



Annual Budget 2008

(in AUD)

Asia Pacific Network Information Centre

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APNIC Annual Budget – 2008 (in AUD)

For financial year ending December 31, 2008

1. Overview

This budget is prepared for the APNIC financial year January to December 2008. It includes revenue, expense and cash flow projections based on the planned activity profile for APNIC for 2008, projected membership growth and other financial factors including projected cost index movement and cash interest rates.

Formal EC approval has been provided by resolution of the EC for expenditure authority to the amount of AUD \$10,498,170 for operational expenditure and AUD \$ 1,000,500 for the purchase of capital assets to support the operations of APNIC for 2008.

2. Budget Preparation Notes

The APNIC 2008 budget has been prepared on the basis of expenditures forecast to support the APNIC in undertaking membership services and support functions for 2008. The data sources used to prepare this budget are:

- The APNIC member survey has been used to prepare departmental activity programs for 2008 which have been assembled into projections for line item expenditure forecasts as reported in the APNIC General Ledger accounting system.
- The APNIC organizational structure provides data concerning the staff establishment level.
- The forecasts of expenditure use trend and variability estimates based on financial data drawn from the APNIC annual financial reports from 2003 to 2006, and the projected financial outcome for 2007, as of the October 2007 monthly financial report.
- The Financial Outlook report for 2008 produced by the National Bank of Australia has been used for interest rate and Consumer Price Index (CPI) forecast information.
- The APNIC Asset Registry provides data concerning the line item for depreciation.
- Financial advice has been provided by APNIC's accountants concerning APNIC's taxation liability.
- Revenue data has been adjusted to take into account the 2008 APNIC fee schedule and the use of the AUD for membership fee and service payments.

3. Projected Membership Growth

During 2007, APNIC membership grew at a rate higher than previous years, and similar growth is projected in year 2008.

Under this budget, we forecast an ongoing linear membership growth in all membership categories, resulting in an overall growth of 26 members per month, as follows:

Membership Category (Tier)	Actual 31/12/2007	Projection 31/12/2008
Extra Large	9	9
Very Large	27	34
Large Member	77	83
Medium	231	259
Small	765	894
Very Small	304	405
Associate	171	219
Total Membership	1584	1903
Annual Net Gain	222	319
Average Net Increase per month	19	26

4. Projected Revenues

APNIC revenues in 2008 are projected as follows.

Revenue Item	Annual Budget (AUD)	% of Total Budget
Interest income	721,997	7%
IP Resource application fees	963,960	9%
Membership fees	6,962,908	63%
Non-members fees	198,316	2%
Per allocation fees	1,912,246	17%
Sundry income	232,821	2%
Total Projected Revenue	10,992,248	100%

5. Projected Expenses

APNIC operating expenses in 2008 are projected as follows.

Expense Item	Annual Budget (AUD)	% of Total Budget
Communication expenses	231,783	2%
Depreciation expense	641,480	6%
Sponsorship and publicity expenses	190,883	2%
ICANN contract fee	285,000	3%
Meeting and training expenses	183,841	2%
Membership fees	69,496	1%
Other operating expenses	843,484	8%
Professional fees	544,172	5%
Rent and outgoings	666,245	6%
Salaries and personnel expenses	5,402,753	51%
Travel expenses	1,439,033	14%
Total Projected Expenses	10,498,170	100%

6. Projected Operating Profit/Loss

The overall financial position of APNIC for 2008 is projected as follows, based on the above revenue and expense projections.

OPERATING PROFIT/(LOSS)	Annual Budget (AUD)
Total Projected Revenue	10,992,248
Total Projected Expenses	10,498,170
OPERATING PROFIT/(LOSS)	494,077

7. Projected Cash Flows

The end of year capital reserve for 2008 is projected as follows, based on opening balances for the year, cash receipts, and disbursements that are expected on the basis of the above revenue and expense projections including capital purchases.

Cash flow Item	Amount (AUD)
Cash position in AUD, 1 Jan 2008	6,666,398
Projected cash receipts	10,992,248
Projected cash disbursements	10,658,765
Net change in cash position	333,482
Term deposit investments	4,000,000
Cash position in AUD, 31 Dec 2008	10,999,880
Increment for next year's budget	15%
Projected budget for year 2009	12,030,903
Capital reserve as % of next year's budget	91%

In accordance with APNIC Executive Council fiscal policy, this budget ensures an ending cash reserve approximately equal to the projected annual budget for the following year. The APNIC budget will be monitored and managed during 2008 in accordance with this policy.