

APNIC EC Meeting Minutes

Teleconference

Thursday, 17th September 2009

Meeting Start: 11:05 am (UTC +1100) 17 September 2009

Present

Akinori Maemura (Chair)
Che-Hoo Cheng
Hyun-Joon Kwon
James Spenceley
Jian Zhang

Geoff Huston (minutes)
Irene Chan
Richard Brown
Connie Chan

Apologies

Kuo-Wei Wu
Ma Yan
Paul Wilson

Agenda

1. Agenda Bashing
2. Review of Minutes and Action List Review from 25 August meeting
3. Financial Report
4. Director-General's Report
5. AOB

Minutes

1. Agenda Bashing

No further items were added to the agenda.

2. Minutes of Last Meeting and Matters Arising

The minutes from the meeting of 25 August 2009, amended to record the outcome of the subsequent EC decision regarding the location for APNIC 30, were approved.

Action ec-09-025: Secretariat to publish minutes of the August 25 meeting

Action list review:

Action ec-09-024: Secretariat to publish minutes of the July 15 meeting
Completed

3. Financial Report

Irene Chan reported to the EC on the August 2009 APNIC Financial Statement (attached). Income for the year to date is 4.1% below pro-rate budget projections, and expenses are 4.0% lower than pro-rata projections.

It was noted that a response by the Australian Taxation Office to APNIC's notice of objection remains forthcoming. Further action will be determined once the response is received.

APNIC had 2,074 members by the end of August. Membership growth remains strong.

The August 2009 Financial Statement was accepted by the EC.

4. Director-General's Report

The D-G conveyed his apologies to this meeting.

The Business Manager reported on HR items, noting a change in the management team with the training manager moving to an education liaison consultancy role and a senior member of the training team taking on the role of manager of the training unit.

The Executive Secretary reported that the application for recognition of an India NIR was being processed, with the next step being the preparation of material for an open call for comment.

Next Meeting

15 October 2009 (Teleconference)

Meeting closed: 11:40 am (UTC+1000)

Summary of Action Items

Action ec-09-025: Secretariat to publish minutes of the August 25 meeting



APNIC

Monthly financial report (in AUD)

For the month ending August 2009

Asia Pacific Network Information Centre

1. Balance Sheet

Statement of Financial Position (AU\$)					
	31/08/2009	% of Total Asset or Liab+Equity	% change from 12/31/08	Year-End 2008	Year-End 2007
CURRENT ASSETS					
Cash	7,408,930	44%	8.2%	6,844,414	6,626,341
Term deposit investment	2,300,000	14%	0.0%	2,300,000	2,300,000
Receivables	1,884,291	11%	24.1%	1,518,540	737,859
Others	1,116,576	7%	106.5%	540,688	325,739
TOTAL CURRENT ASSETS	12,709,797	75%	13.4%	11,203,642	9,989,939
NON-CURRENT ASSETS					
Other financial assets	946,690	6%	7.2%	883,201	1,222,666
Property, plant and equipment	1,600,630	9%	-6.3%	1,708,216	1,667,091
Long term deposit investment	1,700,000	10%	0.0%	1,700,000	1,700,000
TOTAL NON-CURRENT ASSETS	4,247,320	25%	-1.0%	4,291,417	4,589,758
TOTAL ASSETS	16,957,118	100%	9.4%	15,495,060	14,579,696
CURRENT LIABILITIES					
Payables	791,270	5%	25.7%	629,650	1,139,160
Provisions	1,006,139	6%	1.6%	989,847	888,178
Unearned revenue	6,083,676	36%	13.0%	5,383,679	3,817,898
TOTAL LIABILITIES	7,881,086	46%	12.5%	7,003,177	5,845,236
EQUITY					
Share capital	1.00	0%	0.0%	1.00	1.00
Reserves other financial assets investment	(10,470)	0%	0.0%	0	90,827
Retained earnings	9,086,501	54%	7.0%	8,491,882	8,643,633
TOTAL EQUITY	9,076,032	54%	6.9%	8,491,883	8,734,461
TOTAL LIABILITIES & EQUITY	16,957,118	100%	9.4%	15,495,060	14,579,696

Note:

* The negative value in "Reserves on other financial assets investment" was due to the revaluation of our investment in unit trusts and was based on the market valuation as at the end of June.

2. Income Statement

2.1 Expenses

All expenses include the actual and accrued costs as at the end of August. The projected figures for 2009 are compared to the approved 2009 budget figures.

EXPENSES (AUD)	Monthly Aug-09	YTD Aug-09	Projected Actual	Budget 2009	Budget Variation %
Bank charges	6,714	47,965	71,948	73,816	-2.5%
Communication expenses	12,495	102,190	153,285	158,549	-3.3%
Computer expenses *	32,637	260,226	390,339	339,423	15.0%
Depreciation expense	61,428	477,004	715,507	679,860	5.2%
Sponsorship and Publicity expenses	5,014	82,204	123,306	176,981	-30.3%
Doubtful debt expenses	0	1,804	2,706	27,175	-90.0%
ICANN contract fee *	29,891	239,131	358,696	329,200	9.0%
Insurance expense	11,420	89,973	134,960	130,310	3.6%
Meeting and training expense	14,713	56,488	154,732	213,500	-27.5%
Membership fees	5,489	43,212	64,818	68,700	-5.7%
Miscellaneous expenses	3,138	4,605	6,908	2,000	245.4%
Office operating expenses	11,986	82,722	124,083	126,731	-2.1%
Postage & delivery	2,518	15,479	23,218	35,000	-33.7%
Printing & photocopy	1,205	17,562	26,343	45,000	-41.5%
Professional fees	16,490	446,574	881,861	854,832	3.2%
Recruitment expense	1,382	58,523	87,785	118,826	-26.1%
Rent and outgoings	48,960	392,808	589,212	646,179	-8.8%
Salaries and personnel expenses*	459,313	3,769,357	6,031,472	6,103,160	-1.2%
Staff training/conference expenses	1,732	52,282	123,423	132,000	-6.5%
Tax expense *	0	0	112,446	135,000	-16.7%
Translation expenses	15,448	15,448	25,000	35,000	-28.6%
Travel expenses *	152,823	902,756	1,376,134	1,627,237	-15.4%
TOTAL EXPENSES	894,795	7,158,313	11,578,180	12,058,479	-4.0%

2.2 Revenue

Revenue (AUD)	Monthly Aug-09	YTD Aug-09	Projected Actual	Budget 2009	Budget Variation %
Interest income	45,213	487,537	628,923	617,000	1.9%
IP Resource application fees	133,098	830,278	1,245,417	1,263,282	-1.4%
Membership fees *	666,030	5,154,021	7,840,171	7,943,814	-1.3%
Non-members fees	10,603	84,223	126,334	131,984	-4.3%
Per Allocation fees *	78,524	1,073,877	1,610,815	1,876,701	-14.2%
Reactivation fees	1,268	7,608	11,412	15,601	-26.9%
Sundry income *	482	142,602	152,602	237,744	-35.8%
Foreign exchange gain/(loss)	(4,060)	(27,214)	(27,214)	0	0.0%
TOTAL REVENUE	931,159	7,752,932	11,588,460	12,086,125	-4.1%

2.3 Operating Profit/ Loss

REVENUE and EXPENSES (AUD)	Monthly Aug-09	YTD Aug-09	Projected Actual	Budget 2009	Budget Variation %
Total Revenue	931,159	7,752,932	11,588,460	12,086,125	-4.1%
Total Expenses	894,795	7,158,313	11,578,180	12,058,479	-4.0%
OPERATING PROFIT/(LOSS)	36,364	594,619	10,280	27,647	

Notes on significant variances:

- 1) Computer expenses:
 - Increases in support and maintenance costs
- 2) ICANN contract fee
 - Increase in the APNIC proportion for NRO contribution
- 3) Salaries and personnel:
 - Continued focus on reduction in leave balances
 - Expenses reduced as a result of the time taken to find replacement staff
- 4) Travel expenses:
 - Executive team focus on staff travel activity and competitive fare environment
- 5) Tax Expense:
 - KPMG have lodged objections with the ATO responding to the revised tax assessments for the period 2005 to 2007, based on their advice, no allowance for any payments relating to this tax liability has been incorporated into these accounts. KPMG expect the response from the ATO on Friday 18th of September
- 6) Membership fees:
 - Slower membership growth than budgeted with the majority of new members joining in the Associate membership tier
- 7) Per Allocation fees:
 - Lower volume of NIR requests than budgeted
- 8) Sundry Income:
 - Arrangement to contribute all meeting income to the local host

Note: Accounts are projected base on the following:-

- *pro-rata from the actual figures and projected until end of year*
- *year to date figures will be used if further expenses are not expected*
- *budget figures, or*
- *other updated information on hand.*

3. Membership

3.1 Membership statistics

At the end of August 2009, APNIC had a total of 2,074 members serving 51 economies. There was net growth of 34 members, with 48 new members, 15 member accounts were closed, and 1 account was reactivated during August. There was one additional Extra Large member (VNNIC-VN) in August.

3.1.1 Membership by Category

The following table shows the monthly changes in membership and provides an analysis of APNIC's membership tiers; this table shows that 39% of APNIC members are included in the Small membership tier.

Membership	Total Jul-09	New Aug-09	Reactivate Aug-09	(Closed) Aug-09	Size Change Aug-09	Total YTD Aug-09	Total YTD (%) Aug-09
Extra Large	12	0	0	0	1	13	1%
Very Large	31	0	0	0	(1)	30	1%
Large	101	0	0	(1)	4	104	5%
Medium	267	0	0	(4)	1	264	13%
Small	812	1	0	(3)	9	819	39%
Very Small	399	3	1	(2)	11	412	20%
Associate	418	44	0	(5)	(25)	432	21%
TOTAL	2040	48	1	(15)	0	2074	100%

The table below compares the actual growth in each tier of membership at the end of August 2009 to the budgeted annual growth on a monthly pro-rata basis. Overall growth at the end of August is above budget, with Associate membership growing at a faster rate than anticipated. Growth in the Small tier ended significantly lower than expected at the end of 2008, this resulted in the overestimation of membership in this tier for 2009.

Membership	Actual Total EOY 2008	Budgeted Total EOY 2009	Budgeted Growth EOY 2009	Actual Total YTD Aug-09	Actual Growth YTD 2009	Budgeted Growth YTD (*)	Variation Actual vs Budget (*)
Extra Large	12	13	1	13	1	1	0
Very Large	30	33	3	30	0	2	(2)
Large	92	101	9	104	12	6	6
Medium	251	271	20	264	13	13	0
Small	813	903	90	819	6	60	(54)
Very Small	345	420	75	412	67	50	17
Associate	312	408	96	432	120	64	56
TOTAL	1855	2149	294	2074	219	196	23

3.1.2 Membership Movement

The following graphs illustrate the monthly movements of APNIC membership, followed by the 2009 year to date new and closed members by economy.

