



Financial Status 31 December 2012

21 June 2013



Introduction...

- The following is a summary of the financials results in respect of the just ended financial year to December 2012.
- The Statutory Audit has been completed and the Audit report is awaiting the Auditing Partner's signature.

The Highlights...

	CURRENT YEAR - 2012			Actuals vs
	Budget	Forecast	Actuals	Budget %
Income	\$3,152,127	\$2,747,010	\$2,723,334	-14%
Net Operating Costs	\$3,116,737	\$2,720,895	\$2,957,555	-5%
Net Surplus/(Deficit)	\$35,390	\$26,115	\$(234,221)	

Overall Results Observations...

- Total Income achieved amounted to \$2.72m; **14% below budget.**
- Net Operating Costs (*net of other income \$158k*) for the year closed on \$2.95m; **5% below** the annual budget of \$3.11m
- The above resulted into a net deficit for the year of **\$234k**

Overall Results Observations...

Fees Income:

- The drop in Fees revenue during the year is attributed to two main factors:
 - Unpaid fees written off in the year amounted to \$108k, thus reducing the fees revenue for 2012 by the same amount. Resources from 51 members were reclaimed for non payment.
 - Out of the 161 new members budgeted, only 140 were received. In addition a large number new members came in the last quarter of the year.



Operating Costs - Admin...

LAST YEAR - 2011			YEAR TO DECEMBER 2012			Actual vs
Budget	Actuals		Budget	Forecast	Actuals	Budget %
		Administrative expenses				
<i>1,294,069</i>	<i>1,023,055</i>	HR	1,809,766	1,499,037	1,503,575	-17%
<i>58,833</i>	<i>75,058</i>	Telephone & Comms.	64,000	63,698	72,543	13%
<i>9,167</i>	<i>10,824</i>	Computer expenses	3,333	2,251	865	-74%
<i>221,520</i>	<i>260,738</i>	Office expenses	205,796	242,397	241,319	17%
<i>6,000</i>	<i>5,143</i>	Motor vehicle exps	3,600	2,249	4,390	22%
<i>8,333</i>	<i>5,504</i>	Insurance	11,667	4,395	6,662	-43%
<i>14,520</i>	<i>19,681</i>	Printing & stationery	14,997	14,997	11,700	-22%
<i>27,044</i>	<i>19,571</i>	Bank charges	22,500	19,883	22,837	1%
<i>6,000</i>	<i>12,883</i>	Professional fees	14,033	14,033	5,115	-64%
<i>101,555</i>	<i>67,775</i>	Depreciation	92,501	86,042	94,117	2%
<i>131,000</i>	<i>147,380</i>	Legal & Consulting fees	65,200	63,670	51,718	-21%
1,878,041	1,647,612	Total Admin expenses	2,307,394	2,012,651	2,014,841	-13%

Operating Costs – Distribution

LAST YEAR - 2011			YEAR TO DECEMBER 2012			Actual vs
Budget	Actuals		Budget	Forecast	Actuals	Budget %
		Distribution expenses				
86,573	45,018	Advertising expenses	78,350	39,343	19,631	-75%
20,000	25,575	Bad debts	16,667	20,000	110,284	562%
241,400	198,558	Meeting Expenses	182,900	141,961	148,813	-19%
28,000	16,803	Members Training	37,100	8,333	23,725	-36%
450,000	387,573	Travelling Expenses	366,667	485,220	666,043	82%
-		Research & Dev.	-	-	-	
4,167		Entertainment expenses	2,000	-	-	
4,000		IPv6 Outreach Program	9,160	3,333	-	
57,833	68,524	Contribution	110,833	110,833	132,448	20%
12,600		Remote Sites Operations	1,667	833	-	
904,573	742,051	Total Distribution exps.	805,343	809,857	1,100,944	37%
50,000	-	Other Costs	35,000	10,000		
2,832,614	2,389,663	Total Operating expenses	3,147,737	2,832,508	3,115,785	-1%

Major contributing factors

- Bad Debts –unpaid fees written off and Resources reclaimed. Over the past 3 financial years Resources reclaimed were as follows:
 - YE 2010 – \$ 64,230 (14 members)
 - YE 2011 – \$ 25,575 (37 members)
 - YE 2012 – \$108,527 (51 members)
- The closing of members inevitably, meant that Fees Revenue for the current year (2012) was negatively impacted by the equivalent amount.

Major contributing factors

- Travel Expenses – increase mainly due to increase in general increase in air travel costs and increased number of staff travelling to our meetings as part of their induction.
- In 2012, the annual meetings were held at venues, whose locations meant longer routings.
- Travel costs related to the two meetings accounted for 39.2% of the total travel expenses and low sponsorships were recorded.

Mitigating actions...

AFRINIC has set as primary objective to recover the 2012 deficit during the current financial years 2013 & 2014.

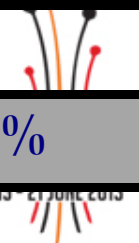
An even more rigorous cost discipline approach towards ALL operating expenses is to be adopted.

A mid year review shall be undertaken to revisit our costs structure and Fee Revenue profile.



2013 todate...

	2013		
	Annual Budget	Actual- June 2013	Actuals vs Budget %
Total Administrative expenses	2,760,012	1,100,828	40%
Total Distribution expenses	843,791	297,536	35%
Other (Income)/Costs	(50,000)	-	0%
Net Operating Costs	3,553,803	1,398,365	39%
Net Income	3,637,400	2,897,531	80%



2013 so far...

- A quick look at the 2013 numbers thus far shows that we will be able to recover the 2012 shortfall by December 2013; as we have so far achieved 39% of the annual budget midway through the year.
- With regards to Fees Revenue, 76 new members have been added compared to 144 budgeted. However, there are 39 tickets in the process representing a further \$ 130k.



Thank You for your attention

