

APNIC EC Meeting Minutes

Teleconference
Thursday 19 June 2008

Meeting Start: 3:00 pm (UTC +1000)

Present

Akinori Maemura
Che-Hoo Cheng
Kusumba Sridhar
Ming-Cheng Liang
Ma Yan
Mao Wei
Paul Wilson (minutes)

Irene Chan

Apologies

Kuo-Wei Wu
Geoff Huston

Agenda

1. Agenda Bashing
2. Review of Minutes and Action List Review from 15 May Meeting
3. Financial Report: Financial Report 05/08
4. Director-General's Report
5. Approval of Revisions to APNIC EC Handbook
6. APNIC 28 - updated proposal from CNNIC
7. Proposed agreement on Legacy Address Space
8. AOB

Minutes

1. Agenda bashing

There were no changes to the agenda.

2. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 15 May 2008 were approved.

Action ec-08-019: Secretariat to publish minutes of the May meeting

Review of action items:

Action ec-08-014: Secretariat to implement Conflict of Interest recommendations
Done.

Action ec-08-016: Secretariat to publish minutes of 21 April 2008 meeting.
Done.

Action ec-08-017: Secretariat and CNNIC to further discuss the hotel venue and budget issues.
Done.

Action ec-08-018: EC Chair to forward the draft note of APNIC EC support for NRO incorporation and formal contract with ICANN to the RIR Board.
Done.

3. Finance Report

Irene Chan provided a review of expenditures and revenues, and membership movements. There was one question regarding the movement of a member from the Very Large to the Extra Large category.

The EC accepted the monthly financial report for May 2008 (attached).

4. Director-General's Report

The D-G noted that legal expenses may be higher than budgeted this year, due to unexpected developments. In the first place, a rapid increase in cases of membership merger, acquisition, transfer and related cases requires substantial legal review and advice. Secondly, a trademark infringement in Europe has prompted investigation into trademark registrations in other jurisdictions.

APNIC has received a request from the IGF organisers for our assistance with webcasting the 2008 IGF event. This is a major undertaking but would be good for APNIC's profile. The secretariat is investigating costs and feasibility.

On HR matters it was reported that 2 Hostmasters have been appointed since the past meeting, one to a vacant position, and one to a new position according to the budget. One administrative staffer departed during the last month (for personal reasons) and has been replaced by a temporary staff position.

5. Approval of Revisions to APNIC EC Handbook

Several questions were raised about the existing provisions of the EC handbook, and it was suggested that these should be referred to email.

The EC agreed to allow more time for review of this document, and to discuss during the next meeting.

Action ec-08-020: EC to review EC Handbook before the next meeting.

6. APNIC 28 - updated proposal from CNNIC

The EC noted the updated proposal from CNNIC with thanks, and noted CNNIC's offer to underwrite any budgetary losses, based on a \$50,000 contribution from APNIC. The EC agreed that the Secretariat should continue discussions with CNNIC.

Action ec-08-021: Secretariat to continue work with CNNIC in preparation for APNIC 28.

7. Proposed agreement on Legacy Address Space

The EC reiterated its support for this proposed MoU, and agreed that it would be prepared to proceed with signing this agreement, and would not await unanimity from all other RIRs.

8. AOB

It was noted that a joint meeting of the RIR Boards would be held during the ICANN meeting in Paris. This will be attended by Ming-Cheng Liang and Kuo-Wei Wu.

Action ec-08-022: Secretariat to circulate details of Paris meeting of the RIR Boards.

Next meeting

17-18 July 2008 (Brisbane)

Meeting closed: 4:30 pm (UTC+1000)

Summary of Action Items

Action ec-08-019: Secretariat to publish minutes of the May meeting

Action ec-08-020: EC to review EC Handbook before the next meeting.

Action ec-08-021: Secretariat to continue work with CNNIC in preparation for APNIC 28.

Action ec-08-022: Secretariat to circulate details of Paris meeting of the RIR Boards.



APNIC

Monthly financial report (in AUD)

For the month ending May 2008

Asia Pacific Network Information Centre

1. Balance Sheet

Statement of Financial Position (AUD)					
	31/05/2008	% of Total Asset or Liab+Equity	% change from 31/12/2007	Year-End 2007	Year-End 2006
CURRENT ASSETS					
Cash	6,592,791	43%	-0.5%	6,626,341	5,696,300
Term deposit investment	2,300,000	15%	0.0%	2,300,000	3,300,000
Receivables	1,817,369	12%	146.3%	737,859	1,474,467
Others	433,432	3%	33.1%	325,739	347,259
TOTAL CURRENT ASSETS	11,143,592	72%	11.5%	9,989,939	10,818,026
NON-CURRENT ASSETS					
Other financial assets	1,066,664	7%	-12.8%	1,222,666	1,148,369
Property, plant and equipment	1,583,318	10%	-5.0%	1,667,091	1,494,461
Long term deposit investment	1,700,000	11%	0.0%	1,700,000	2,000,000
TOTAL NON-CURRENT ASSETS	4,349,982	28%	-5.2%	4,589,758	4,642,830
TOTAL ASSETS	15,493,575	100%	6.3%	14,579,696	15,460,856
CURRENT LIABILITIES					
Payables	447,445	3%	-60.7%	1,139,160	1,458,382
Provisions	915,148	6%	3.0%	888,178	707,834
Unearned revenue	5,225,424	34%	36.9%	3,817,898	4,271,275
TOTAL LIABILITIES	6,588,017	43%	12.7%	5,845,236	6,437,490
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment	(66,750)	0%	-173.5%	90,827	143,620
Retained earnings	8,972,306	58%	3.8%	8,643,633	8,879,745
TOTAL EQUITY	8,905,558	57%	2.0%	8,734,461	9,023,366
TOTAL LIABILITIES & EQUITY	15,493,575	100%	6.3%	14,579,696	15,460,856

Notes:

For comparison purposes the following exchange rates apply:

- (1) ATO official monthly average rate for May 2008 is 0.9580
- (2) ATO official notes spot rate for 31 Dec 2007 was 0.8875 and for 31 Dec 2006 respectively 0.7938

2. Profit and Loss Statement

2.1 Expenses

The approved Budget for 2008 including the minor revisions in April has been incorporated into this report, and compared with the actual year to date account balances at the end of May 2008. The items affected by the budget revisions made in April are highlighted with an asterisk.

EXPENSES (AUD)	May-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Bank charges	3,777	26,406	0.7%	83,573	34,822	(8,416)	-24.2%
Communication expenses	13,196	70,946	1.9%	231,783	96,576	(25,631)	-26.5%
Computer expenses	9,887	54,399	1.4%	162,390	67,663	(13,263)	-19.6%
Depreciation expense	51,903	257,626	6.8%	641,480	267,283	(9,657)	-3.6%
Sponsorship and Publicity expenses	11,089	40,988	1.1%	190,883	79,535	(38,546)	-48.5%
Doubtful debt expenses	0	57	0.0%	20,126	8,386	(8,329)	-99.3%
ICANN contract fee	23,750	118,750	3.1%	285,000	118,750	0	0.0%
Insurance expense	9,986	52,107	1.4%	121,526	50,636	1,471	2.9%
Meeting and training expense	0	32,420	0.9%	183,841	76,600	(44,181)	-57.7%
Membership fees	4,438	22,233	0.6%	69,496	28,957	(6,724)	-23.2%
Miscellaneous expenses	29	799	0.0%	5,534	2,306	(1,507)	-65.3%
Office operating expenses	16,171	45,353	1.2%	88,616	36,923	8,429	22.8%
Postage & delivery	3,663	17,110	0.5%	36,586	15,244	1,866	12.2%
Printing & photocopy	1,654	15,572	0.4%	31,526	13,136	2,436	18.5%
Professional fees	17,181	103,050	2.7%	544,172	226,738	(123,689)	-54.6%
Recruitment expense	11,812	49,612	1.3%	90,503	37,709	11,903	31.6%
Rent and outgoings *	63,362	224,692	5.9%	586,245	244,269	(19,577)	-8.0%
Salaries and personnel expenses	640,042	2,101,604	55.4%	5,402,753	2,181,881	(80,277)	-3.7%
Staff Training/conference expenses	9,544	61,444	1.6%	84,305	35,127	26,317	74.9%
Tax expense	0	0	0.0%	44,928	18,720	(18,720)	-100.0%
Translation expenses	0	8,229	0.2%	73,871	30,779	(22,551)	-73.3%
Travel expenses *	103,316	487,502	12.9%	1,519,033	632,930	(145,429)	-23.0%
TOTAL EXPENSES	994,801	3,790,899	100.0%	10,498,170	4,304,972	(514,073)	-11.9%

2.2 Revenue

REVENUE (AUD)	May-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Interest income	89,847	327,860	8.0%	721,997	300,832	27,028	9.0%
IP Resource application fees	79,225	454,738	11.0%	963,960	401,650	53,088	13.2%
Membership fees *	539,801	2,610,598	63.4%	6,732,908	2,805,378	(194,780)	-6.9%
Non-members fees	10,290	52,685	1.3%	198,316	82,631	(29,946)	-36.2%
Per Allocation fees	100,336	637,610	15.5%	1,912,246	796,769	(159,159)	-20.0%
Reactivation fees	1,268	3,804	0.1%	17,936	7,473	(3,669)	-49.1%
Sundry income	19,537	46,077	1.1%	214,885	89,536	(43,459)	-48.5%
Foreign Exchange gain/(loss)	(4,300)	(13,801)	-0.3%	0	0	(13,801)	0.0%
TOTAL REVENUE	836,004	4,119,572	100.0%	10,762,248	4,484,270	(364,698)	-8.1%

2.3 Operating Profit/ Loss

Revenue and Expenses (AUD)	May-08 Actual	YTD Actual	YTD %	Budget 2008	YTD (**) Budget 2008	YTD Budget Variation	YTD Budget Variation %
Total Revenue	836,004	4,119,572	100%	10,762,248	4,484,270	(364,698)	-8.1%
Total Expenses	994,801	3,790,899	100%	10,498,170	4,304,972	(514,073)	-11.9%
OPERATING PROFIT/ (LOSS)	(158,797)	328,673		264,077	179,298	149,375	3.8%

Notes:

- The significant variances to budget for expenses and revenue are:-
 - Professional fees – the majority of costs will not be incurred until the second half of the year.
 - Travel expenses – the majority of travel expenses for the EC and Secretariat will be incurred later in the budget year.
 - Membership fees – revenue from fees continues to increase as the year progresses, by December all membership fees will be invoiced and recognized in \$AUD

(**) YTD Budget and Variation values are generally based on a prorated calculation of the annual budget; where available the budget may be allocated to the period when a Revenue or Expense is expected to be incurred.

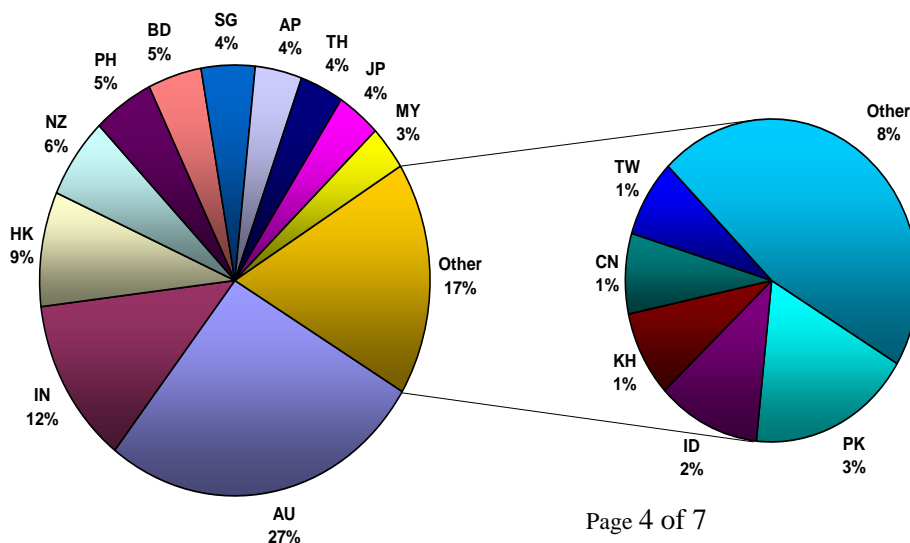
3. Membership

3.1 Membership statistics

At the end of May 2008, APNIC had a total of 1,713 members serving 51 economies. There were 35 new members, and 12 member accounts were closed, 1 new member account was reactivated during the month. The economies in which APNIC has the highest number of members are Australia (462 members), India (214 members), and Hong Kong (150 members).

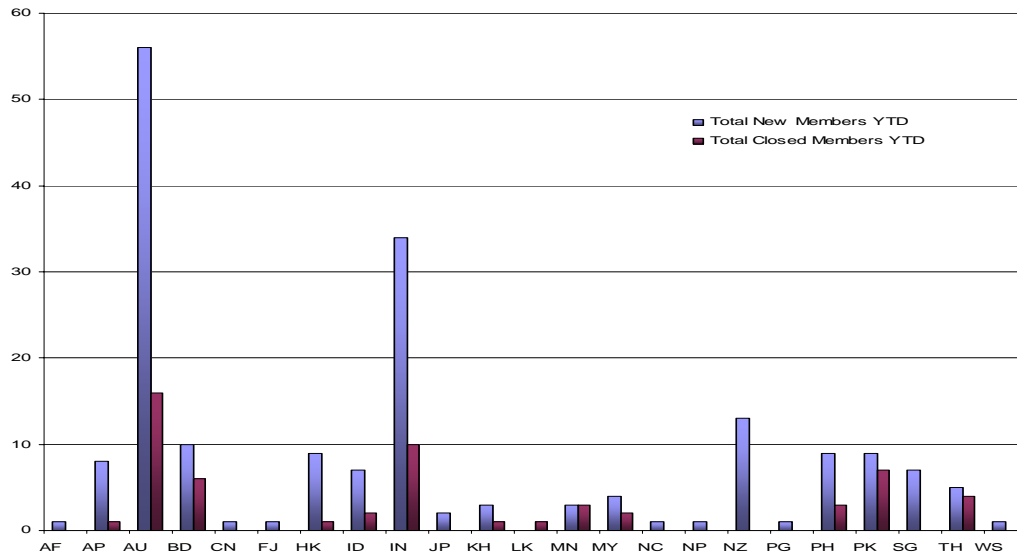
3.1.1 Membership by Economy

The following chart illustrates the APNIC membership distribution by economy.



3.1.2 Year to date movement by Economy

The chart below illustrates by economy the number of members that have joined or closed their membership so far in 2008. As at the end of May 2008, APNIC have the net growth of 129 members, with 186 new members whilst 57 members accounts have been closed. The highest numbers of new members are from Australia (56), followed by India (34). The majority of the closures are due to members that are either non contactable, or the business is no longer operating.



3.1.3 Membership by Category

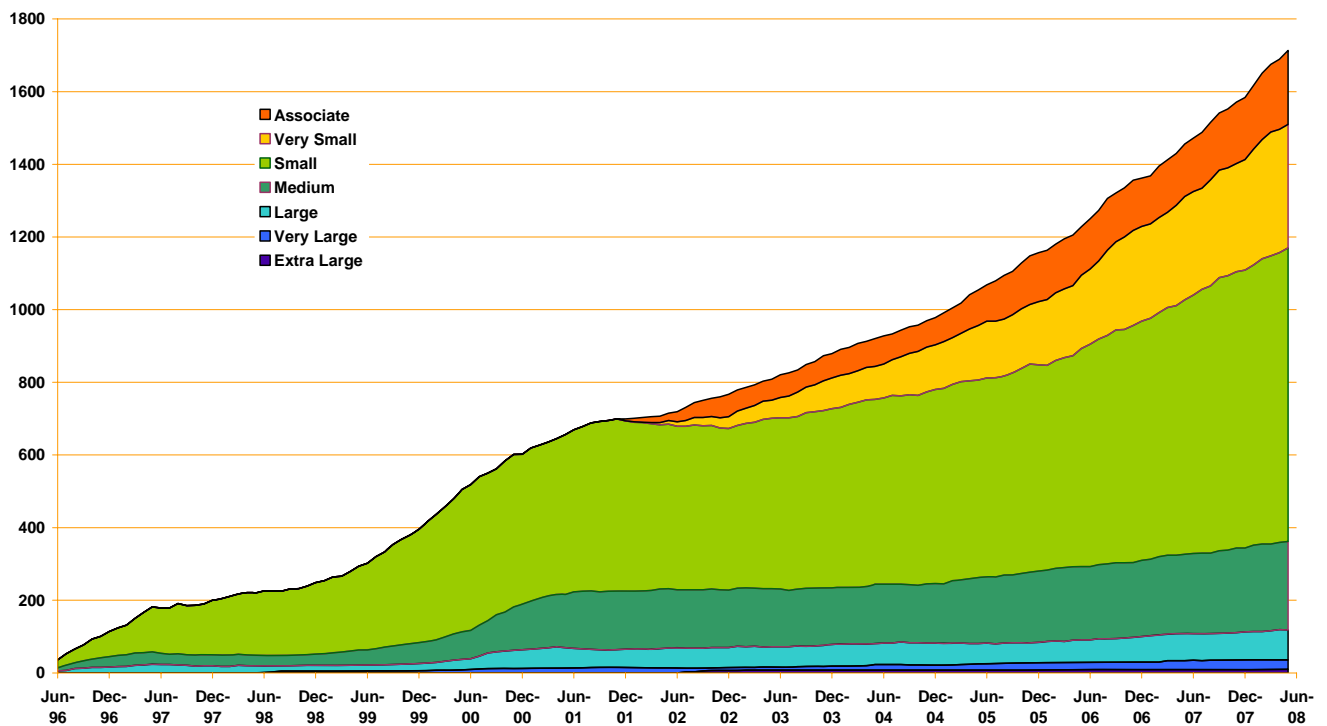
The following table shows the monthly changes in membership and provides an analysis of the membership tiers of APNIC; this table shows that 47% of APNIC members are included in the Small membership tier.

Membership	Total	New	Reactivate	(Closed)	Size	Total YTD	Total YTD
	Apr-08	May-08	May-08	May-08	Change	May-08	(%)
Extra Large	10	0	0	0	0	10	1%
Very Large	26	0	0	0	0	26	2%
Large Member	83	0	0	(1)	0	82	5%
Medium	240	0	0	(1)	5	244	14%
Small	798	4	0	(3)	9	808	47%
Very Small	339	8	1	(3)	(5)	340	20%
Associate	193	23	0	(4)	(9)	203	12%
TOTAL	1689	35	1	(12)	0	1713	100%

The table below compares the actual growth of membership at the end of May 2008 with the budgeted annual growth on a monthly pro-rata basis.

Membership	Actual Total EOY 2007	Actual Total YTD May-08	Actual Growth YTD 2008	Budgeted Total EOY 2008	Budgeted Growth EOY 2008	Budgeted Growth YTD (*)	Variation Actual vs. Budget (*)
Extra Large	9	10	1	9	0	0	1
Very Large	27	26	-1	34	7	3	-4
Large Member	77	82	5	83	6	3	2
Medium	231	244	13	259	28	12	1
Small	765	808	43	894	129	54	-11
Very Small	304	340	36	405	101	42	-6
Associate	171	203	32	219	48	20	12
TOTAL	1584	1713	129	1903	319	134	-5

The graph below is based on historical figures of the total number of members since the establishment of APNIC's membership system in 1996. This graph illustrates the strong growth in APNIC membership.



3.1.4 Membership Movement

The graph below illustrates the monthly movements of APNIC membership since 1996.

