

Agenda item: ADM 9

Document C14/27
8 April 2014
Original: English

Report by the Secretary-General

UNAUDITED ACCOUNTS OF ITU TELECOM WORLD 2013

Summary

Resolution 11 (Rev. Guadalajara, 2010) of the Plenipotentiary Conference instructs the Secretary-General to report to the Council on all TELECOM activities.

Action required

The Council is requested to **take note** of the unaudited accounts of ITU TELECOM WORLD 2013.

Reference

[Resolution 11 \(Rev. Guadalajara, 2010\)](#)

Annexes: 5

ITU TELECOM WORLD 2013

General

1. The 14th ITU TELECOM WORLD 2013 was held in Bangkok from 19 to 22 November 2013 following the invitation of the Government of the Kingdom of Thailand. The theme “Embracing Change in a Digital World” was explored. The Event was attended by high-level officials from both the government sector and the industry, i.e. Ministers, CEOs, regulators, dignitaries, and young visionaries from around the world.
2. The Event consisted of the Forum and the Showfloor. The Forum consisted of interactive and high-level debates and knowledge-sharing in the form of Ministerial Roundtables, Visionary Keynotes, Big Conversations, Workshops, Panel Sessions and Young Innovators Sessions. The Showfloor offered products, technologies and partnerships from around the world, as presented in national and thematic pavilions, and industry stands. It also featured the OpenSpace for networking and InnovationSpace for the Young Innovators Competition, as well as a new product – “The Lab” which displayed interactive demonstrations on new ideas and solutions.
3. The Young Innovators were featured in the Youth and Leaders Debate where they shared remarkable stories, presented case studies and addressed issues pertaining to the six Global Challenges: employment opportunities, food and water wastage reduction, access to public services, natural disaster prediction, road safety, and personal data protection. The Young Innovators Competition granted ten awards of up to USD 10,000 each for the best ideas following evaluation in relation to technology, degree of innovation and social impact as well as the feasibility and business potential.
4. About 6,000 participants attended the Event which included 239 speakers, 300 media from 20 countries and 120 outlets, and 25 partners and sponsors. There were 169 Showfloor participants from 33 countries, 22 national and thematic pavilions, and 58 forum sessions.
5. The final ITU TELECOM WORLD 2013 budget was approved on 27 September 2013 with a projected total revenue of CHF 11 million and an estimated total expense of less than CHF 9.7 million, forecasting an Event result of CHF 1.3 million. The first Event budget approved on 20 May 2013 with expected total revenue of almost CHF 12.5 million and total expenses of about CHF 11.4 million with an Event result of less than CHF 1.1 million, was revised in order to adjust to the expected revenues and decrease expenses accordingly.
6. The Government of the Kingdom of Thailand made significant monetary and in-kind contributions as defined in the Host Country Agreement signed between ITU and the Government of the Kingdom of Thailand. The monetary contribution of CHF 3.954 million represented almost 65% of the actual total sponsorships/contributions or almost 35% of the total revenue and financed ITU staff travel and accommodation costs for pre-event and event missions, and special programmes such as LDC/LIC and Young Innovators Programmes. In addition, the host country also provided the following goods and services of significant value, free-of-charge: venue including electricity and cleaning services, security services, local staff, receptions and social functions, IT equipment, and transportation.

7. Beside the Host Country, diverse sponsors made monetary contributions totalling to CHF 6.169 million. Among the main sponsors, Ooredoo sponsored the Registration and Lanyards for CHF 300,000.00 and Qatar Dinner for CHF 120,000.00. INACOM financed the Leaders space as well as refreshments for CHF 260,000.00. The Nigerian Communication Commission (NCC) financed the Leader lunch for CHF 160,000.00 as well as a dinner and a session for CHF 110,000.00. Huawei financed the ITU World Club dinner for CHF 240,000.00.

8. Furthermore, 38 barter agreements with private companies resulted in the exchange of rental space and internet and networking services against printing advertisements and marketing services from these companies. In addition, two companies provided a reporter as a moderator for the Big Conversation respectively for a Q&A session and for the Ministerial Roundtable. The estimated value of the barter transactions amounted to CHF 1.130 million.

Financial results

9. The statement of financial performance at 31 December 2013 shows a surplus of CHF 1,854,884. This represent an excess of 40% compared to the forecast result and an increase of 367% compared to the actual result of the 2012 Event. This significant evolution is mostly due to reinforced sponsorship as well as a continued careful management of resources.

10. The actual revenue posted to account amounted to CHF 11.394 million (see Annex A). This represents 104% of budgeted revenue and an increase of 28% in comparison with the 2012 Event. This increase is mostly due to the strong support of sponsors and a higher volume of barter transactions. The primary source of revenue is the sponsorship opportunities (60% of total budget revenue), followed by the space rental and other space rental-related revenue (35%) and the Event registration fees (5%).

11. A constant efficient management reinforced the positive result with actual costs below the final budget total costs. Actual costs amount to CHF 9.539 million and represent 98% of the budgeted costs. This reduction in actual expenses in relation to the budget was due to the continued efforts made by the TELECOM Secretariat and the Financial Resources Management Department to control and manage costs.

12. In total, a gross surface area of over 4,782 m² was devoted to the Showfloor and furnished turnkey exhibition space. The showfloor included raw space, national, thematic and SME pavilions, turnkey stands, and individual stands/offices. Actual revenue from rental of indoor ground floor raw space amounted to CHF 2,503,702.50 which is 8% lower than the budget confirming a structural trend in the Telecom industry.

13. Indirect costs amounted to CHF 5.550 million (see Annex B) and were 12% superior to the budgeted costs of CHF 4.966 million. This may be broken down as follows: CHF 3.050 million for the TELECOM secretariat and CHF 2,500,000.00 for cost recovery. According to the current working methodology, the TELECOM secretariat costs are more or less fixed, regardless of the number of events open. As there have been few events open, and as the staff of the TELECOM secretariat is not detached to other organizational units, the

costs allocated to the events are very significant, with the salaries being registered on the TELECOM cost centre and reallocated at the end of the year to the few exhibitions open.

14. ITU TELECOM World 2013 presents outstanding receivables at 31 December 2013, amounting to a total of CHF 1,090,726.77. As at the end of March 2013, all receivables outstanding as of 31 December 2013 have been paid. The provision for bad debts amounted to CHF 124,400.00 as of 31 December 2013 and will be released in 2014.

15. Annex E contains a list of the companies having sponsored the Event. Some companies were provided with free-of-charge space while paying for other space.

16. The audited accounts and the report of the External Auditor on ITU TELECOM World 2013 will be presented during the Busan 2014 Plenipotentiary Conference. It is an explanatory report which is not including an Audit Opinion since the ITU TELECOM WORLD 2013 accounts are not stand alone financial statements under IPSAS. Annexes A, B, D and E hereto are included in the External Auditor's examination. The External Auditor issues an Audit Opinion only on the consolidated accounts of the Union, which include items relating to TELECOM events.

- Annexes:
- A: Profit and loss account from 1 January 2013 to 31 December 2013
 - B: Profit and loss account by category of expenses and by account group from 1 January 2013 to 31 December 2013
 - C: Notes to the event accounts
 - D: List of receivables provisioned at 31 December 2013
 - E: Sponsors and bartered services

ANNEX A

ITU TELECOM WORLD 2013 - Profit and loss account from 01 January 2013 to 31 December 2013

	Revenue		
	Swiss francs		
	ITU TELECOM World 2013		World 2012
	Budget	Actual	Actual
Pav., Showcases & Off.	3,067,000.00	2,923,702.50	3,213,975.00
Turnkey	531,500.00	524,400.00	157,250.00
Forum	1,344,500.00	1,243,780.00	1,588,350.00
LDC & LIC	0.00	0.00	250,000.00
Young Innovators	0.00	0.00	250,000.00
Communications & Marketing	300,000.00	1,129,631.97	435,522.03
Media Services	0.00	0.00	1,500.00
Administration (TLC)	4,404,500.00	4,254,276.70	1,821,500.00
Financial Resources Management Dept.	0.00	8,407.54	7,302.58
Leadership Progr.	420,000.00	420,000.00	330,000.00
Networking Progr.	220,000.00	180,000.00	555,000.00
Celebration Activities	720,000.00	710,000.00	280,000.00
Digital Platform	0.00	0.00	0.00
Total	11,007,500.00	11,394,198.71	8,890,399.61
	Expenses		
	Swiss francs		
	ITU TELECOM World 2013		World 2012
	Budget	Actual	Actual
Pav., Showcases & Off.	8,000.00	14,149.15	222,083.07
Turnkey	217,500.00	165,228.09	56,340.15
Forum	232,000.00	121,073.82	134,419.43
LDC & LIC	250,000.00	137,551.60	98,766.79
Young Innovators	313,500.00	224,667.83	148,434.19
Communications & Marketing	1,055,000.00	1,470,260.71	1,109,623.81
Media Services	65,000.00	26,752.37	37,215.29
Administration (TLC)	7,081,500.00	6,985,110.99	6,255,777.53
Financial Resources Management Dept.	50,000.00	33,048.60	34,398.92
Services informatiques	50,000.00	0.00	0.00
Leadership Progr.	40,000.00	28,073.61	103,377.08
Networking Progr.	75,000.00	45,393.07	87,198.61
Celebration Activities	100,000.00	190,146.35	0.00
Digital Platform	150,000.00	97,858.52	98,306.17
Total	9,687,500.00	9,539,314.71	8,385,941.04
Excess revenue over expenses	1,320,000.00	1,854,884.00	504,458.57
Result before provision		1,979,284.00	
Provision for debtors		124,400.00	
Result at 31 December 2013		1,854,884.00	

ANNEX B
ITU TELECOM World 2013

Profit and loss account by category of expenses and by account group from 1 January 2013 to 31 December 2013

Heading	Pav., Showcases & Off.	Turnkey	Forum	LDC & LIC	Young Innovators	Communications/Mktng	TELECOM Media	Admin.	FRMD	Inform. Services	Leadership Progr.	Networking Progr.	Celebrat. Activities	Digital Platform	Total
Swiss francs															
Rental	2,923,702.50	524,400.00				1,129,631.97									4,577,734.47
Delegates			673,780.00												673,780.00
Sponsors			570,000.00					4,254,276.70			420,000.00	180,000.00	710,000.00		6,134,276.70
Interests									2,239.35						2,239.35
Exchange gains									6,168.19						6,168.19
Miscellaneous															0.00
Total revenue	2,923,702.50	524,400.00	1,243,780.00	0.00	0.00	1,129,631.97	0.00	4,254,276.70	8,407.54	0.00	420,000.00	180,000.00	710,000.00	0.00	11,394,198.71
Swiss francs															
Heading	Pav., Showcases & Off.	Turnkey	Forum	LDC & LIC	Young Innovators	Communications/Mktng	TELECOM Media	Admin.	FRMD	Inform. Services	Leadership Progr.	Networking Progr.	Celebrat. Activities	Digital Platform	Total
Swiss francs															
Staff/Interpreters			14,753.50					280,974.80							295,728.30
Missions			11,402.00					516,667.15							528,069.15
Fellowships				135,797.57	30,993.93										166,791.50
Contractual Services			72,117.94		18,256.65	12,476.10	26,752.37	418,170.40	6,416.60		28,073.61	45,393.07	80,146.35	90,647.90	798,450.99
Advertising						1,193,392.30									1,193,392.30
Marketing						218,718.00									218,718.00
Rental Costs			2,122.89		213.17										2,336.06
Audiovisual			20,677.49												20,677.49
Materials & supplies								118,827.97						7,210.62	126,038.59
Construction	14,149.15	150,828.09			124,376.59	26,880.03		100,746.88							416,980.74
Printing						12,806.24									12,806.24
Postal costs						5,988.04									5,988.04
Electricity															0.00
Loss gains									10,827.50						10,827.50
Miscellaneous				1,754.03	50,827.49										52,581.52
Comm. Credit cards & bank. Fees									15,804.50						15,804.50
Provision		14,400.00											110,000.00		124,400.00
Core expenses								5,549,723.79							5,549,723.79
Total Expenses	14,149.15	165,228.09	121,073.82	137,551.60	224,667.83	1,470,260.71	26,752.37	6,985,110.99	33,048.60	0.00	28,073.61	45,393.07	190,146.35	97,858.52	9,539,314.71
Results	2,909,553.35	359,171.91	1,122,706.18	-137,551.60	-224,667.83	-340,628.74	-26,752.37	-2,730,834.29	-24,641.06	0.00	391,926.39	134,606.93	519,853.65	-97,858.52	1,854,884.00

ANNEX C

Notes to the accounts of the ITU TELECOM World 2013 event

Primary programme objectives

A1 The primary programme objective of the world and regional telecommunication events and forums organized by the International Telecommunication Union is to keep the Member States and Sector Members of the Union, as well as the wider telecommunication community, informed of the latest advances in all fields of telecommunications and the possibility of applying them for the benefit of all members of the Union, particularly the developing countries.

Authority

A2 The International Telecommunication Union is the United Nations specialized agency for telecommunications. The purposes of the Union, as well as the authority granted to the Secretary-General, are stipulated in the relevant provisions of the Constitution and Convention of the International Telecommunication Union.

Accounts

A3 The Union maintains separate accounts for telecommunication events and related activities (revenue and expenses). The accounting period for ITU TELECOM World 2013 is 1 January 2013 to 31 December 2013.

Accounting policies

A4 Since the introduction of IPSAS, TELECOM accounts are kept on an accounting period rather than an event basis, and are no longer closed six months after the event has been held.

The accounts in question are also subject to some specific provisions, as described below:

- a) Revenue: Revenue for telecommunication events and related activities is recorded on an accrual basis. Contributions received in kind without any return service are not included in the accounts.
- b) Expenses: Expenses are recorded on an accrual basis, like revenue. Expenses include disbursements and unliquidated obligations.
- c) Physical assets: The costs of non-consumable and non-expendable assets are charged to expenses at purchase.
- d) Exchange gains and losses: Under telecommunication events, forums, and related activities, participation fees are established in the currency of the account. All other transactions not in the currency of the account are covered at the United Nations rate of exchange.
- e) Service exchanges have been entered under both expenses and revenue. Sponsors have been entered into the accounts under revenue only (see Annex E).

Exchange of services in kind

A5 Within the framework of ITU TELECOM World 2013, ITU exchanged non-invoiced services with 38 companies. Under the barter agreements the private companies provided ITU with print advertisement, Event editorial page in the company magazine, the use by ITU of the company's subscribers emailing database and Event banner display on the company's online events calendar. In addition, two sponsors provided a reporter as a moderator for the Big Conversation and a reporter as a moderator for a Q&A Session and for the Ministerial Roundtable. The estimated value of the barter agreements totalled CHF 1,129,631.97, in exchange for which ITU accorded free-of-charge rental space, access to internet and networking services.

ANNEX D

ITU TELECOM World 2013

List of receivables provisioned at 31 December 2013*

	<i>Swiss francs</i>			
	Amount invoiced	Payment received	Balance outstanding	Provision
Ministry of Posts & Telecom, LAOS	14,400.00	0.00	14,400.00	14,400.00
NCC - Nigeria Pav.	110,000.00	0.00	110,000.00	110,000.00
		Total	124,400.00	
		Total provision		124,400.00

* The situation does not take into account payments received after 31 December 2013. In accordance with estimations made, an amount of CHF 124,400.00 should be provisioned. All receivables, for which a provision had been made, have been paid as of 25 March 2014.

ANNEX E

ITU TELECOM World 2013
Sponsors and bartered services

Sponsors			
Name of Company	Amount Invoiced Swiss francs	Payment received Swiss francs	Heading
ARTCI	40,000.00	40,000.00	Networking Lunch
ARTP	50,000.00	0.00	Networking Reception
China International Advertising Corp.	280,000.00	0.00	Opening Ceremony
Huawei Technologies Co. Ltd.	240,000.00	240,000.00	Showfloor Session & Club Dinner
INACOM	260,000.00	260,000.00	Leader Space & Refreshments
Intel Corporation	170,000.00	0.00	Co-Hosted Education Track
ITU - BDT	40,000.00	40,000.00	Showfloor Session
Ministère de l'Economie - Gabon Pav.	40,000.00	40,000.00	Networking Lunch
Ministry of Info & Comm. - Thailand	3,500,000.00	3,500,000.00	Host Country Support
Ministry of Info & Comm. - Thailand	332,000.00	332,000.00	Host Country ITU Staff (Air Tickets, Term. Ect...)
Ministry of Info & Comm. - Thailand	62,076.00	0.00	Host Country ITU Satt (Pre event mission)
Ministry of Info & Comm. - Thailand	94,941.75	0.00	Host Country ITU Satt (DSA)
NCC - Nigeria Pav.	160,000.00	160,000.00	Leader Lunch - 19.11.2013
NCC - Nigeria Pav.	110,000.00	0.00	Dinner & Session
NICT	40,000.00	40,000.00	Showfloor Session
NTT Advertising Inc.	40,000.00	40,000.00	Co-Hosted Session
Ooredoo Group	300,000.00	300,000.00	Registration & Lanyards
Ooredoo Group	120,000.00	120,000.00	Qatar Dinner
POTRAZ - Zimbabwe Pav.	50,000.00	50,000.00	Networking Reception
Qualcomm Incorporated	40,000.00	40,000.00	Co-Hosted Session
TD Industry Alliance	40,000.00	40,000.00	TD-LTE Session
Telenor ASA	80,000.00	80,000.00	Visionary Keynote
The ITU Association of Japan (Mitsubishi)	40,000.00	40,000.00	Showfloor Session
VTM Group	40,000.00	40,000.00	Panel Session
Total	6,169,017.75	5,402,000.00	
Barters			
Name of Company	Amount Invoiced Swiss francs		
TelecomMarket Intelligence - 4GPortal	8,723.40		
Africa Telecom & IT	81,919.05		
Africa Today	64,588.50		
Al-Iktissad Wal-Aamal Group	29,388.80		
Arip Public Co. Ltd.	17,189.69		
The Bangkok Post	23,092.78		
BBC	80,000.00		
Business Wire	9,476.99		
Central Asian Cellular Forum	4,785.90		
CNN	130,000.00		
Communications Weekly	120,063.93		
ComNews Moscow	15,800.00		
Connect-World	98,714.50		
Convergencia Latina	9,908.33		
Times Media Group - Corporate Africa	40,083.72		
Developing Telecoms Ltd.	7,661.58		
Display+	12,096.00		
St John Patrick Publishers - European Com.	22,889.53		
IARU	0.00		
IC Publications	76,484.10		
Intercomms Publication	27,151.51		
IT Edge News	10,194.66		
ITNA Publishing PTY	874.71		
The Korea IT Times	53,831.82		
Marketsandmarkets.com	0.00		
Media Telecom	18,600.00		
MediaMughals	247.61		
MEF	0.00		
Network Telecom Information Ltd.	19,861.33		
RnR MarketResearch.com	0.00		
Samena Telecommunications Council	0.00		
Signal Telecom News	12,183.00		
Tele Audiovision Magazine Gmbh	3,453.58		
Telecomkh magazine	7,885.27		
Tele-Medios / TeleSemana	4,446.12		
Teyf Group	34,689.00		
TM Forum	1,806.00		
World News Media Ltd.	81,540.56		
Total	1,129,631.97		