



2006 Annual Financial Report
(for the period 1 January to 31 December 2006)

23rd APNIC Open Policy Meeting
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Contents

1. Balance Sheet	2
2. Profit and Loss Statement	3
2.1 Expenses	3
2.2 Revenue	3
2.3 Operating Profit/ (Loss)	4
3. Membership.....	4

1. Balance Sheet

Statement of Financial Position (USD)					
	Year-End 2006	% of Total Asset or Liab+Equity	% change from Year-End 2005	Year-End 2005	Year-End 2004
<i>Exchange rate(*)</i>	<i>0.7938(1)</i>		8%	<i>0.7363(2)</i>	<i>0.7835(2)</i>
CURRENT ASSETS					
Cash	4,521,723	37%	19%	3,809,068	3,691,561
Term deposit investment	2,619,540	21%	8%	2,429,790	2,585,550
Receivables	1,328,391	11%	49%	890,592	510,816
Advance payment	105,838	1%	22%	86,413	128,152
Others	11,857	0%	206%	3,879	13,520
TOTAL CURRENT ASSETS	8,587,349	70%	19%	7,219,742	6,929,599
NON-CURRENT ASSETS					
Other financial assets	911,576	7%	21%	751,599	663,273
Property, plant and equipment	1,186,303	10%	22%	971,547	1,074,177
Long term deposit investment	1,587,600	13%	8%	1,472,600	783,500
TOTAL NON-CURRENT ASSETS	3,685,478	30%	15%	3,195,746	2,520,950
TOTAL ASSETS	12,272,827	100%	18%	10,415,488	9,450,548
CURRENT LIABILITIES					
Accrued expenses	1,157,664	9%	46%	794,034	517,170
Provisions	561,878	5%	44%	391,183	300,229
Unearned revenue	3,390,538	28%	25%	2,706,572	2,061,047
TOTAL LIABILITIES	5,110,080	42%	31%	3,891,789	2,878,445
EQUITY					
Share capital	0.79	0%	8%	0.74	1
Reserves	114,006	1%	-2%	116,459	0
Retained earnings	7,048,741	57%	10%	6,407,240	6,572,103
TOTAL EQUITY	7,162,748	58%	10%	6,523,700	6,572,104
TOTAL LIABILITIES & EQUITY	12,272,827	100%	18%	10,415,488	9,450,548

(*) The exchange rates used in this report are official average rates provided by the Australia Taxation Office (ATO).

(1) ATO official nearest actual rate as at 31 December 2006.

(2) ATO official notes spot rate for 31 Dec 2005 and 31 Dec 2004 respectively.

2. Profit and Loss Statement

The following tables provide expenses, revenue and operating profit/ (loss) for the year 2006, comparing actual 2006 and 2005 figures, in addition to the comparison of actual figures with the 2006 budget figures.

2.1 Expenses

EXPENSES (USD)	Actual 2006	Actual 2005	Variation %	Budget 2006	Budget Variation	Variation %
<i>Exchange rate(*)</i>	<i>0.7574(1)</i>	<i>0.7665 (2)</i>	<i>-1.2%</i>	<i>0.7450(3)</i>	<i>0.0124</i>	<i>1.7%</i>
Communication expenses	94,863	126,136	-25%	150,467	(55,604)	-37.0%
Depreciation expense	394,959	358,409	10%	444,916	(49,958)	-11.2%
Donation/ sponsorship	63,487	30,674	107%	73,945	(10,458)	-14.1%
ICANN contract fee	185,869	228,805	-19%	232,024	(46,155)	-19.9%
Meeting and training expenses	90,642	86,766	4%	90,033	609	0.7%
Membership fees	58,640	110,826	-47%	58,499	141	0.2%
Other operating expenses	1,028,173	861,889	19%	1,018,333	9,840	1.0%
Professional fees	319,974	388,284	-18%	425,608	(105,633)	-24.8%
Rent	300,880	283,842	6%	311,492	(10,612)	-3.4%
Salaries	2,679,805	2,384,347	12%	2,675,367	4,438	0.2%
Travel expenses	721,577	604,081	19%	710,855	10,723	1.5%
TOTAL EXPENSES	5,938,870	5,464,059	9%	6,191,539	(252,669)	-4.1%

2.2 Revenue

REVENUE (USD)	Actual 2006	Actual 2005	Variation %	Budget 2006	Budget Variation	Variation %
<i>Exchange Rate (*)</i>	<i>0.7574(1)</i>	<i>0.7665 (2)</i>	<i>-1.2%</i>	<i>0.7450(3)</i>	<i>0.0124</i>	<i>1.7%</i>
Interest income	428,215	327,818	31%	404,101	24,114	6.0%
IP resource application fees	583,655	532,901	10%	504,538	79,117	15.7%
Membership fees	4,159,073	3,733,776	11%	4,413,868	(254,796)	-5.8%
Non-members fees	90,971	73,801	23%	70,684	20,287	28.7%
Per allocation fees	795,127	636,720	25%	681,630	113,498	16.7%
Reactivation fees	8,630	957	802%	3,000	5,630	187.7%
Sundry income	183,638	135,570	35%	97,138	86,500	89.0%
SUB-TOTAL REVENUE	6,249,308	5,441,543	15%	6,174,958	74,350	1.2%
Realised/ Unrealised Foreign Exchange gain/(loss)	(94,854)	382,193	-125%	0	(94,854)	0.0%
TOTAL REVENUE	6,154,454	5,823,736	6%	6,174,958	(20,504)	-0.3%

(*) The exchange rates used in this report are official average rates provided by the Australia Taxation Office (ATO).

(1) The average exchange rate for ATO official monthly average rate from Jan to December 2006

(2) The average exchange rate for ATO official monthly average rate from Jan to December 2005

(3) Exchange rate being used in the budget 2006 by referring to the recent economical data provided by National Australia Bank.

2.3 Operating Profit/ (Loss)

Revenue and Expenses (USD)	Actual 2006 <i>0.7574(1)</i>	Actual 2005 <i>0.7665 (2)</i>	Variation % <i>-1.2%</i>	Budget 2006 <i>0.7450(3)</i>	Budget Variation <i>0.0124</i>	Variation % <i>1.7%</i>
Total Revenue	6,154,454	5,823,736	6%	6,174,958	(20,504)	-0.3%
Total Expenses	5,938,870	5,464,059	9%	6,191,539	(252,669)	-4.1%
OPERATING PROFIT/ (LOSS) BEFORE INCOME TAX EXPENSE	215,584	359,677	-40%	(16,581)	232,165	-1400.2%
Income tax expense	80,917	45,383	78%	77,306	3,611	4.7%
OPERATING PROFIT/ (LOSS) AFTER INCOME TAX EXPENSE	134,667	314,294	-57%	(93,887)		

3. Membership

By the end of December 2006, APNIC had 1,362 members, serving 49 economies. In 2006, there is a net gain of 205 members, with 298 new members, whilst 93 members have been closed. Economies in which APNIC have the highest members are Australia (362 members), India (160 members), and Hong Kong (130 members).

Table below compares actual growth of membership with the budgeted growth in 2006. Overall, the variances demonstrate APNIC has gained more members than budgeted and has attracted significantly more members in higher membership tiers than the projected year to date growth, especially on the Small and Large membership tier.

Membership	Actual Total EOY 2005	Actual Total YTD Dec-06	Actual Growth YTD 2006	Budgeted Total EOY 2006	Budgeted Growth EOY 2006	Variation Actual vs. Budget (*)
Extra Large	8	9	1	8	0	1
Very Large	20	21	1	26	6	-5
Large Member	56	70	14	52	-4	18
Medium	196	210	14	228	32	-18
Small	568	658	90	602	34	56
Very Small	174	261	87	226	52	35
Associate	135	133	-2	196	61	-63
TOTAL	1157	1362	205	1338	181	24

The final tables below provide progressive membership data and its percentage in each membership category over the total members for the past ten years. This shows membership has been growing lately.

Total Membership	Dec-97	Dec-98	Dec-99	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06
Extra Large	0	0	0	0	0	7	8	8	8	9
Very Large	0	5	6	12	15	8	11	14	20	21
Large	20	16	20	52	51	55	60	60	56	70
Medium	30	31	58	125	160	158	155	164	196	210
Small	150	197	312	413	468	445	493	534	568	658
Very Small	0	0	0	0	0	32	85	123	174	261
Associate					5	62	67	75	135	133
TOTAL	200	249	396	602	699	767	879	978	1157	1362
New Members	119	99	170	258	157	153	178	189	253	298
Closed Members	33	50	23	52	60	85	66	90	74	93
Net Gain	86	49	147	206	97	68	112	99	179	205
Average Monthly Net Gain	7	4	12	17	8	6	9	8	15	17

Total Membership %	Dec-97	Dec-98	Dec-99	Dec-00	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06
Extra Large	0%	0%	0%	0%	0%	1%	1%	1%	1%	1%
Very Large	0%	2%	2%	2%	2%	1%	1%	1%	2%	2%
Large	10%	6%	5%	9%	7%	7%	7%	6%	5%	5%
Medium	15%	12%	15%	21%	23%	21%	18%	17%	17%	15%
Small	75%	79%	79%	69%	67%	58%	56%	55%	49%	48%
Very Small	0%	0%	0%	0%	0%	4%	10%	13%	15%	19%
Associate	0%	0%	0%	0%	1%	8%	8%	8%	12%	10%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Graph below illustrates the historical figures for total memberships since the establishment of APNIC's membership system in 1996; it is shown that the membership is growing well for year 2006.

