

# Treasurer's Report

APNIC 31 - 25<sup>th</sup> Feb 2011

Hong Kong

James Spenceley  
Treasurer APNIC EC

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21 - 25 February 2011  
Hong Kong SAR, China



# Taxation Status 2010

- Historically APNIC classed as a Mutual
  - ATO reviewed APNIC's status differently
    - APNIC to be taxed as a 'for profit' entity
    - Revised assessment for FY05-06-07
    - Revised tax bill of \$424,500
  - **APNIC objected**
    - Case Reviewed, objected **upheld**
    - ATO refunded deposit, no tax bill of \$424,500
  - ATO confirmed that the "Principal of Mutuality" applies to APNIC Member fees
    - APNIC confirmed as "not-for-profit"

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# Financial Status 2010 Summary

- Completed audit by Ernst & Young:
  - Operating profit of AU\$250,556
- Operating revenue
  - AUD \$13.4m (budget was \$12.9m)  
(4% above budget)
- Operating expenses
  - AUD \$13.2m (budget was \$13.0m)  
(2% above budget)

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# Income Statement - Revenues

Revenue (AUD)	Actual 2010	Budget 2010	Budget Δ	Budget Δ%
Interest income	397,689	<b>460,555</b>	(62,866)	-14%
IP resource application fees	1,373,986	<b>1,442,149</b>	(68,163)	-5%
ISIF grant received	105,392	<b>0</b>	105,392	0%
Membership fees	209,241	<b>44,932</b>	254,317	3%
Non-members fees	18,025	<b>13,357</b>	18,025	13%
Per allocation fees	9,351	<b>305,351</b>	305,351	44%
Reactivation fees	13,101	<b>4,449</b>	4,449	34%
Sundry income	205,760	<b>91,320</b>	14,440	8%
FX rate gain / (loss)	(18,471)	<b>0</b>	(18,471)	0%
<b>TOTAL REVENUE</b>	<b>13,430,814</b>	<b>12,878,340</b>	<b>552,473</b>	<b>4%</b>

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# Income Statement - Expenses

Expenses (AUD)	Actual 2010	Budget 2010	Budget Δ	Budget Δ%
Communication expenses	339,964	<b>327,376</b>	12,588	4%
Depreciation expense	696,640	<b>783,975</b>	(87,335)	-11%
Donation/ sponsorship	205,987	<b>183,787</b>	22,200	12%
ICANN contract fees	321,172	<b>306,000</b>	15,172	5%
ISIF grant administration expense	105,392	<b>0</b>	105,392	0%
Meeting and training expenses	249,401	<b>287,400</b>	(37,999)	-13%
Membership fees	53,663	<b>55,660</b>	(1,997)	-4%
Other operating expenses	1,387,619	<b>1,193,988</b>	193,631	16%
Professional fees	554,295	<b>933,300</b>	(379,005)	-41%
Rent and Outgoings	1,418,314	<b>608,753</b>	809,561	133%
Salaries and personnel expenses	6,507,584	<b>6,725,352</b>	(217,768)	-3%
Travel expenses	1,404,527	<b>1,518,750</b>	(114,223)	-8%
<b>TOTAL EXPENSES</b>	<b>13,244,558</b>	<b>12,924,341</b>	<b>320,217</b>	<b>2%</b>



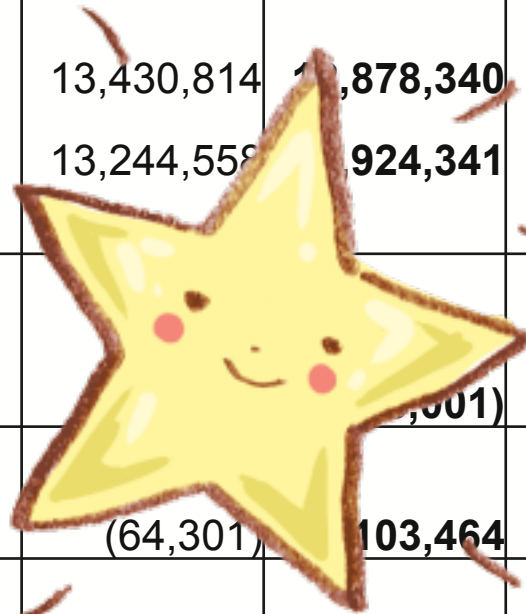
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# Operating Profit/(Loss)

Operating Profit/ (Loss) (AUD)	Actual 2010	Budget 2010	Budget Δ	Budget Δ%
Total Revenue	13,430,814	12,878,340	552,473	4%
Total Expenses	13,244,558	12,924,341	320,217	2%
<b>OPERATING PROFIT/ (LOSS) BEFORE INCOME TAX EXPENSE</b>		(103,001)	<b>232,257</b>	<b>505%</b>
Income Tax Expense/(Benefit)	(64,301)	103,464	(167,765)	162%
<b>OPERATING PROFIT/ (LOSS) AFTER INCOME TAX</b>	<b>250,556</b>	<b>(149,465)</b>	<b>400,022</b>	<b>268%</b>



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## Financial Position as at 31 December 2010

Financial Position (AUD)	Year-End 2010	Year-End 2009	Year-End Δ%
Current Assets	7,671,457	11,001,836	-30%
Non-current Assets	9,528,170	2,35,614	155%
<b>TOTAL ASSETS</b>	<b>17,199,627</b>	<b>14,737,450</b>	<b>17%</b>
Total Liabilities	8,184,130	5,933,838	38%
Total Equity	9,015,497	8,803,612	2%
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>17,199,627</b>	<b>14,737,450</b>	<b>17%</b>

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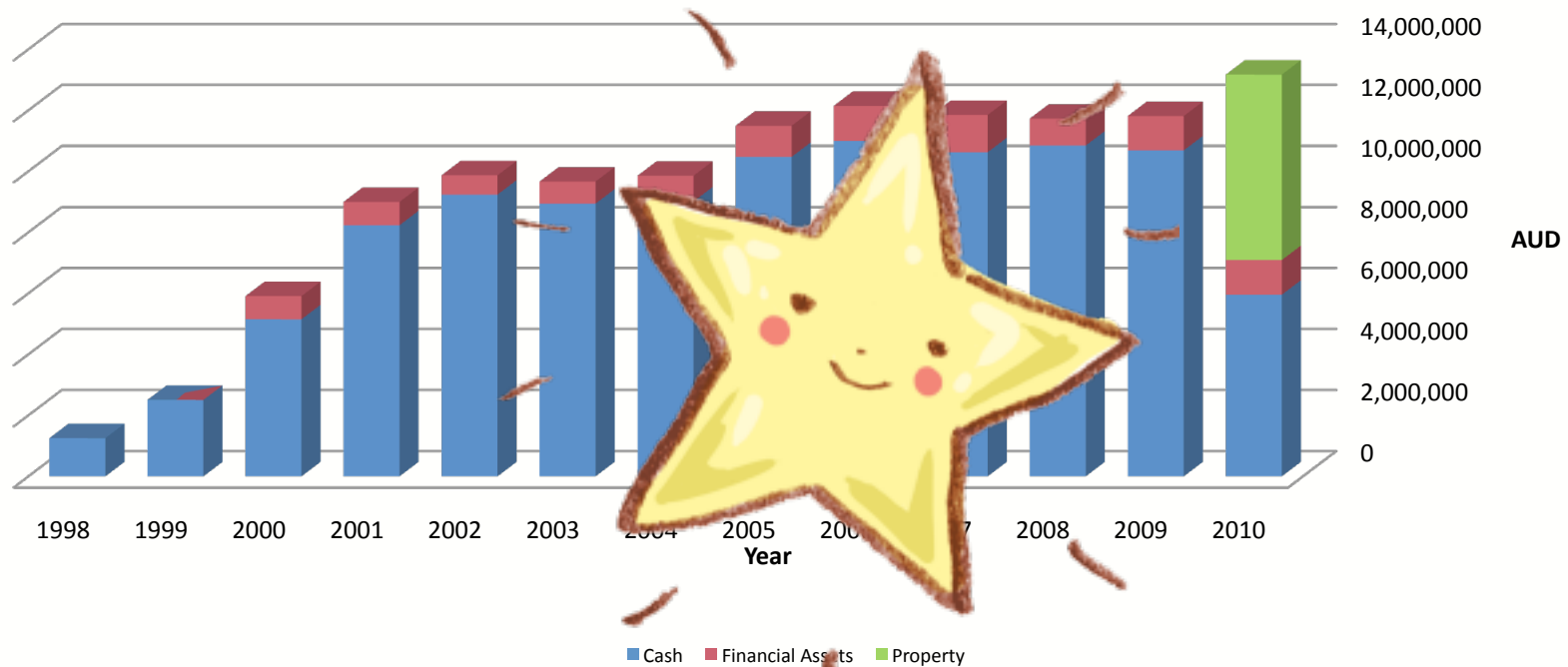
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# APNIC Reserves

(At the end of the year, we had more than we started with)



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# 2010 Key Points

- Tax objection upheld
- Revenue greater than budget
- Expenses great than budget
- Tight control of costs (and timing) resulted in operating profit
- Completed move to own office (benefit starting in 2011)
- Increased Cash Reserves

In summary 2010 was



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*Questions?*

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# APNIC Budget 2011

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# Budget Objectives

- The APNIC Member and Stakeholder survey was used as the basis to develop the activity and operational plans for the 2011 budget
- The Overall budget was reviewed, changed and modified by EC
- Focus on **financial stability**
- Ensure high level of financial governance and control in APNIC activities

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# Projected Revenues

Revenue (AUD)	Budget 2011	% of Total
Interest income	330,000	2%
IP resource application fees	1,128,316	8%
Membership fees	12,511,220	87%
Non-member fees	158,506	1%
Sundry income	311,063	2%
<b>TOTAL PROJECTED REVENUE</b>	<b>14,439,105</b>	<b>100%</b>

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# Projected Expenses

Expenses (AUD)	Budget 2011	% of Total
Communication expenses	427,368	3%
Depreciation expense	1,015,613	7%
Sponsorship and publicity expenses	306,500	2%
ICANN contract fee	322,000	2%
Meeting and training expenses	381,100	3%
Membership fees	68,300	0%
Other operating expenses	1,500,864	11%
Professional fees	885,350	6%
Miscellaneous	418,923	3%
Salaries and personnel expenses	7,406,255	52%
Travel expenses	1,502,850	11%
<b>TOTAL PROJECTED EXPENSES</b>	<b>14,235,123</b>	<b>100%</b>

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# Projected Operating Profit

Operating Loss (AUD)	Budget 2011
Projected Revenue	14,439,105
Projected Expenses	14,235,123
<b>OPERATING PROFIT</b>	<b>203,982</b>

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# 2011 / 2010 Comparison

<b>Operating Profit/ (Loss) (AUD)</b>	<b>Budget 2011</b>	<b>Actual 2010</b>
Total Revenue	<b>14,439,105</b>	<b>13,430,814</b>
Total Expenses	<b>14,235,123</b>	<b>13,244,558</b>
Profit (Loss)	<b>203,982</b>	<b>250,556</b>

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# APNIC Budget 2011

*Questions?*

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