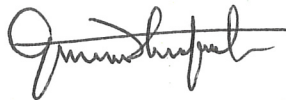


2023 GEO Financial Statements and Audit Report

This document is submitted to the Plenary for information.

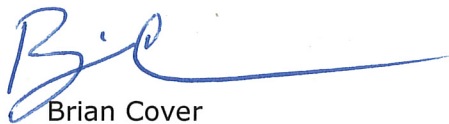
**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

The following appended financial statements, comprising Statements I, II, III, IV and V, and the Notes to the Financial Statements were properly prepared in accordance with the International Public Sector Accounting Standards. I certify that, to the best of my knowledge and information, all transactions during the year have been properly entered in the accounting records and that these transactions, together with the related financial statements and notes, fairly present the financial position of the Group on Earth Observations at 31 December 2023.



Thomas Asare
Assistant Secretary-General
World Meteorological Organization
30 May 2023

Yana Gevorgyan
Secretariat Director
Group on Earth Observations
30 May 2023



Brian Cover
Chief, Finance
World Meteorological Organization
30 May 2023





**FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 31 DECEMBER 2023**

30 May 2024

STATEMENT I

GROUP ON EARTH OBSERVATIONS
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(in thousands of Swiss Francs)

	Note	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	3.1	1	1
Contributions receivable	3.2	1,203	1,364
Advances for projects and meetings	3.3	217	362
Other receivables	3.4	145	74
Funds held by WMO	3.5	5,776	6,706
		<u>7,342</u>	<u>8,507</u>
Non-current assets			
Contributions receivable	3.2	133	-
		<u>133</u>	<u>-</u>
Total assets		<u>7,475</u>	<u>8,507</u>
LIABILITIES			
Current liabilities			
Deferred revenue	3.6	2,403	2,125
Payables and accruals	3.7	148	44
Employee benefits	3.8	212	184
		<u>2,763</u>	<u>2,353</u>
Non-current liabilities			
Deferred revenue	3.6	181	-
Employee benefits	3.8	2,838	2,755
		<u>3,019</u>	<u>2,755</u>
Total liabilities		<u>5,782</u>	<u>5,108</u>
Net assets		<u>1,693</u>	<u>3,399</u>
NET ASSETS/EQUITY			
Fund balances	Sttmt III, 3.10	673	2,932
Working Capital Fund	Sttmt III, 3.10	2,000	1,500
Employee benefits reserves	3.9	(980)	(1,033)
Total net assets/equity		<u>1,693</u>	<u>3,399</u>

The accompanying notes form an integral part of these financial statements.

STATEMENT II

GROUP ON EARTH OBSERVATIONS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands of Swiss Francs)

	Note	2023	2022
Revenue			
Voluntary contributions	5.1	4,380	6,217
In-kind contributions	5.2	181	324
Other revenue	5.3	119	55
Total Revenue		4,680	6,596
Expenses			
Salaries and employee benefits	6.1	4,245	3,974
Other expenditure	6.2	828	600
Travel	6.3	604	409
Meetings	6.4	311	984
Supplies, consumables and other running costs	6.5	270	236
In-kind expenditure	6.6	181	324
Total Expenses		6,439	6,527
(Deficit) / Surplus for the year		(1,759)	69

The accompanying notes form an integral part of these financial statements.

STATEMENT IV

GROUP ON EARTH OBSERVATIONS
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2023
(in thousands of Swiss Francs)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	(1,759)	69
Interest and Service Charges on employee benefits liabilities	345	168
(Increase) decrease in contributions receivables	28	(729)
(Increase) decrease in advance for meetings	145	223
(Increase) decrease in other receivables	(71)	(28)
(Increase) decrease in funds held by WMO	930	1,045
Increase (decrease) in deferred income	459	(653)
Increase (decrease) in payables and accruals	104	(74)
Increase (decrease) in provisions	-	-
Increase (decrease) in liabilities for employee benefits	(181)	(21)
Net cash flows from operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	1	1
Cash and cash equivalents at end of the year	1	1

The accompanying notes form an integral part of these financial statements.

STATEMENT V

GROUP ON EARTH OBSERVATIONS
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

(in thousands of Swiss Francs)

	Budget for 2023	Actuals	Budget Under/(Over) spent
A. Salaries and Employee Benefits			
1. Staff Costs and Employee Benefits	2,751	3,073	(322)
2. Short term staffing needs	1,550	269	1,281
3. Special Service Agreements and other Staff Costs	100	552	(452)
4. Total Salaries and Employee Benefits	<u>4,401</u>	<u>3,894</u>	<u>507</u>
B. Travel			
1. Staff Travel	400	365	35
2. Other (individual developing country participants to GEO meetings)	200	171	29
3. Total Travel	<u>600</u>	<u>536</u>	<u>64</u>
C. Support to GEO Events and Meetings (LoAs)	50	146	(96)
D. Supplies, Consumables and other Running Costs			
1. Information/Telecommunications (IT charges)	45	65	(20)
2. Communications Innovations	400	-	400
3. Common services/Utilities (COS charges)	45	74	(29)
4. Rental of WMO office space	80	82	(2)
5. IT software equipment	30	48	(18)
6. Total Supplies, consumables and other running costs	<u>600</u>	<u>269</u>	<u>331</u>
E. Other Expenditures			
1. Support costs	407	329	78
2. Pamphlets, publications, other printing	40	46	(6)
3. External audit	5	-	5
4. Staff training	100	14	86
5. Bank charges, Finance costs	10	7	3
6. Incidentals	5	18	(13)
7. Unrealized /realized loss on currency exchange	-	300	(300)
8. Total Other expenditures	<u>567</u>	<u>714</u>	<u>(147)</u>
TOTAL CASH EXPENDITURES	<u>6,218</u>	<u>5,559</u>	<u>659</u>
F. In-kind expenditures			
1. Seconded staff	567	53	514
2. Rental of office space	120	128	(8)
3. Total in-kind expenditures	<u>687</u>	<u>181</u>	<u>506</u>
TOTAL EXPENDITURES	<u>6,905</u>	<u>5,740</u>	<u>1,165</u>

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements as at 31 December 2023

NOTE 1: PURPOSES OF THE ORGANIZATION

The purpose of the Group on Earth Observations (GEO) is as follows:

a) To lead a worldwide effort to build a Global Earth Observation System of Systems (GEOSS) over the period 2016-2025.

b) To carry out the Group on Earth Observations Strategic Plan 2016-2025

A central part of GEO's Mission is to build the Global Earth Observation System of Systems (GEOSS). GEOSS is a set of coordinated, independent Earth observation, information and processing systems that interact and provide access to diverse information for a broad range of users in both public and private sectors. GEOSS links these systems to strengthen the monitoring of the state of the Earth. It facilitates the sharing of environmental data and information collected from the large array of observing systems contributed by countries and organizations within GEO. Further, GEOSS ensures that these data are accessible, of identified quality and provenance, and interoperable to support the development of tools and the delivery of information services. Thus, GEOSS increases our understanding of the Earth processes and enhances predictive capabilities that underpin sound decision-making.

c) GEO is established on a voluntary and legally non-binding basis, with voluntary contributions to support activities.

d) GEO consists of a Plenary and Executive Committee, a Secretariat and committees and working groups. GEO meets in plenary at least annually at senior-official level, and periodically at the Ministerial level. GEO takes decisions by consensus of its Members.

e) The GEO Secretariat was established in Geneva in May 2005. The Secretariat serves as the centre of the international coordination for the worldwide GEOSS effort.

NOTE 2: ACCOUNTING POLICIES

Basis of Preparation

1. Financial arrangements for the administration of GEO are specified in the following:

- a) GEO-World Meteorological Organization (WMO) Standing Agreement;
- b) WMO Staff and Financial Rules and Regulations;

- c) Delegation of responsibility from the Secretary-General of WMO to the GEO Secretariat Director;
- d) WMO-GEO Service Level Agreement, revised on 19 October 2016 with retroactive application from 1 January 2015; and
- e) GEO Rules of Procedure, updated on 26 October 2017.

Under the Standing Agreement, WMO Financial and Staff Regulations and Rules apply to the transactions of GEO. The accounts of GEO are maintained in accordance with these requirements. Management have considered that it is appropriate to prepare these financial statements on a going concern basis as there is no reason to believe that voluntary contributions sufficient to support its activities will not continue at current levels.

2. The financial statements of the GEO have been prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS) using the historic cost convention.
3. During 2023, two additional IPSAS standards came into effect:
 - IPSAS 41 – Financial Instruments and
 - IPSAS 42 – Social Benefits

IPSAS 41 and IPSAS 42 came into force on 1 January 2023. IPSAS 41 is discussed further in beginning in paragraph 15 to 20. IPSAS 42 did not have any impact on the financial statements of GEO.

4. As of 31 December 2023, the date of the Statement of Financial Position, the following IPSAS Standards had been issued, but had not taken effect:
 - IPSAS 43 – Leases
 - IPSAS 44 – Non-current assets held for sale or discontinued operations
 - IPSAS 45 – Property, Plant and Equipment
 - IPSAS 46 – Measurement
 - IPSAS 47 – Revenue
 - IPSAS 48 – Transfer Expenses
 - IPSAS 49 – Retirement Benefit Plans

IPSAS 43 through 46 will come into force on 1 January 2025 and IPSAS 47 through 49 will come into force on 1 January 2026. The potential effects of these standards are being evaluated.

5. In accordance with IPSAS requirements, and reflecting the nature of GEO's business, revenue from voluntary contributions received as well as pledges of voluntary contributions confirmed in writing are recognized as non-exchange transactions as per IPSAS 23 – Revenue from Non-Exchange Transactions. GEO considers that there are restrictions on the use of all contributions, and that some of these restrictions meet the definition of a condition as described under IPSAS 23.
6. The Statement of Cash Flow is prepared using the indirect method.

7. The functional and reporting currency of GEO is the Swiss Franc (CHF). Transactions in currencies other than CHF are translated into CHF at the prevailing United Nations Operational Rates of Exchange (UNORE) at the time of transaction. Assets and liabilities in currencies other than CHF are translated into CHF at the prevailing UNORE year-end closing rate. Resulting gains or losses are accounted for in the Statement of Financial Performance.

Revenue, contributions and receivables

8. In accordance with IPSAS requirements, and reflecting the nature of GEO's business, revenue from contributions as well as pledges of contributions confirmed in writing are recognized at their estimated realizable value as non-exchange transactions as per IPSAS 23 - Revenue from Non-Exchange Transactions.
9. GEO considers that there are restrictions on the use of all contributions and that some of these restrictions meet the definition of a condition as described under IPSAS.
10. Pledged voluntary contributions are recognized when confirmed in writing by donors at their estimated realizable value. Other voluntary contributions are recognized at the point in time when they are received. When projects are coming to an end and in the event that some contributions will not be fully expended on the project for which they were given, then at that point in time, and in accordance with the donor agreement, the amount which will not be expended is recognized as amounts to be refunded to donors and included in the Statement of Financial Position as Contributions refundable to donors.
11. In-kind contributions of services that directly support approved operations and activities, which have budgetary impact, and can be reliably measured, are recognized and valued at fair value. These contributions include use of premises and salary costs. They are treated as both revenue and expense in the Financial Statements.
12. Receivables are stated at amortized cost less allowances for estimated irrecoverable amounts and discounted if cash flows are not expected within twelve months from the reporting date and the effect of such discounting is material.
13. Interest revenue is recognized as it accrues.

Expenditure

14. In accordance with the accrual basis of accounting expenditure recognition occurs at the time of delivery of goods or services by the supplier or service provider and is recorded in the accounting records and recognized in the financial statements in the periods to which they relate.

Financial Instruments

15. As stated in paragraph 2 above, GEO adopted IPSAS 41, Financial Instruments, as of 1 January 2023. This Standard replaces IPSAS 29 and establishes new requirements for classifying, recognizing, and measuring financial instruments.
16. Financial instruments are recognized when GEO becomes a party to the contractual provisions of the instrument until such time as when the rights to receive cash flows from those assets have expired or have been transferred and GEO has transferred substantially all the risks and rewards of ownership.
17. IPSAS 41 introduces a principles-based approach to the classification of financial assets and requires the use of two criteria: the entity's model for managing its financial assets and the contractual cash-flow characteristics of those assets. Depending on these criteria, financial assets are classified in the following categories: 'financial assets at amortised cost' (Amortized Cost), 'financial assets at fair value through net assets/equity' (FVNA), or 'financial assets at fair value through surplus or deficit'.
18. Whereas the previous impairment model for financial instruments was based on incurred losses, IPSAS 41 has introduced a forward-looking impairment model based on expected credit losses (ECL) over the lifetime of the financial assets. The ECL is the present value of the difference between the contractual cash flows and the cash flows that GEO expects to receive and takes into account possible default events and the evolution of the credit quality of the financial assets. The new impairment model applies to all financial assets measured at Amortized Cost or at FVNA.
19. In connection with the adoption of IPSAS 41, the measurement category of each group of financial instruments was reviewed. The table below identifies the measurement category for each group of financial instruments under IPSAS 29 and IPSAS 41. As can be seen from the table, there was no change in the application of the classification requirements between IPSAS 41 and IPSAS 29 as the recognition of the financial assets and financial liabilities remain at amortized cost.

Financial Instrument	Classification under IPSAS 41 (2023)	Classification under IPSAS 29 (2022)
Financial Assets		
Cash and Cash Equivalents	Hold to collect cash flows – Amortized Cost	Loans and Receivables – Amortized Cost
Voluntary Contribution Receivables without conditions	Hold to collect cash flows – Amortized Cost	Loans and Receivables – Amortized Cost
Other Receivables	Hold to collect cash flows – Amortized Cost	Loans and Receivables – Amortized Cost
Financial Liabilities		
Accounts Payable	Amortized Cost	Amortized cost

20. Further, as a result of changes required by IPSAS 41 to estimate credit losses of financial assets, an analysis was performed to identify if there were any changes in the carrying value of financial instruments as at 1 January 2023, the date of initial application of IPSAS 41. The analysis identified no change in the carrying value of financial instruments as at 1 January 2023.
21. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active markets. Receivables comprise contributions receivable in cash or other receivables.
22. All non-derivative financial liabilities are recognized initially at fair value, and subsequently measured at amortized cost using the effective interest method.

Funds held by WMO

23. GEO does not maintain its own bank accounts. Its funds are administered by WMO. The Segment Reporting in Note 8.1 shows that the funds held on behalf of GEO as at 31 December 2023 amounted to CHF 5,776,000, which was comprised of CHF 4,841,000 for the GEO Trust Fund, CHF 301,000 for the LDN/GEO Trust Fund and CHF 634,000 for the GEOGLAM Trust Fund.

Property, Plant and Equipment

24. Property, Plant and Equipment (PPE) are capitalized if their cost is greater or equal to the threshold limit set at CHF 5,000 and are stated at historical cost less accumulated depreciation and any impairment losses. Depreciation is to be provided for PPE over their estimated useful lives using the straight-line method. GEO does not have any Property, Plant and Equipment (PPE) at 31 December 2023 or 2022.

Intangible Assets

25. Intangible assets are stated at historical cost less accumulated amortization and any impairment losses. GEO does not have Intangible Assets at 31 December 2023 or 2022.

Employee Benefits

26. GEO recognizes the following employee benefits:
- a) short-term employee benefits which fall due wholly within twelve months after the end of the accounting period in which employees render the related service
 - b) post-employment benefits;
 - c) other long-term employee benefits; and
 - d) termination benefits.
27. Employee benefits are recognized as expenses on an accrual basis. Similarly, terminal payments to staff members, including repatriation grant, accrued annual leave, repatriation travel and removal on repatriation are expensed on an accrual basis.
28. Retirement, death, disability and related benefits of GEO staff are covered under the United Nations Joint Staff Pension Fund (UNJSPF), by virtue of GEO's affiliation with WMO.
29. GEO, through its administrative relationship with WMO, is a member organization participating in the United Nations Joint Staff Pension Fund (UNJSPF), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Pension Fund is a multi-employer defined benefit plan. As specified by Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.
30. The plan exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets, and costs to individual organizations participating in the plan. WMO and the UNJSPF, in line with the other participating organizations in the Fund, are not in a position to identify WMO's and GEO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence WMO and GEO have treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39. GEO's contributions to the plan during the financial period are recognized as expenses in the statement of financial performance.

31. Unrealized actuarial gains/losses are taken directly to reserves in the period in which they occur.

Budget Comparison

32. The Statement of Comparison of Budget and Actual Amounts (Statement V) compares the final budget to actual amounts by activity for GEO Secretariat expenses only, while the Statement of Financial Performance (Statement II) presents expenditures classified based on the nature of the expense for all GEO entities, including the extrabudgetary funds. As the bases used to prepare the budget and financial statements differ, Note 7 provides a reconciliation between the actual amounts presented in Statement V and the actual amounts presented in the Statement of Financial Performance, Statement II and Note 8.2.

Provisions and Contingent Liabilities

33. Other commitments, which do not meet the recognition criteria for liabilities, are disclosed in the notes to the financial statements as contingent liabilities when their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of GEO.

Critical Accounting Estimates

34. Preparing financial statements in accordance with IPSAS requires GEO to make estimates, judgements and assumptions in the selection and application of accounting policies and in the reported amounts of assets, liabilities, revenues and expenses. For this reason, actual results may differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an on-going basis and revisions to estimates are recognized in the year in which the estimates are revised and in any future year affected. Significant estimates and assumptions that may result in material adjustments in future years include: actuarial measurement of employee benefits; impairment on assets; classification of financial instruments; and contingent assets and liabilities. Changes in estimates are reflected in the year in which they become known.

Segment Reporting

35. The financial statements are based on a fund accounting basis, showing at the end of the period the consolidated position of all GEO funds. A fund is a self-balancing accounting entity established to account for the transactions of a specified purpose or objective. Funds are segregated for the purpose of conducting specific activities or attaining certain objectives. Fund balances represent the accumulated residual of revenues and expenses.
36. A segment is a distinguishable activity or group of activities for which financial information is reported separately. GEO classifies all projects, operations and fund activities into three segment.

37. GEO Trust Fund segment directly supports GEO Secretariat activities.
38. The GEO/LDN Trust Fund supports activities for the GEO Land Degradation Neutrality program.
39. GEOGLAM Trust Fund supports activities related to the GEO Global Agricultural Monitoring program.
40. Inter-segment transfers include revenue and expense arising from transfers between segments. Such transfers are accounted for at cost and eliminated on consolidation.

NOTE 3. ASSETS AND LIABILITES

Note 3.1: Cash

41. GEO maintains Petty Cash for immediate miscellaneous disbursements only. All other GEO funds are held and administered on behalf of GEO by WMO as described in Note 3.5 below.

Note 3.2: Contributions receivable

	2023	2022
	<i>Swiss Francs</i>	
Voluntary contributions pledged - Short Term	1,203,000	1,364,000
Voluntary contributions pledged - Long Term	133,000	-
Total contribution receivable	1,336,000	1,364,000

42. Contributions receivables are revalued from the underlying currency into Swiss francs at 31 December 2023.
43. Contributions receivable has slightly decreased in 2023 due to timing differences related to the payment of outstanding pledges and there were fewer new pledge received in 2023 than in 2022.

Note 3.3: Advances for projects and meetings

44. Advances for projects represents advances sent to implementing partners. The advances are recognized as expenditures once projects have been implemented and implementing partners have reported to GEO how they have expensed the advance.
45. Advances for the organization of GEO meetings represent advances given to institutions for the organization of GEO meetings outside Geneva, based on a Letter of Agreement in which the recipient organization commits, inter alia, to providing an expenditure report for the advance within three months of the conclusion of the meeting. The advances are recognized as expenditures when meeting is held.
46. The current balance of CHF 217,000 (CHF 362,000 at 31 December 2022) relates to advances for projects that are expected to take place in 2024.

Note 3.4: Other receivables

	2023	2022
	<i>Swiss Francs</i>	
Home country taxation	82,000	48,000
Prepaid expenses	40,000	14,000

Education grant advances	35,000	26,000
Travel refundable	10,000	6,000
Provision for delays in collection of other debts	(22,000)	(20,000)
Total other receivables	145,000	74,000

47. Home country taxation represents advances made for staff to pay income taxes required by their home country governments, as well as refunds due from governments.
48. Prepaid expenses represent payment in advance for goods and services receivable in future years.
49. Employees entitled to grants for the education of their eligible dependents may request advances at the beginning of the school year. The amount of the advance which is accrued is based on the number of months of attendance relative to the school year.
50. Travel refundable represent advance that were sent to travellers who were not able to participate to the GEO meetings which should be reimburse to WMO.
51. Provision for delays in collection shown in 2022 includes CHF 20,000 in respect of prior year income tax claims that have not yet been confirmed.

Note 3.5: Funds held by WMO

52. GEO does not maintain its own bank accounts and its funds are administered by WMO. Funds held by WMO represent the amount of GEO funds that are in WMO bank accounts.

Note 3.6: Deferred Revenue

53. GEOs has deferred revenue relating to cash voluntary contribution covered by agreements with conditions as of 31 December 2023 amounting to CHF 2,584,000.

	2023	2022
	<i>Swiss Francs</i>	
Short-term	2,403,000	2,125,000
Long-term	181,000	-
Total deferred revenue	2,584,000	2,125,000

54. CHF 924,000 of the Deferred Revenue in 2023 was carried forward from prior years as the underlying activities could not be implemented in 2022 and prior years. This left a significant balance in deferred revenue, which is expected to be implemented on future activities. CHF 1,660,000 of the deferred revenue balance in 2023 relates to new projects. Most of the activities supporting the deferred

revenue balance are expected to be implemented in 2024 and CHF 181,000 by 2025.

Contingent Revenues

55. There are contingent assets in the amount of CHF 2,727,917 at 31 December 2023 (CHF 3,892,260 in 2022). This represents agreements which have been entered into with donors for contributions for future years but where that future year funding is still subject to some parliamentary budget approval.

Note 3.7: Payables and Accruals

	2023	2022
	<i>Swiss Francs</i>	
Payables	94,000	44,000
Accruals	54,000	-
Total payables and accruals	148,000	44,000

56. Payables to vendors relate to amounts due for goods and services for which invoices have been received.
57. Accruals are liabilities for the cost of goods and services that have been received or provided to GEO and which have not been invoiced by suppliers as of the reporting date. In 2023, CHF 54,000 expenses which belong to 2023 were accrued and accounted for but only paid in 2024.

Note 3.8: Employee Benefits Liabilities

	2023	2022
	<i>Swiss Francs</i>	
Current liabilities – Short-term benefits	212,000	184,000
Non-current liabilities – Long-term benefits	2,838,000	2,755,000
Total benefits	3,050,000	2,939,000

Employee benefits comprise:

- Post-Employment Benefits

58. Post-employment benefits are defined benefit plans consisting of United Nations Joint Staff Pension Fund (UNJSPF), After-Service Health Insurance Plan (ASHI) and Repatriation Grant and related benefits including accrued annual leave.
59. Arrangements relating to the UNJSPF are set out in paragraphs 79 to 89.

60. ASHI is a plan that allows eligible retirees and their eligible family members to participate in the United Nations Staff Mutual Insurance Society (UNSMIS) post-retirement.
61. Repatriation benefits consist of a repatriation grant lump sum, travel of the staff member and eligible dependants and shipment of their personal effects upon separation from the Organization.

- **Other Long-Term Employee Benefits**

62. Other long-term employee benefits include accumulated balances of annual leave and, where applicable, compensation payments in the case of death, injury or illness attributable to performance of duties.
63. As the accumulated balance of annual leave is generally not wholly utilized in the 12 months following the balance sheet date, it is considered by IPSAS 39 as an "other long-term employee benefit".

	2023	2022
	<i>(Swiss Francs thousands)</i>	
After-service health insurance	2,612	2,442
Annual leave accrued on retirement	245	217
Repatriation grant	193	280
Total benefits	3,050	2,939
Current liabilities - Short-term benefits	212	184
Non-current liabilities - Long-term benefits	2,838	2,755
Total benefits	3,050	2,939

Actuarial Valuations of Post – Employment and Other Separation – Related Benefits

64. Liabilities arising from post-employment benefits and other separation-related benefits are determined by a professional independent actuary. These employee benefits are established for staff members who are entitled to such benefits under WMO Staff Regulations and Staff Rules. A full actuarial valuation was carried out as at 31 December 2023. The prior valuation performed on 31 December 2022 was also a full actuarial valuation.
65. The CHF 83,000 (3.1%) increase in the liabilities is mainly due to the following:
- An increase of 12.7% arising from an additional year of service and interest on liabilities of the after-service health amounting to CHF 345,000;
 - A decrease of 7.7% following payment of benefits amounting to CHF 209,000

c) An decrease of 1.9% due to a net actuarial gain on the benefits of CHF 53,000.

66. The accrued benefit obligation represents that portion of the present value of future benefits that had been accrued from the staff members' date of entry on duty until 31 December 2023, the date of valuation. Active staff members' benefits are considered fully accrued when they reach their dates of full eligibility for benefits.

Actuarial Assumptions and Methods

67. During each actuarial study, WMO in conjunction with the actuary, reviews and selects assumptions that will be used by the actuaries in the year-end valuation to determine the expense and contribution requirements for WMO's after-service benefit plans (post-employment benefits and other separation-related benefits and unused annual leave).
68. The following assumptions have been used to determine the value of post-employment and other separation-related employee liabilities for WMO at 31 December 2022:

- *Economics assumptions*

ASHI

Discount rate: 1.70% (2022: 2.40%)

The discount rate is estimated to approximate the single equivalent rate such that the present value of the plan's cash flows (i.e. expected as from 31 December 2023; for 2022 as from 31 December 2022) using the single rate that equals the present value of those cash flows using the spot rate at each maturity of the AA Corporate Bonds yield as at 31 December 2023 (2022: 31 December 2022) for the relevant currency (primarily CHF, with approximately 8% in EUR and 6% in USD). The reference spot rates are based upon the Aon yield curve and were provided by the UN Headquarters.

For sensitivity analysis purposes, an estimate of the liability for ASHI has been prepared utilizing the Swiss government bond rates as opposed to the AA Corporate bond yield. If this rate had been utilized in the estimate of the ASHI liability, the amount of the liability would have increased by 33.3%, or approximately CHF 0.9 million to CHF 3.5 million at 31 December 2023.

Pensionable Remuneration Increase Rate: 2.30% (2022: 2.40%)

Salary increase rate:

The salary increase rate as per UNJSPF salary scale has been applied, as per following sample rates:

At 31 December 2023		
Age	General service staff	Professional staff
20	6.63%	8.87%
30	6.27%	6.87%
40	5.07%	5.07%
50	4.67%	4.07%
60	4.27%	3.77%

At 31 December 2022		
Age	General service staff	Professional staff
20	6.73%	8.97%
30	6.37%	6.97%
40	5.17%	5.17%
50	4.77%	4.17%
60	4.37%	3.87%

Healthcare cost increase rate:

As at 31 December 2023, the health care cost increase rate has been set to a constant rate for the future of 2.60% which is in line with the long-term nominal medical trend rates as per the UN guidelines. As at 31 December 2022, it was set to 2.60%.

Medical Claim cost rate:

The medical claim cost rate as at 31 December 2023 based upon the full medical claims estimate were the following:

Sample Age	Annual per capita cost (CHF)
50	4,011
55	4,429
60	4,889
65	5,668
70	6,894
75	9,486
80	12,102
85+	12,467

The contributions rates under the premium-based approach that were applied as at 31 December 2023 were the following:

	Payable by insured person	Payable by WMO
Retired member only	3.4%	6.8%
Retired member with one dependent	4.4%	8.8%
Retired member with more than one dependent	4.8%	9.6%

Administrative Expense Rate

In connection with the revised medical claims cost rate, an administrative expense of CHF 168 per covered person per year has been incorporated in the actuarial valuation. Administrative expenses are forecast to increase at a rate of 1.20% as of 31 December 2023.

Repatriation

Salary increase rate:	Same as ASHI
Discount rate (using US dollar yield curve*):	4.90% (2022: 5.10%)
Travel cost increase rate:	1.20% (2022: 1.20%)

**the spot rates have been provided by UN Headquarters*

For sensitivity analysis purposes, an estimate of the liability for repatriation related entitlements has been prepared utilizing the Swiss government bond rates as opposed to the AA Corporate bond yield. If this rate had been utilized in the estimate of the repatriation related entitlement liability, the amount of the liability would have increased by 50.1%, or approximately CHF 0.1 million to CHF 7.2 million at 31 December 2023.

- Demographic assumptions

The tables of the United Nations Joint Staff Pension Fund have been applied for both 2022 and 2021 with respect to mortality, disability and early retirement rate, as these are based on the demographic experience of the UN Joint Staff Pension Fund. Turnover rates are based upon WMO specific experience. The following provides the details relating to the demographic assumptions:

Disability:	UNJSPF tables for 2023 and 2022
Mortality:	UNJSPF tables – The post-retirement mortality rates utilized are headcount weighted, gender-distinct mortality

rates with static longevity improvements applied for healthy retirees and beneficiaries

Retirement rates: UNJSPF tables – The retirement rates are gender-distinct and vary based upon professional or general service staff and years of service.

Participation: 95% of future retirees are assumed to elect post-retirement medical coverage for 2023 and 2022

Spousal coverage: 60% of future retirees are assumed married at retirement and elect coverage for their spouse for both 2023 and 2022. Males are assumed to be 3 years older than spouse

Turnover rates: Based upon WMO specific experience as summarized in the following table for both 2023 and 2022:

Age	Turnover Rate
30	20%
35	12%
40	7%
45	7%
50	5%
55	8%
60+	10%

The turnover rates for those aged over 55 are only applied if the staff member is not yet eligible for ASHI.

69. Reconciliation of Defined Benefit Obligation for 2023

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2022	2,442	280	2,722
Service cost for 2023	213	61	274
Interest cost for 2023	58	13	71
Benefits paid in 2023	(75)	(134)	(209)
Actuarial (gain)/loss	(26)	(27)	(53)
Benefit obligation at 31 December 2023	2,612	193	2,805

70. Reconciliation of Defined Benefit Obligation for 2022

	After service health insurance	Repatriation	Total
<hr/>			

	<i>(Swiss Francs thousands)</i>		
Benefit obligation at 31 December 2021	1,349	259	1,608
Service cost for 2022	109	46	155
Interest cost for 2022	7	6	13
Benefits paid in 2022	(47)	(26)	(73)
Actuarial (gain)/loss	1,024	(5)	1,019
Benefit obligation at 31 December 2022	2,442	280	2,722

71. Reconciliation of recognized actuarial gains / losses for 2023

	After service health insurance	Repatriation	Total
	<i>(Swiss Francs thousands)</i>		
Actuarial gains (losses) at 31 December 2022	(1,062)	29	(1,033)
Movement in reporting period	26	27	53
Actuarial gains/(losses) at 31 December 2023	(1,036)	56	(980)

72. In the 2023 valuation of employee benefits liabilities, the actuaries have determined gross actuarial gain under post-employment benefits and other separation-related benefits of CHF 53,000 (2021: gross actuarial loss of CHF 1,019,000).

73. The total actuarial gain of CHF 53,000 represents a gain of CHF 26,000 relating to After Service Health Insurance and a gain of CHF 26,000 relating to repatriation related liabilities.

74. Annual Expense

	2023	2022
	<i>(Swiss Francs thousands)</i>	
Service cost	274	155
Interest cost	71	13
Total	345	168

75. The composition of the defined benefit obligation for ASHI between active staff members and retirees is as follows:

	2023	2022
	<i>(Swiss Francs thousands)</i>	
Active staff members	1,115	1,369

Retirees	1,497	1,073
Total ASHI obligation	2,612	2,442

After-Service Health Insurance – Sensitivity Analysis

76. Two of the principal assumptions in the valuation of the After-Service Health Insurance are: (i) the rate at which medical costs are expected to increase in the future; and (ii) the discount rate used to determine the present value of benefits that will be paid from the plan in the future.
77. A sensitivity analysis was undertaken to determine the impact of the above assumptions on the liability and service cost under IPSAS 39.
78. The effect of an increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:
79. The effect of on the ASHI DBO of increase of one percentage point and the effect of a decrease of one percentage point in the assumed medical cost trend rates are shown below:

ASHI Benefit Obligation at 31 December 2023	Discount rate currently reflected	Discount rate increase +1%	Discount rate decrease -1%
Amount	2,612	-19.70%	26.80%
Repatriation Related Benefit Obligation at 31 December 2023	Discount rate currently reflected	Discount rate increase +1%	Discount rate decrease -1%
Amount	193	7.30%	8.50%
ASHI Benefit Obligation at 31 December 2023	Healthcare cost currently reflected	Healthcare cost increase +1%	Healthcare cost decrease -1%
Amount	2,612	3,459	1,973
Effect	-	847	-639
Service cost and interest cost 2023	Healthcare cost currently reflected	Healthcare cost increase +1%	Healthcare cost decrease -1%
Amount	271	396	183
Effect	-	125	-88

Expected Costs during 2024

80. The expected contribution of GEO in 2024 to the employee benefit plans is CHF 53,000.

United Nations Joint Staff Pension Fund (UNJSPF)

81. WMO is a member organization participating in the United Nations Joint Staff Pension Fund (the "Fund"), which was established by the United Nations General Assembly to provide retirement, death, disability and related benefits to employees. The Fund is a funded, multi-employer defined benefit plan. As specified in Article 3(b) of the Regulations of the Fund, membership in the Fund shall be open to the specialized agencies and to any other international, intergovernmental organization which participates in the common system of salaries, allowances and other conditions of service of the United Nations and the specialized agencies.
82. The Fund exposes participating organizations to actuarial risks associated with the current and former employees of other organizations participating in the Fund, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual organizations participating in the Fund. GEO and the Fund, in line with the other participating organizations in the Fund, are not in a position to identify GEO's proportionate share of the defined benefit obligation, the plan assets and the costs associated with the plan with sufficient reliability for accounting purposes. Hence, GEO has treated this plan as if it were a defined contribution plan in line with the requirements of IPSAS 39, Employee Benefits. GEO's contributions to the Fund during the financial period are recognized as expenses in the Statement of Financial Performance.
83. The Fund's Regulations state that the Pension Board shall have an actuarial valuation made of the Fund at least once every three years by the Consulting Actuary. The practice of the Pension Board has been to carry out an actuarial valuation every two years using the Open Group Aggregate Method. The primary purpose of the actuarial valuation is to determine whether the current and estimated future assets of the Fund will be sufficient to meet its liabilities.
84. GEO's financial obligation to the Fund consists of its mandated contribution, at the rate established by the United Nations General Assembly (currently at 7.9% for participants and 15.8% for member organizations) together with any share of any actuarial deficiency payments under Article 26 of the Regulations of the Pension Fund. Such deficiency payments are only payable if and when the United Nations General Assembly has invoked the provision of Article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date. Each member organization shall contribute to this deficiency an amount proportionate to the total contributions which each paid during the three years preceding the valuation date.
85. The latest actuarial valuation for the Fund was completed as of 31 December 2021, and a roll forward of the participation data as of 31 December 2021 to 31 December 2022 will be used by the Fund for its 2022 financial statements.
86. The actuarial valuation as of 31 December 2021 resulted in a funded ratio of actuarial assets to actuarial liabilities of 117.0% (107.1% in the 2019 valuation).

The funded ratio was 158.2% (144.4 % in the 2019 valuation) when the current system of pension adjustments was not taken into account.

87. After assessing the actuarial sufficiency of the Fund, the Consulting Actuary concluded that there was no requirement, as of 31 December 2021, for deficiency payments under Article 26 of the Regulations of the Fund as the actuarial value of assets exceeded the actuarial value of all accrued liabilities under the plan. In addition, the market value of assets also exceeded the actuarial value of all accrued liabilities as of the valuation date. At the time of this report, the General Assembly has not invoked the provision of Article 26.
88. Should Article 26 be invoked due to an actuarial deficiency, either during the ongoing operation or due to the termination of the Fund, deficiency payments required from each member organization would be based upon the proportion of that member organization's contributions to the total contributions paid to the Fund during the three years preceding the valuation date. Total contributions paid to the Fund during the preceding three years (2019, 2020 and 2021) amounted to USD 8,505.27 million, of which 0.01% was contributed by GEO.
89. During 2023, contributions paid to the Fund by GEO amounted to USD 0.5 million (2022 USD 0.693 million). Expected contributions due in 2024 are approximately USD 0.5 million.
90. Membership of the Fund may be terminated by decision of the United Nations General Assembly, upon the affirmative recommendation of the Pension Board. A proportionate share of the total assets of the Fund at the date of termination shall be paid to the former member organization for the exclusive benefit of its staff who were participants in the Fund at that date, pursuant to an arrangement mutually agreed between the organization and the Fund. The amount is determined by the United Nations Joint Staff Pension Board based on an actuarial valuation of the assets and liabilities of the Fund on the date of termination; no part of the assets which are in excess of the liabilities are included in the amount.
91. The United Nations Board of Auditors carries out an annual audit of the Fund and reports to the Pension Board and to the United Nations General Assembly on the audit every year. The Fund publishes quarterly reports on its investments and these can be viewed by visiting the Fund at www.unjspf.org.

Note 3.9 Employee Benefits Reserves

92. The Reserve for Employee Benefits represents the actuarial gains and losses arising from the actuarial valuation of the employee benefits liabilities which were determined by a professional actuary at the end of each financial period.

Note 3.10 Fund Balances

93. In accordance with the GEO Rules of Procedure dated 7 November 2019, the Working Capital Fund (WCF) was established to hold surplus funds remaining in the GEO Trust Fund at the end of the calendar year, capped at CHF 1.5 million.

Through the approval of the budget for 2023, the level of the WCF was increased to CHF 2.0 million.

94. At 31 December 2023, the total fund balance of GEO, excluding the WCF was CHF 673,000 (CHF 2,932,000 at 31 December 2022).
95. In 2023, GEO Financials were separated into three Trust Funds to be able to manage more closely and more transparently the Secretariat costs from the extrabudgetary activities. Two additional Trust Funds were created: GEO/LDN and GEOGLAM. This is further represented under Not 8, Segment reporting.

NOTE 4: RISK ANALYSIS

Currency Risk

96. Credit risk and liquidity risk associated with funds held by WMO is minimized substantially by WMO ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade ratings by a primary rating agency.

Liquidity Risk

97. GEO's cash and funds held by WMO at 31 December 2023 of CHF 5,776,000 (CHF 6,706,000 at 31 December 2022) is sufficient to meet its current liabilities at that date of CHF 2,763,000 (CHF 2,353,000 at 31 December 2022).
98. Implementation of GEO activities cannot commence until a contribution has been received and can spend until the limit of resources available. The control of fluctuation risk and the impact of support cost should be managed by the department to ensure that there is sufficient cash to meet contractual liabilities.
99. These procedures are adequate to ensure that there is sufficient cash to meet contractual liabilities.

Market Risk

Interest Risk

100. There was no exposure to interest rate risk during 2023, except normal exposure to bank interest. During 2022 and 2023, overall interest rates became positive compared to 2021.

Currency Risk

101. The GEO budget is prepared in Swiss Francs and is funded through voluntary contributions which are pledged in various currencies. Currency fluctuations between the Swiss Franc and currencies such as US Dollar and Euro do have an impact on GEO's cash revenue. Such fluctuations may be beneficial or disadvantageous to GEO. GEO's funds are entrusted to WMO and managed through WMO's bank accounts.

NOTE 5: REVENUE

5.1 Voluntary contributions

	2023	2022
	<i>Swiss Francs</i>	
Voluntary contributions	4,380,000	5,217,000
Voluntary contributions-pledged	-	1,000,000
	4,380,000	6,217,000

102. Voluntary contributions have decreased in comparison to 2022 by 30% as fewer voluntary contributions were received in 2023. In addition, many projects for which funds had been received in prior years were not yet fully implemented in 2023 resulting in less revenue recognized in 2023.

5.2 In-kind contributions

	2023	2022
	<i>Swiss Francs</i>	
Office space	128,000	164,000
Seconded staff	53,000	160,000
Total in-kind contributions	181,000	324,000

103. Contributions in-kind relate to the value of office space provided by WMO and staff secondments.
104. The value of office space rental provided by WMO is calculated based on the number of square meters times the current rental rate applied to WMO tenants. In 2022, it also included actual charges.
105. In 2023, the seconded expert had only worked 4 months while in 2022, the same staff member was seconded to GEO for the entire year.
106. GEO also receives in-kind supports from members which are not recognized in these accounts as GEO does not have control over the in-kind services and could not measure the fair value of these services.

5.3 Other revenue

	2023	2022
	<i>Swiss Francs</i>	
Interest	74,000	2,000
Support cost income	45,000	53,000
Total other revenue	119,000	55,000

107. During 2023 interest rates significantly increased enabling GEO to earn positive returns on cash balances.

NOTE 6: EXPENSES

	2023	2022
	<i>Swiss Francs</i>	
6.1 Salaries and employee benefits		
Staff costs (More temporary staff hired in 2023 than in 2022)	2,417,000	2,285,000
Employee benefits and social charges (variance due to increased allowances)	1,206,000	935,000
Consultancy costs (Less consultancy work in 2023 than in 2022)	622,000	754,000
	4,245,000	3,974,000
6.2 Other expenditures		
Support costs (Support cost in proportion of expenses)	409,000	441,000
Unrealized loss on currency exchange (Higher in 2023 mainly due to the number of Financial Support obligations)	78,000	41,000
Realized loss on currency exchange (Very high in 2023 due to the payment in other currency than swiss francs)	255,000	25,000
Pamphlets, Publications, other printing	46,000	20,000
External Audit (The audit fees were covered by WMO; In 2022 it shows a credit which relates to the reversal of the 2021 audit fees)	-	(5,000)
Other staff training (Budget for Staff training was CHF 100,000 in 2022 and 2023; Less training took place in 2023)	14,000	72,000
Hospitality (Cocktail and Coffee Breaks during GEO Events in Geneva)	19,000	2,000
Bank charges	7,000	4,000
	828,000	600,000
6.3 Travel		
Travel of staff (Travel started again mid-2022 and the whole 2023, after COVID-19 Pandemic)	427,000	269,000
Travel – other (Includes Permanent representative and participants from developing countries and in 2023 a provision of CHF 2,000 for uncollectible advance sent to participant who could not attend meeting)	177,000	140,000
	604,000	409,000
6.4 Meetings		
Support to GEO Events (In 2022 many of the 2020 and 2021 meetings were postponed to 2022 due to the COVID-19 Pandemic)	311,000	984,000
6.5 Supplies, consumables and other running costs		
Rental of office space (Charge the square meters rented, in addition to the in-kind, plus utilities charges)	75,000	73,000
Information/Telecommunication (ICT charges)	65,000	75,000
Supplies and other running costs (Less equipments and supplies bought during the period in 2023 than in 2022)	40,000	51,000
Common Services/Utilities (COS charges has increase in 2023 mainly due to the electricity and gaz)	74,000	13,000
Internet, Intranet, etc (Reduced subscription to additional software in 2023)	16,000	24,000
	270,000	236,000
6.6 In-kind expenditures		
Seconded staff (One seconded staff from January to December in 2022 while only 4 months in 2023)	53,000	160,000
Office space (Difference comes from utilities charges not recorded as in-kind in 2023)	128,000	164,000
	181,000	324,000

NOTE 7: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

108. GEO's Operations Budget for 2023 was approved by GEO-18 Plenary held virtually on 2-3 November 2022. The approved budget covers GEO Secretariat spending only. Contributions and expenditures reported in these financial statements include activities outside of the Secretariat's budget related to specific project implementation.
109. GEO's financial statements are prepared on full IPSAS accrual basis using classification based on the nature of expenses in the Statement of Financial Performance (Statement II). The Statement of Comparison of Budget and Actual Amounts (Statement V) also shows expenditures based on the nature of expenses as shown in Statement II.
110. As required under IPSAS-24, where the financial statements and the budget are not prepared on a comparable basis, the actual amounts presented on a comparable basis to the budget shall be reconciled to the actual amounts presented in the financial statements.
111. The reconciliation between the actual amounts on a comparable basis in the Statement of Comparison of Budget and Actual Amounts (Statement V) and the actual amounts in the Statement of Financial Performance for the year ended 31 December 2023 is presented below:

Amount of expenditure, Statement V	Notes	5,740,000
<u>Plus expenses excluded from the Secretariat Budget:</u>		
GEOGLAM	8.2	422,000
GEO LDN	8.2	277,000
Amount of expense, Statement II		<u>6,439,000</u>

Discussion of Variances from budget to actual for 2023

112. The total spent on Salaries and Employee benefits was lower than budgeted; however spending was higher than planned on Staff Costs due to a recharacterization of fixed term contracts as Staff Costs rather than short term. Consultancy costs were planned as short term costs, but are captured under Special Services Agreements.
113. There was less actual travel than budgeted for in 2023 due to mission cancellations for both staff and invitational travellers.
114. Support to GEO Events includes approximately 121,000 in expenditures related to GEO's Microsoft Cloud Credit Program. These expenditures are not included in GEO's annual budget.

115. There was a small over-expenditure under Supplies, Consumables and other running cost as the budget for IT software and equipment was lower than the actual costs.
116. There was overspending under "other expenditure" mainly due to the level of unrealized and realized gain on currency exchange, which is not budgeted. GEO also budgeted for external audit costs but these were no longer requested to be paid.
117. The under-expenditure in seconded staff is due to the budget anticipating five seconded staffs; only one was seconded for a partial year.

NOTE 8: SEGMENT REPORTING

STATEMENT I

GROUP ON EARTH OBSERVATIONS
Note 8.1 STATEMENT OF FINANCIAL POSITION BY SEGMENT
AS AT 31 DECEMBER 2023
(in thousands of Swiss Francs)

	GEO TRUST FUND	LDN/GEO TRUST FUND	GEOGLAM TRUST FUND	Total	2022
ASSETS					
Current assets					
Cash and cash equivalents	1	-	-	1	1
Contributions receivable	1,070	-	133	1,203	1,364
Advances for projects and meetings	136	81	-	217	362
Other receivables	145	-	-	145	74
Funds held by WMO	4,841	301	634	5,776	6,706
	<u>6,193</u>	<u>382</u>	<u>767</u>	<u>7,342</u>	<u>8,507</u>
Non-current assets					
Contributions receivable	-	-	133	133	-
	-	-	133	133	-
Total assets	<u>6,193</u>	<u>382</u>	<u>900</u>	<u>7,475</u>	<u>8,507</u>
LIABILITIES					
Current liabilities					
Deferred revenue	1,417	375	611	2,403	2,125
Payables and accruals	124	19	5	148	44
Employee benefits	212	-	-	212	184
	<u>1,753</u>	<u>394</u>	<u>616</u>	<u>2,763</u>	<u>2,353</u>
Non-current liabilities					
Deferred revenue	48	-	133	181	-
Employee benefits	2,838	-	-	2,838	2,755
	<u>2,886</u>	<u>-</u>	<u>133</u>	<u>3,019</u>	<u>2,755</u>
Total liabilities	<u>4,639</u>	<u>394</u>	<u>749</u>	<u>5,782</u>	<u>5,108</u>
Net assets	<u>1,554</u>	<u>(12)</u>	<u>151</u>	<u>1,693</u>	<u>3,399</u>
NET ASSETS/EQUITY					
Fund balances	534	(12)	151	673	2,932
Working Capital Fund	2,000	-	-	2,000	1,500
Employee benefits reserves	(980)	-	-	(980)	(1,033)
Total net assets/equity	<u>1,554</u>	<u>(12)</u>	<u>151</u>	<u>1,693</u>	<u>3,399</u>

STATEMENT II

GROUP ON EARTH OBSERVATIONS
Note 8.2 STATEMENT OF FINANCIAL PERFORMANCE BY SEGMENT
FOR THE YEAR ENDED 31 DECEMBER 2023
(in thousands of Swiss Francs)

	GEO TRUST FUND	LDN/GEO TRUST FUND	GEOGLAM TRUST FUND	Total	2022
Revenue					
Voluntary contributions	3,547	260	573	4,380	6,217
In-kind contributions	181	-	-	181	324
Other revenue	114	5	-	119	55
Total Revenue	3,842	265	573	4,680	6,596
Expenses					
Salaries and employee benefits	3,894	68	283	4,245	3,974
Other expenditure	714	44	70	828	600
Travel	535	-	69	604	409
Meetings	146	165	-	311	984
Supplies, consumables and other running costs	270	-	-	270	236
In-kind expenditure	181	-	-	181	324
Total Expenses	5,740	277	422	6,439	6,527
(Deficit) / Surplus for the year	(1,898)	(12)	151	(1,759)	69

NOTE 9: LEGAL OR CONTINGENT LIABILITIES AND WRITE-OFFS

118. As at 31 December 2023, there were no contingent liabilities arising from legal actions and claims that are likely to result in a significant liability to GEO. No cases of fraud were noted.

NOTE 10: OTHER COMMITMENTS

119. At 31 December 2023, GEO had obligations for the acquisition of goods and services contracted but not delivered amounting to CHF 149,000 (CHF 390,000 on 31 December 2022).

120. Under IPSAS 1 on accrual accounting and on the basis of the delivery principle, commitments for future expenses are not recognized in the financial statements. Such commitments will be settled from the unexpended portion of contributions after receipt of the related goods or services.

NOTE 11: RELATED PARTY AND OTHER SENIOR MANAGEMENT DISCLOSURE**NOTE 11.1: Key Management Personnel**

	Number of posts	Compensation and post adjustment	Entitlements	Pension plans	Total remuneration	Outstanding advances against entitlements	Outstanding loans
		<i>Swiss Francs</i>					
2023	1	193,000	17,000	41,000	251,000	28,000	-
2022	1	189,000	19,000	40,000	248,000	18,000	-

121. The GEO Secretariat-Director is the only member of key management as he has the authority and responsibility for planning, directing and controlling the activities of GEO. The Executive Committee consists of 13 Members without personal appointment.

122. The aggregate remuneration paid to key management personnel includes: net salaries, post adjustment and employer pension contributions.

123. Key management personnel are also qualified for post-employment benefits at the same level as other employees. These benefits cannot be reliably quantified.

124. Key management personnel are ordinary members of the UNJSPF.

NOTE 12: EVENTS AFTER REPORTING DATE

125. GEO's reporting date is 31 December 2023. On the date of signing of these accounts, other than as stated in the following paragraphs, there have been no material events, favourable or unfavourable that incurred between the Statement of Financial Position date and the date when the financial statements have been authorized for issue.



Corte dei conti

AUDIT REPORT

Opinion

We have audited the Financial Statements of the Group on Earth Observations (GEO), which comprise the Statement of Financial Position as at 31 December 2023, the Statement of Financial Performance, the Statement of Changes in Net Assets/Equity, the Statement of Cash Flow and the Statement of Comparison of Budget and Actual Amounts for the year then ended, and the accompanying Notes, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group on Earth Observations (GEO) as at 31 December 2023, and its financial performance, its changes in net asset/equity, its cash flows and its comparison of budget and actual amounts for the Regular Programme General Fund for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) and the WMO Financial Regulations and Rules.

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). In the field of financial statements audit, the ISSAIs are a direct transposition from the International Standards on Auditing (ISAs). The Corte dei conti applies the provisions of the ISAs in so far as they are consistent with the specific nature of its audits. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the GEO in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Nations system, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the GEO Secretariat for the Financial Statements

The Secretariat is responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sector Accounting Standards (IPSAS) and WMO's Financial Regulations, and for such internal control as the Secretariat determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, it is the Secretariat's responsibility to assess the GEO's ability to continue operating, to disclose, where appropriate, matters related to going concern and to use the going concern basis of accounting, unless the Secretariat either intends to liquidate the GEO or to cease its activity or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the GEO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Corte dei conti's objectives are to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes its opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect any material misstatements that may exist. 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.

As part of an audit in accordance with ISA standards, we exercise professional judgment and maintain professional scepticism throughout the audit.

In addition:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtain an understanding of elements of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the GEO's internal control;

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretariat;
- We conclude on the appropriateness of the use by Secretariat of the going concern basis of accounting and, based on the audit evidence obtained, and on the existence or not of a material uncertainty related to events or conditions that may cast significant doubt on the GEO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the GEO to cease its operation.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 that we identify during our audit.

Rome, 27 June 2024

Guido Carlino
President of the Corte dei conti