

**Source: Funding and Finance Group**

**Title: Year 2001 Financial Status and calculation of Year End Surplus**

**Agenda item: 6.2**

**Document for:**

|             |          |
|-------------|----------|
| Decision    | <b>X</b> |
| Discussion  |          |
| Information |          |

## 1 Introduction

Document OP#7(02)10 provides a detailed description of the income and expenditure for MCC in year 2001. This present document (which is identical to FFG#7(02)04) uses that detailed description to calculate an income and expenditure summary relevant to 3GPP and to determine the surplus to be returned to the Organizational Partners.

## 2 Year 2001 income and expenditure by budget heading

The payments received from the Organizational Payments during 2001, and the purpose for which the payments were made, are tabulated below. In order to calculate the surplus to be returned to each Partner it is necessary to find the proportional value of the payments made and these too are shown in the table. It should be noted that the table does not include the payment of 42,33 kEUR expected from the GSM Association for the development of the A5/3 Algorithm, and that the proportional value of the contribution received from CWTS is not calculated since surplus is not expected to be returned to that Partner.

| Partner               | A                            |         | B                  |         | C (=A+B)          |         | D              |         | E(=C+D)        |         |
|-----------------------|------------------------------|---------|--------------------|---------|-------------------|---------|----------------|---------|----------------|---------|
|                       | Support<br>(SA, CN, RAN & T) |         | Support<br>(GERAN) |         | Support<br>(3GPP) |         | Specific Tasks |         | Total          |         |
| ARIB                  | 671,27                       | 14,33%  |                    |         | 671,27            | 11,38%  | 42,25          | 12,50%  | 713,52         | 11,44%  |
| ETSI                  | 2265,37                      | 48,37%  | 794,63             | 65,35%  | 3060,00           | 51,87%  | 84,50          | 25,00%  | 3144,50        | 50,41%  |
| T1                    | 613,30                       | 13,09%  | 421,32             | 34,65%  | 1034,62           | 17,54%  | 84,50          | 25,00%  | 1119,12        | 17,94%  |
| TTA                   | 566,92                       | 12,10%  |                    |         | 566,92            | 9,61%   | 84,50          | 25,00%  | 651,42         | 10,44%  |
| TTC                   | 566,92                       | 12,10%  |                    |         | 566,92            | 9,61%   | 42,25          | 12,50%  | 609,17         | 9,77%   |
| Subtotal              | 4683,78                      | 100,00% | 1215,95            | 100,00% | 5899,73           | 100,00% | 338,00         | 100,00% | 6237,73        | 100,00% |
| CWTS                  | 180,00                       |         |                    |         | 180,00            |         |                |         | 180,00         |         |
| <b>Total<br/>kEUR</b> | <b>4863,78</b>               |         | <b>1215,95</b>     |         | <b>6079,73</b>    |         | <b>338,00</b>  |         | <b>6417,73</b> |         |

## 2.1 MCC Staff

The following table shows the 3GPP income and expenditure relating to the budget line MCC Staff. It can be seen that there is a surplus of -78 kEUR to be accommodated by the Partners. (It should be noted that 22 kEUR was allocated from the original budget for non-3GPP related tasks and that the actual income and expenditure for 3GPP related activities is therefore 918 and 996 kEUR respectively).

| Resource description           | MCC income | MCC expenditure | Year end situation |
|--------------------------------|------------|-----------------|--------------------|
| MCC Staff (3GPP activity only) | 918        | 996             | -78                |
| <b>Totals (kEUR)</b>           | <b>918</b> | <b>996</b>      | <b>-78</b>         |

The proportions of the payments received for this budget line are as indicated below (according to column C of the main table).

| C              |                |         |
|----------------|----------------|---------|
| Support (3GPP) |                |         |
| ARIB           | 671,27         | 11,38%  |
| ETSI           | 3060,00        | 51,87%  |
| T1             | 1034,62        | 17,54%  |
| TTA            | 566,92         | 9,61%   |
| TTC            | 566,92         | 9,61%   |
|                | 5899,73        | 100,00% |
| CWTS           | 180,00         |         |
|                | <b>6079,73</b> |         |

The surplus from the Staff budget should be credited back to the Partners in the same proportion as derived from the income source as shown below:

|                 |               |
|-----------------|---------------|
| ARIB            | -8,88         |
| ETSI            | -40,46        |
| T1              | -13,68        |
| TTA             | -7,49         |
| TTC             | -7,49         |
| <b>Subtotal</b> | <b>-78,00</b> |

## 2.2 MCC Contractor support to TSGs SA, RAN, CN and T (inc non-remunerated experts)

The following table shows the income and expenditure relating to the budget line for Contractor support to TSGs SA, CN, RAN and T. It can be seen that there is a surplus of –134,7 kEUR to be accommodated by the Partners.

| Resource description                             | MCC income    | MCC expenditure | Year end situation |
|--|---------------|-----------------|--------------------|
| MCC Contractor support to TSGs SA, RAN, CN and T | 1555,2        | 1689,9          | -134,7             |
| <b>Totals (kEUR)</b>                             | <b>1555,2</b> | <b>1689,9</b>   | <b>-134,7</b>      |

The proportions of the payments received for this budget line are as indicated below (according to column A of the main table).

| A                         |                |         |
|---------------------------|----------------|---------|
| Support (SA, CN, RAN & T) |                |         |
| ARIB                      | 671,27         | 14,33%  |
| ETSI                      | 2265,37        | 48,37%  |
| T1                        | 613,30         | 13,09%  |
| TTA                       | 566,92         | 12,10%  |
| TTC                       | 566,92         | 12,10%  |
|                           | 4683,78        | 100,00% |
| CWTS                      | 180,00         |         |
|                           | <b>4863,78</b> |         |

The surplus from the SA, RAN, CN and T contractor support budget line should be credited back to the Partners in the same proportion as derived from the income source as shown below:

|                 |                |
|-----------------|----------------|
| ARIB            | -19,30         |
| ETSI            | -65,15         |
| T1              | -17,64         |
| TTA             | -16,30         |
| TTC             | -16,30         |
| <b>Subtotal</b> | <b>-134,70</b> |

### 2.3 MCC Contractor support to TSG GERAN

The following table shows the income and expenditure relating to the budget line for Contractor support to TSG GERAN. It can be seen that there is a surplus of +142,5 kEUR to be accommodated by the Partners.

| Resource description                | MCC resource | MCC expenditure | Year end situation |
|-------------------------------------|--------------|-----------------|--------------------|
| MCC Contractor support to TSG GERAN | 388,8        | 246,3           | +142,5             |
| <b>Totals (kEUR)</b>                | <b>388,8</b> | <b>246,3</b>    | <b>+142,5</b>      |

The proportions of the payments received for this budget line are as indicated below (according to column B of the main table).

| <b>B</b>               |                |         |
|------------------------|----------------|---------|
| <b>Support (GERAN)</b> |                |         |
| ARIB                   |                |         |
| ETSI                   | 794,63         | 65,35%  |
| T1                     | 421,32         | 34,65%  |
| TTA                    |                |         |
| TTC                    |                |         |
|                        | 1215,95        | 100,00% |
| CWTS                   |                |         |
|                        | <b>1215,95</b> |         |

The surplus from the TSG GERAN contractor support budget line should be credited back to the Partners in the same proportion as derived from the income source as shown below:

|                 |                |
|-----------------|----------------|
| ARIB            |                |
| ETSI            | +93,12         |
| T1              | +49,38         |
| TTA             |                |
| TTC             |                |
| <b>Subtotal</b> | <b>+142,50</b> |

## 2.4 MCC Travel and subsistence

The following table shows the income and expenditure relating to the budget line for Travel and Subsistence. It can be seen that there is a surplus of 18 kEUR to be accommodated by the Partners. (It should be noted that 19 kEUR was allocated for the original budget for non-3GPP related travel and that the actual income and expenditure for 3GPP related travel was 781 and 763 kEUR respectively).

| Resource description                            | MCC resource | MCC expenditure | Year end situation |
|---|--------------|-----------------|--------------------|
| MCC Travel and Subsistence (3GPP activity only) | 781          | 763             | +18                |
| <b>Totals (kEUR)</b>                            | <b>781</b>   | <b>763</b>      | <b>+18</b>         |

The proportions of the payments received for this budget line are as indicated below (according to column C of the main table).

| C              |                |         |
|----------------|----------------|---------|
| Support (3GPP) |                |         |
| ARIB           | 671,27         | 11,38%  |
| ETSI           | 3060,00        | 51,87%  |
| T1             | 1034,62        | 17,54%  |
| TTA            | 566,92         | 9,61%   |
| TTC            | 566,92         | 9,61%   |
|                | 5899,73        | 100,00% |
| CWTS           | 180,00         |         |
|                | <b>6079,73</b> |         |

The surplus from the Travel and Subsistence budget should be credited back to the Partners in the same proportion as derived from the income source as shown below:

|                 |            |
|-----------------|------------|
| ARIB            | +2,05      |
| ETSI            | +9,33      |
| T1              | +3,16      |
| TTA             | +1,73      |
| TTC             | +1,73      |
| <b>Subtotal</b> | <b>+18</b> |

## 2.5 Specific Task 160 (TTCN)

The following table shows the income and expenditure relating to the budget line for Task 160 (TTCN). It can be seen that there is a surplus of 8,3 kEUR to be accommodated by the Partners.

| Resource description    | MCC resource                                | MCC expenditure | Year end situation |
|-------------------------|---|-----------------|--------------------|
| MCC Contractor services | (Task budget) 338 + 156*<br>(Voluntary) 141 | 626,7           | +8,3               |
| <b>Totals (kEUR)</b>    | <b>635</b>                                  | <b>626,7</b>    | <b>+8,3</b>        |

\*156kEUR was transferred from the Contingency to this activity during 2002.

The proportions of the payments received for this budget line (excluding the amount transferred from the Contingency) are as indicated below (according to column D of the main table).

| D              |               |         |
|----------------|---------------|---------|
| Specific Tasks |               |         |
| ARIB           | 42,25         | 12,50%  |
| ETSI           | 84,50         | 25,00%  |
| T1             | 84,50         | 25,00%  |
| TTA            | 84,50         | 25,00%  |
| TTC            | 42,25         | 12,50%  |
|                | 338,00        | 100,00% |
| CWTS           |               |         |
|                | <b>338,00</b> |         |

The surplus from the Task 160 budget should be credited back to the Partners in the same proportion as derived from the income source as shown below:

|                 |              |
|-----------------|--------------|
| ARIB            | +1,04        |
| ETSI            | +2,08        |
| T1              | +2,08        |
| TTA             | +2,08        |
| TTC             | +1,04        |
| <b>Subtotal</b> | <b>+8,30</b> |

## 2.6 Specific Task S18 GSM A5/3 Algorithm

| Resource description      | Resource allocated | Expected expenditure | Year end situation |
|---------------------------|--------------------|----------------------|--------------------|
| Subcontract to SAGE Group | 127                | 127                  | 0                  |
| <b>Totals (kEUR)</b>      | <b>127</b>         | <b>127</b>           | <b>0</b>           |

**NOTE 1: One third of this funding requirement will be provided by the GSM Association**

**NOTE 2: Two thirds funding for this activity was derived from the Contingency**

## 2.7 Allocations from the Contingency

The following table shows the income and expenditure relating to the Contingency. It can be seen that there is a surplus of 312,4 kEUR to be accommodated by the Partners.

| Resource description    | MCC resource  | MCC expenditure                    | Year end situation |
|-------------------------|---------------|------------------------------------|--------------------|
| MCC Contractor services | 552,70        | (Task 160) 156<br>(Task S18) 84,66 | +269               |
| <b>Totals (kEUR)</b>    | <b>552,70</b> | <b>240,66</b>                      | <b>+312,04</b>     |

The proportions of the payments received for this budget line are as indicated below (according to column C of the main table).

| Payments in column C proportions |               |         |
|----------------------------------|---------------|---------|
| Contingency                      |               |         |
| ARIB                             | 62,89         | 11,38%  |
| ETSI                             | 286,67        | 51,87%  |
| T1                               | 96,93         | 17,54%  |
| TTA                              | 53,11         | 9,61%   |
| TTC                              | 53,11         | 9,61%   |
|                                  | 552,70        | 100,00% |
| CWTS                             |               |         |
|                                  | <b>552,70</b> |         |

| 3GPP Partner         | Payment to the Contingency | Allocation to Task 160 | Allocation to A5/3 Development* | Return to Partner |
|----------------------|----------------------------|------------------------|---------------------------------|-------------------|
| ARIB                 | 62,89                      | 19,5                   |                                 | +43,39            |
| ETSI                 | 286,67                     | 39                     | 42,33                           | +205,34           |
| T1                   | 96,93                      | 39                     | 42,33                           | +15,60            |
| TTA                  | 53,11                      | 39                     |                                 | +14,11            |
| TTC                  | 53,11                      | 19,5                   |                                 | +33,61            |
| <b>Totals (kEUR)</b> | <b>552,70</b>              | <b>156</b>             | <b>84,66</b>                    | <b>312,04</b>     |

\* NOTE: An additional 42,33 kEUR will be provided by the GSM Association

### 3 Year 2001 surplus to be returned to 3GPP Partners

The following table summarises the year 2001 surplus to be returned to 3GPP Partners:

| Partner       | Staff         | SA, RAN, CN, T | GERAN          | Travel        | Task 160     | Contingency    | Surplus to be returned to Partner |
|---------------|---------------|----------------|----------------|---------------|--------------|----------------|-----------------------------------|
| ARIB          | -8,88         | -19,30         |                | +2,05         | +1,04        | +43,39         | +18,80                            |
| ETSI          | -40,46        | -65,15         | +93,12         | +9,33         | +2,08        | +205,34        | +204,26                           |
| T1            | -13,68        | -17,64         | +49,38         | +3,16         | +2,08        | +15,60         | +38,90                            |
| TTA           | -7,49         | -16,30         |                | +1,73         | +2,08        | +14,11         | -5,87                             |
| TTC           | -7,49         | -16,30         |                | +1,73         | +1,04        | +33,61         | +12,59                            |
| <b>(kEUR)</b> | <b>-78,00</b> | <b>-134,70</b> | <b>+142,50</b> | <b>+18,00</b> | <b>+8,30</b> | <b>+312,04</b> | <b>+268,68</b>                    |

Summary of surplus to be returned to each Partner:

| Partner       | Surplus to be returned |
|---------------|------------------------|
| ARIB          | +19                    |
| ETSI          | +204                   |
| T1            | +39                    |
| TTA           | -6                     |
| TTC           | +12                    |
| <b>(kEUR)</b> | <b>+268</b>            |



#### 4 3GPP Income and Expenditure Summary for year 2001

All figures in kEUR

| INCOME  |                | EXPENDITURE  |                |
|---|----------------|--|----------------|
| Monetary payments received from 3GPP Partners for project support (including contingency).<br><i>Note 1</i> | <b>5807,33</b> | MCC costs relating to 3GPP support.<br><i>Note 5</i>       | <b>5579,20</b> |
| Expert resources provided by 3GPP Partners in lieu of monetary payment.<br><i>Note 2</i>                    | <b>272,40</b>  | MCC costs relating to 3GPP specific tasks<br><i>Note 6</i> | <b>612,70</b>  |
| Monetary payments received from 3GPP Partners for specific tasks.<br><i>Note 3</i>                          | <b>338,00</b>  |  |                |
| Monetary payments expected from GSM Association<br><i>Note 4</i>  | <b>42,33</b>   |  |                |
| <b>TOTAL INCOME</b>   | <b>6460</b>    | <b>TOTAL EXPENDITURE</b>                                   | <b>6192</b>    |

**Year 2001 surplus to be returned to 3GPP Partners = 268 kEUR**

Note 1 See main table in section 2, Column C, minus two non-remunerated experts.

Note 2 Mr Ikeda and Mr Kim, provided to MCC by ARIB and TTA in lieu of monetary payment

Note 3 Budget included in 2001 budget for specific tasks

Note 4 Payment expected from GSMA for A5/3 algorithm development

Note 5 3GPP expenditure for staff, RAN contractors, GERAN contractors, travel and overheads.

Note 6 3GPP expenditure on Task 160 (485,7kEUR) and Task S18 (127kEUR) = 612,7 kEUR