



APNIC Annual Budget – 2009 (in AUD)

For financial year ending 31 December 2009

1. Overview

This budget is prepared for the APNIC financial year January to December 2009. It includes revenue, expense, and cash flow projections based on the planned activity profile for 2009, the projected revenue growth and other variables including economic forecasts, consumer price index predictions and interest rate forecasts.

Formal Executive Council approval has been provided for APNIC operational expenditure of AUD \$12,058,479, against a projected revenue of AUD \$12,086,125. The anticipated operating surplus for the year is AUD \$27,647.

2. Budget Preparation Notes

The APNIC 2009 budget has been prepared on the basis of expected funding requirements for membership services and support functions, and projected revenues based on forecast membership and service growth. The primary data sources used to develop this budget submission are:

- Expense forecasts based on committed expenditure where these are known, or on estimates of new activity costs;
- An assumption of no net staff growth during the year;
- The Asset Register, providing estimated depreciation expenditure in 2009;
- Financial advice in relation to taxation liabilities;
- Membership Revenue forecasts based on analysis of the existing membership base, forecast growth and the full year impact of the AUD fee schedule;
- Interest Income estimated according to estimated cash holdings and independent interest rate forecasts;
- Other revenue, estimated according to trend and variability analysis.

3. Projected Membership Growth

During 2008, APNIC membership grew at a rate higher than has been experienced in previous years.

In developing the 2009 budget, a linear membership growth model was used in all forecasts of membership categories. A moderating factor has been applied to these forecasts to allow for the impact of current global economic conditions on membership growth.

Membership Category (Tier)	Actual 31/12/2008	Projection 31/12/2009
Extra Large	12	13
Very Large	30	33
Large Member	92	101
Medium	251	271
Small	813	903
Very Small	345	420
Associate	312	408
Total Membership	1855	2149
Annual Net Gain	271	294
Average Net Increase per month	23	25

4. Projected Revenues

APNIC revenues in 2009 are projected as follows.

Revenue	Annual Budget (AUD)	% of Total Budget
Interest income	617,000	5%
IP resource application fees	1,263,282	10%
Membership fees	7,943,814	66%
Non-member fees	131,984	1%
Per allocation fees	1,876,701	16%
Sundry income	253,345	2%
Total Projected Revenue	12,086,125	100%

5. Projected Expenses

APNIC operating expenses in 2009 are projected as follows.

Expense	Annual Budget (AUD)	% of Total Budget
Communication expenses	158,549	1%
Depreciation expense	679,860	6%
Sponsorship and publicity expenses	176,981	1%
ICANN contract fee	329,200	3%
Meeting and training expenses	213,500	2%
Membership fees	68,700	1%
Other operating expenses	1,200,280	10%
Professional fees	854,832	7%
Rent and outgoings	646,179	5%
Salaries and personnel expenses	6,103,160	51%
Travel expenses	1,627,237	13%
Total Projected Expenses	12,058,479	100%

6. Projected Operating Profit/Loss

The overall financial position of APNIC for 2009 is projected as follows, based on the above revenue and expense projections.

OPERATING PROFIT/(LOSS)	Annual Budget (AUD)
Total Projected Revenue	12,086,125
Total Projected Expenses	12,058,479
OPERATING PROFIT/(LOSS)	27,647

7. Projected Cash Flows

The end of year capital reserve for 2009 has been projected using 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 Reserve Forecast	2009
Cash Position 1 Jan 2009	6,873,548
Projected Cash Receipts	12,086,125
Projected Cash Disbursements	12,508,600
Net change in Cash Position	(422,475)
Cash Position 31 Dec 2009	6,451,073
Term Deposit Investments	4,000,000
Cash and Deposits 31 Dec 2009	10,451,073
2010 budget growth	14%
2010 expenditure forecast	13,766,906
2010 Projected Relative Cash holdings	76%

APNIC fiscal policy aims to maintain an ending cash reserve approximately equal to the projected annual budget for the following year; however at the end of 2009 the cash holdings are estimated at 76% of the 2010 expenditure forecast.