-date National Meteorological Library and National Meteorological Archive.

In meeting these objectives the Meteorological Office will:

- aim to achieve progressively more demanding quality of service and efficiency targets
- pursue research to attain those levels of capability and expertise necessary to meet its objectives economically and on repayment to meet customer requirements
- develop and pursue profitable commercial outlets for its services within Departmental guidelines
- maintain and renew the buildings and equipment needed for its operation in the light of forward plans agreed with the Ministry of Defence
- ensure that it recruits, trains and retains the right level and mix of personnel to meet its objectives in accordance with good employer practices.

Performance against Key Targets

Key targets for efficiency and quality of service were agreed before the commencement of the year, and performance against these is summarized as:

- To demonstrate improving quality of service in its first year as an Agency the Office was tasked with **achieving measurable improvements in the quality of public warnings and services to the MOD and the CAA, within available resources**. This has required the design, testing and implementation of new measures of service quality where these did not exist previously, and improvement against those which were in place before April 1990.

The following have been achieved:

- a National Severe Weather Warning Service became operational in October and worked well. In particular, timely and accurate warnings were given of the heavy snowfall in December and of the exceptional cold weather and snow in February. An objective scoring scheme based on the success and false alarm rates of such warnings has been set up.
- the target accuracy of 83% in the 24-hour forecast broadcast at 1755 hours by BBC Radio 4 was exceeded by 1%.
- a customer satisfaction index for Services to Defence supplied by some 50 forecast offices was introduced into service in January 1990; the annual average score was 0.83, compared with the target of 0.70. The target has been raised for the coming year.
- for military aviation a success rate for warnings issued 6–9 hours ahead of 77% was achieved against a target of 75%; the false alarm rate of 22% was 3% better than target.
- for civil aviation the root-mean-square error for 24-hour forecasts of winds over the North Atlantic and north-west Europe at cruise level was 12.2 knots, slightly in excess of the target of 12.0 knots. The timeliness target for issue of global wind and temperature forecasts was met.
- a verification scheme for Gale Warnings for Shipping has been developed and was implemented in January.
- a Meteorological Information System (MIST), designed to improve the quality of services delivered to aviation customers is under demonstration at RAF Marham where it has been received with considerable enthusiasm.

- The Meteorological Office is also required **to provide authoritative advice on climate change issues nationally, and more widely through the auspices of the Intergovernmental Panel on Climate Change.**

The report from Working Group I of the Intergovernmental Panel on Climate Change, chaired by Dr Houghton, was published in May 1990 and was received enthusiastically by the Second World Climate Conference in November 1990. The first report to the Department of the Environment (DOE) carried out under the Met. Office-DOE agreement was submitted in September 1990. Scientific assessments on the possible climatic effects of the burning of oil wells in Kuwait were made and submitted to the DOE; a copy of the report was also passed to the Library of the House of Commons.

- To encourage greater overall efficiency in the use of resources the Agency had a target **to reduce net operating costs by at least 1%.**

The target has been met, with net operating costs 4% lower than budget, having excluded receipts relating to previous years.

- This was achieved in part by reducing operating costs but mainly by increasing revenue from commercial services for which there was a separate target of **increasing uptake of meteorological services by 10%, as measured by revenue generated from commercial services offered to the public, commerce and industry, exclusive of services to civil aviation.**

Revenue for commercial services totalled £13.1M, an increase of 17% from the previous year's total of £11.2M.

- In addition, to ensure that the additional revenue was not matched by rising costs, the Agency was required **to improve by 4% the efficiency of commercial services, measured as the ratio between revenue earned and the cost of providing such services.**

The data available pre-Agency does not facilitate comparison in exactly this form, but the excess of receipts over cost has increased by 16% with respect to the previous year.

- **Measurable improvement was sought in the productivity of operational support services through the use of new technology, automation and integration of functions.**

The following have been achieved:

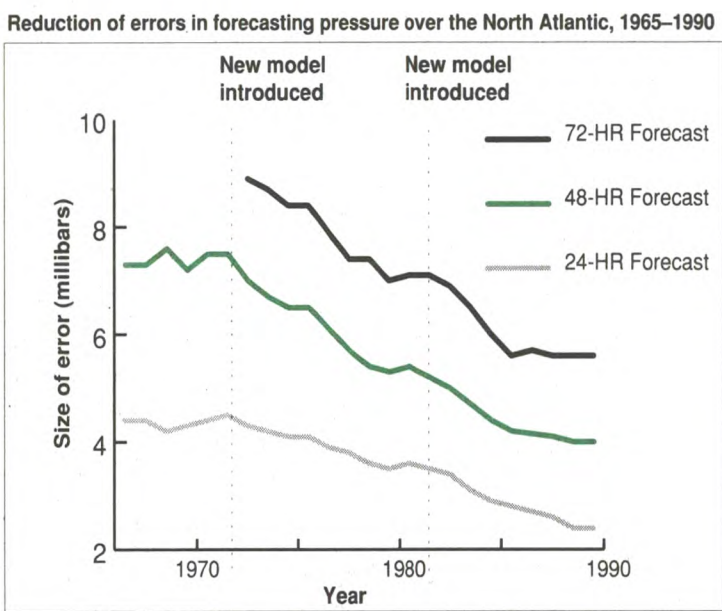
- productivity of telecommunication services has increased by 10%.
- many changes have been made to give an enhanced computing capability which will provide the baseline for increased productivity in future. A new supercomputer and replacement mainframe computer were brought into operation without compromising service levels at any stage.
- CAA certification has been achieved for the automated 'aircraft-satellite relay of data' (ASDAR) system. This offers the potential for a substantial increase in the number and quality of aircraft reports of wind and temperature obtained automatically.
- Semi-Automated Meteorological Observing Systems (SAMOS) are operational at Bristol Weather Centre and RAF Binbrook and the system is undergoing trials at Stansted Airport. All are expected to improve the productivity of staff engaged in meteorological observing.
- the provision of services to the offshore industry was transferred from London to Aberdeen during the year with a net saving of 5 posts, the achievement of reduced operating costs, and increased effectiveness of services.
- as part of the strategy to implement a modern Weather Information System, 45 Outstation Display Systems were upgraded during the year to improve access to radar and satellite data and an increasing range of forecast products.
- In line with its growing experience in performance measurement, the Agency was required **to devise and implement appropriate measures of efficiency for all major service areas, based on output, quantity, quality and timeliness, and input costs, and to publish targets for these by the year end.**

This has been achieved to the satisfaction of both the MOD and HM Treasury. Targets for overall efficiency have been incorporated into the Corporate Plan 1991-96, seeking improvements in efficiency averaging 3% per annum during the Plan period. Targets for efficiency in the major business areas and for supporting functions have been included in the Business Plan 1991-92 and suitable measures are in place. A Group

Incentive Scheme based on the achievement of these and appropriate quality of service targets has been introduced.

- As the first and major step towards improving the quality of forecast services a target was set **to bring the new numerical weather prediction model suite into operational use on the Cray YMP-8 computer by December 1990.**

Operational implementation of the new Unified Model was delayed until June 1991 as a result of technical problems experienced during its development and the need to direct research resources to provide numerical model output for Operation Granby. However, full operational trials of the global and limited-area versions of the model suite began in the autumn. Steady progress has been made in bringing these components, and those designed to generate global and European wave predictions and storm surges, up to an acceptable operational status. The performance of the new suite meets expectations, and is likely to lead to a further reduction in forecast errors in line with past experience following the introduction of a new model.



- As an important adjunct to Agency Status, a key target was set **to implement the new Financial Accounting and Management Information system (FAMIS) by October 1990** to facilitate the timely production of accounts and management information.

The target was not met in full but partial implementation was achieved by March 1991, with the introduction of the management accounting and inventory subsystems; monthly management accounts were delivered, within one month, throughout the year. Further work is being carried out to enable FAMIS to become fully operational by the end of the year.

Organization

The transfer to Executive Agency status of the Meteorological Office has brought new responsibilities to the Chief Executive. He is now directly accountable to the Secretary of State for Defence for all aspects of the management of the Office, and for the handling and control of its allocated budget. The Secretary of State has delegated the supervisory task to the Defence Meteorological Board, whose membership on 31 March 1991 was as follows:

Chairman	Mr J.M. Stewart CB <i>Second Permanent Under Secretary of State</i>
Members	Dr J.T. Houghton CBE, FRS <i>Chief Executive, Meteorological Office</i> Professor E.R. Oxburgh FRS <i>Chief Scientific Adviser</i> Air Marshal Sir Kenneth Hayr KCB, CBE, AFC, RAF <i>Deputy Chief of the Defence Staff (Commitments)</i> Mr R.L.L. Facer <i>Deputy Under Secretary of State (Personnel and Logistics)</i> Mr F.J. Benton <i>Recently Managing Director, IMI Yorkshire Alloys Ltd</i>
Secretary	Mr T. Knapp <i>Assistant Under Secretary of State (Supply and Organization) (Air)</i>

Apart from the changes noted below, the members of the Board served throughout the year.

Mr J.M. Stewart was appointed Chairman on the retirement of Sir Kenneth Macdonald KCB.

With regret, the Report records the death of Professor Daphne F. Jackson OBE (a Member of the Board) on 8 February 1991.

The Chief Executive also has the support of the **Meteorological Committee** which exists to provide advice on the Meteorological Office Programme activities and to further good liaison between the Meteorological Office, its customers, and the scientific community. The memberships of the Committee and its Research subcommittee were as follows:

Meteorological Committee

Chairman Sir Peter Swinnerton-Dyer, KBE FRS

Members

Professor R.L. Bell	Dr H. Hughes
Professor H. Charnock, FRS	Mr J. Miller, FIOB
Mr D.A. Davis	Mr R.A. Smith
Professor P.H. Fowler, DSc FRS	

*Mr R.L.L. Facer, Deputy Under Secretary of State (Personnel and Logistics)

*Mr M.A. Gamester, Director Air Navigation Services, Civil Aviation Authority

*Dr J.T. Houghton, CBE FRS, Chief Executive, Meteorological Office

*Mr G.C. Howell, Chief Scientist Civil Aviation Authority

*Captain D.C. Murray RN, Director of Naval Oceanography and Meteorology

*Air Vice-Marshal C.J. Thomson, CBE AFC RAF, Assistant Chief of the Air Staff

**ex officio*

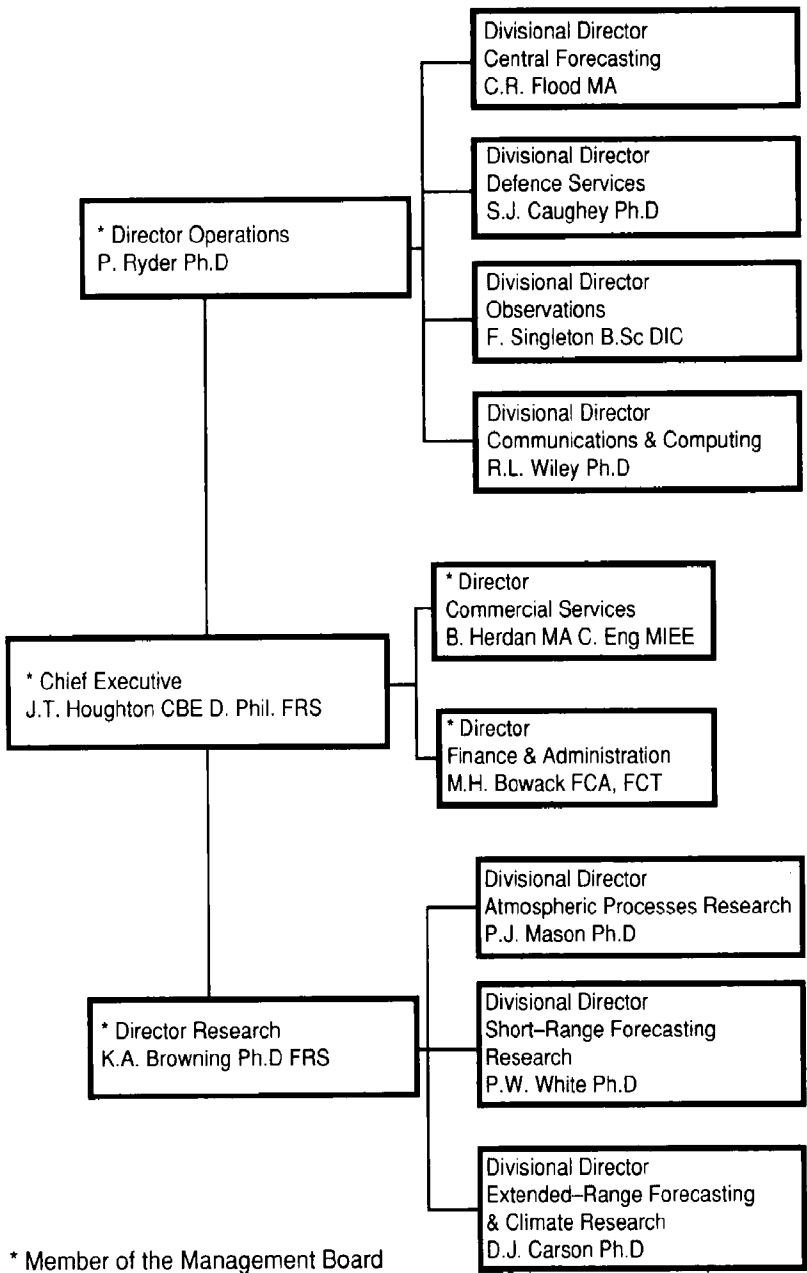
Research Subcommittee

Chairman Professor H. Charnock, FRS

Members

Group Captain R. Bogg RAF	Dr P.J. Mason
Dr K.A Browning, FRS	Captain D.C. Murray RN
Dr D.J. Carson	Dr V.G. Roper
Dr P.D. Curtis	Dr P. Ryder
Dr D. Fisk	Mr A. Thorning
Professor J.E. Harries	Dr P.W. White
Professor B.J. Hoskins, FRS	Dr J.D. Woods
Dr J.T. Houghton, CBE FRS	

The new responsibilities of the Office, the requirement to work in a more commercial fashion and the changed relationship with the Ministry of Defence all have provided the impetus for a reshaping of the senior management team within the Meteorological Office. The existing branch structure has been recast into nine divisions (see below) which meet the special needs of service provision to the five major customer groupings and the supporting central functions. These nine divisions report to four directors who, together with the Chief Executive, form the **Meteorological Office Management Board**. This arrangement has shortened chains of responsibility inside the Office making for tauter control and a delegated hierarchy of accountable budgets.



Financial performance

The financial performance of the Office is shown in the Accounts which follow on pages 14 to 21. The Accounts have been developed from the accounting records in place at the commencement of Executive Agency status, together with the inclusion of accrual accounting for the first time.

As stated in the Income and Expenditure Account, Net Expenditure of £67.0M for the year was £5.8M lower than 1989–90. Income to the Office of £40.1M was £7.4M higher than the previous year, whilst expenditure of £107.1M was £1.6M higher.

Services provided to the CAA in accordance with their agreement resulted in increased income for the year. The Office successfully commenced an initial three-year Climate Prediction programme with the DOE, the work being carried out in the newly opened Hadley Centre in Bracknell. Income of £5.1M was received during the year.

Income from Commercial Services activities increased by 17%. An internal management restructuring of these activities led to the refocussing of effort, resulting in the excellent performance for the year.

Expenditure for the year of £107.1M is dominated by staff costs; these being over half the Office's costs. Staff numbers were maintained within budget, while pay costs were increased mainly as a result of the centrally negotiated pay increases from inflationary pressures. Other costs included £5.7M for depreciation, £1.8M for MOD central administration and £3.7M in respect of interest on capital; excluding these, other costs were £33.8m, representing expenditure on equipment and services bought in to support customer, operational, research and administrative activities. These costs have been held below the expenditure for the previous year, despite an increased customer activity.

Total Net Assets of the Office were £76.5M at March 1991. Fixed asset records are currently being validated and any adjustment to values will be incorporated in the Accounts for 31 March 1992. Valuations have been completed for land and buildings occupied by the Office and whose freehold ownership is vested in the Secretary of State for Defence.

Trade debtors outstanding at March 1991 of £3.8M, representing collections due from repayment activities, have been closely managed. Prepayments by the Office of £3.8M at March 1991 mainly represent International Subscriptions paid in advance and in accordance with the obligations agreed with the relevant organizations.

Audit



The Accounts for the first year of Agency status which follow have not been verified by independent audit. It is expected that a formal Accounts Direction requiring audited accounts will be issued by H.M. Treasury during the second year of operation, when the Office's accounting systems are more fully developed.

Accounting policies

(A) BASIS OF PREPARATION

- (i) The Accounts for the Meteorological Office (Office), together with the Notes, have been prepared with regard to H.M. Treasury Guidelines and the Companies Act 1985, as amended by the Companies Act 1989, in so far as the Act applies to a H.M. Government vote-funded Executive Agency. Accounting standards, issued by the Accounting Standards Boards, are also applied through directives issued by the Director General of Defence Accounts (DGDA), Ministry of Defence (MOD). The Accounts have been prepared under the historic cost convention, modified to include revaluations of land and buildings and equipment.
- (ii) The Income and Expenditure Account has been prepared on an accruals basis.
- (iii) Comparative figures in respect of the financial year ended 31 March 1990, before Agency formation, have been included from the records available wherever possible.

(B) TANGIBLE FIXED ASSETS AND DEPRECIATION

- (i) Departmental Estate is treated as an asset of the Office although legal ownership rests with the Secretary of State for Defence. This policy is designed to reflect the Office's position as principal beneficial user of such property.
- (ii) Valuation of land and buildings is based on the open market value for existing usage. Major equipment and mainframe computers are revalued using the Gross Domestic Product (GDP) Deflator Index. Other equipment is not revalued annually owing to technological changes.
- (iii) Tangible fixed assets, having a life of five years or more and a purchase value equal to or greater than a level set by DGDA directives, are capitalized.
- (iv) Depreciation is calculated to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives, although a residual value equal to one year's depreciation is retained. Estimated useful lives are as follows:

	Years
Buildings	50
Equipment	10
Mainframe computers	7
Other items	5

Asset lives are periodically reviewed for obsolescence in the light of technological development.

Freehold land is not depreciated.

The accounting policy on satellite expenditure is described in F.

(C) PENSIONS

Excepting overseas locally employed civilians, all staff, both past and present are covered by the provisions of the Principal Civil Service Pension Scheme. Although no payment is made by the Office into the Consolidated Fund, a percentage (17%) of staff pay, excluding certain allowances, is included in the Income and Expenditure Account to reflect the contribution appropriate from the Office. The amount is included in staff costs.

(D) STOCKS

Stocks are valued at the lower of cost or net realizable value. Specialized stock for the Office has been valued at cost.

(E) RESEARCH AND DEVELOPMENT

(i) All research and development expenditure incurred during the year is charged to the Income and Expenditure Account.

(ii) Costs of research carried out for the Department of the Environment and other customers outside the MOD are recoverable.

(iii) Capital expenditure incurred for research programmes is included within tangible fixed assets and depreciated in accordance with the accounting policy set out in B.

(F) SATELLITE EXPENDITURE

All satellite expenditure incurred during the year is charged to the Income and Expenditure Account within Other costs in the same financial year. This policy is being reviewed.

(G) VALUE ADDED TAX

Amounts included in the Income and Expenditure Account and the Statement of Assets and Liabilities are shown net of Value Added Tax (VAT). VAT arising on expenditure, forming part of the Office's Voted Expenditure, is included on the Cash Flow Statement. VAT arising on revenue is not currently attributed to the Office.

Income and Expenditure Account

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1991			
	Note	1991 £M	1990 £M
INCOME	1	<u>40.1</u>	<u>32.7</u>
EXPENDITURE			
Staff costs	2	55.1	48.8
Accommodation charges	3	7.0	8.9
Other costs:			
Operational activities — Observations, Central Forecasting, Data Collection and Processing	4	23.3	25.2
Commercial, Research and Administration	5	17.5	18.5
International Subscriptions	6	<u>4.2</u>	<u>4.1</u>
		<u>107.1</u>	<u>105.5</u>
NET EXPENDITURE		67.0	72.8

Statement of Assets and Liabilities

STATEMENT OF ASSETS AND LIABILITIES AT 31 MARCH 1991			
	Note	1991 £M	1990 £M
TANGIBLE FIXED ASSETS	7	<u>68.5</u>	<u>63.0</u>
CURRENT ASSETS:			
Stocks	8	2.3	2.1
Debtors	9	<u>7.6</u>	<u>13.7</u>
		9.9	15.8
CURRENT LIABILITIES:			
Creditors	10	<u>1.9</u>	<u>1.7</u>
NET CURRENT ASSETS		<u>8.0</u>	<u>14.1</u>
TOTAL ASSETS LESS LIABILITIES		76.5	77.1

The Accounts were approved by the Chief Executive and the Directors of the Meteorological Office on 25 June 1991.

Cash flow statement

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1991	
	1991
	£M
APPLICATION OF FUNDS	
Net Expenditure, from the Income and Expenditure Account	67.0
Value Added Tax on expenditure	5.7
Adjustments for items not involving movements of funds:	
Depreciation	(6.0)
Pension costs	(7.2)
Departmental overhead charge	(1.8)
Interest on capital	<u>(3.7)</u>
Net current expenditure in year	54.0
Changes in net current assets:	
Increase in stocks	0.2
Decrease in debtors	(6.1)
Increase in creditors	<u>(0.2)</u>
Net current expenditure funded by Vote in year	47.9
Capital expenditure, less disposals	<u>10.1</u>
Net Expenditure funded by Vote in year	<u>58.0</u>
SOURCE OF FUNDS	
Voted expenditure in year	104.1
Voted receipts in year	<u>(46.1)</u>
Net Voted expenditure in year	<u>58.0</u>

Notes to the Accounts

1. INCOME

(a) Income represents the invoiced value of services provided during the year. The main sources of income are given below:

	1991	1990
	£M	£M
Civil Aviation Authority	21.9	21.5
Department of the Environment	5.1	—
Commercial Services	<u>13.1</u>	<u>11.2</u>
Total	<u>40.1</u>	<u>32.7</u>

Income from Other Government Departments is included within Commercial Services.

(b) Cash received in respect of collaborative capital projects has been offset against the capital equipment costs.

2. STAFF

(a) The staff costs were:

	1991	1990
	£M	£M
Salaries, wages and allowances	44.6	39.9
Social security costs	3.3	2.9
Pension costs	<u>7.2</u>	<u>6.0</u>
Total	<u>55.1</u>	<u>48.8</u>

(b) Numbers of staff employed in Civil Service grade bands were :

	At 31 March 1991	At 31 March 1990
Unified Grades 2–7	172	160
Other grades:		
Scientific	1800	1787
Technical	151	156
Administrative and support	324	298
Locally employed civilians overseas	<u>43</u>	<u>46</u>
Total number employed	<u>2490</u>	<u>2447</u>

(c) The Chief Executive received total emoluments, excluding pension contributions, of £58,000.

The emoluments, excluding pension contributions of other higher paid employees, Civil Service grade 5 and above, fall into the following ranges:

	1991
£35,000—£40,000	9
£40,001—£45,000	4

3. ACCOMMODATION

These costs include rents, utilities, maintenance charges and a depreciation charge of £0.3M for buildings.

4. OBSERVATIONS, CENTRAL FORECASTING, DATA COLLECTION AND PROCESSING

These costs represent equipment, materials, satellite costs and services required to collect and process data for the production of forecasts. Depreciation charges of £5.7M have been included.

5. COMMERCIAL, RESEARCH AND ADMINISTRATION

These costs represent equipment, materials and services supporting the commercial, research and administration activities.

Also included are charges from MOD of £1.8M in respect of central administrative costs, personnel management, the payment of salaries and allowances, the payment of contracts, legal and internal audit services, and notional insurance charges. Interest on capital of £3.7M is also included.

6. INTERNATIONAL SUBSCRIPTIONS

Subscriptions are included for the European Centre for Medium-range Weather Forecasts and the World Meteorological Organization.

7. TANGIBLE FIXED ASSETS

Further work is continuing with the valuation and verification of fixed assets. Nevertheless, information included below is based on valuations incorporated within the Office Framework Document at April 1990, updated by more recent valuations of property provided by the Personnel and Logistics (Defence Lands) Division of MOD.

The written down value of tangible fixed assets is made up as:

	1991	1990
	£M	£M
Land and buildings	28.4	25.0
Equipment	40.1	38.0
Total	68.5	63.0

8. STOCKS

	1991	1990
	£M	£M
Meteorological equipment	2.0	1.8
Consumable stores	<u>0.3</u>	<u>0.3</u>
Total	<u>2.3</u>	<u>2.1</u>

The estimated current replacement cost of stocks at 31 March 1991 was £3.3M. (1990 — £3.0M.)

9. DEBTORS

	1991	1990
	£M	£M
Trade debtors	3.8	9.8
Prepayments	<u>3.8</u>	<u>3.9</u>
Total	<u>7.6</u>	<u>13.7</u>

10. CREDITORS

	1991	1990
	£M	£M
Amounts falling due within one year:		
Trade creditors	0.5	0.5
Accruals and deferred income	<u>1.4</u>	<u>1.2</u>
Total	<u>1.9</u>	<u>1.7</u>

11. CAPITAL COMMITMENTS

	1991
	£M
Contracted	2.2
Authorized, but not contracted	5.4

Excluded from the amounts shown above is a contracted commitment for the development of satellite equipment of £4.4M at 31 March 1991. As explained in F, the accounting policy is being reviewed.

