

AFRINIC 2016 FINANCIALS

Presented by: Andrew Alston – Chair – Audit Committee

June 2017

Nairobi, Kenya

Audit Committee Members

- Abibu Ntahigiye
- Andrew Alston (Chair)
- Hytham El-Nakhal (Observer - Chair of FinCo)
 - Seun Ojedeji

Introduction

- The following report highlights key aspects of the financial statement
- The financial statements from which this report is derived have been audited and approved.

The financial position as of 31/12/2016

- On Page 9 cash and cash equivalent were stated as \$3,123,359 USD, an increase of \$1,033,090 from 2015.
- Note 7 on Page 22 breaks this figure down, and is key to understanding how much cash AfriNIC actually had available to it.
- Of the \$3,123,359:
 - \$839,589 was advanced fee receipts – this money was only available to spend as invoices became due on the 1st of January 2017.
 - \$184,171 was ring fenced for the FIRE project – supplied and to be used entirely for that purpose.
 - \$4,147 belonged to AFTLD and was simply held by AfriNIC under an MoU
 - \$2,089,123 was AfriNIC's own money available to be spent on general operations.

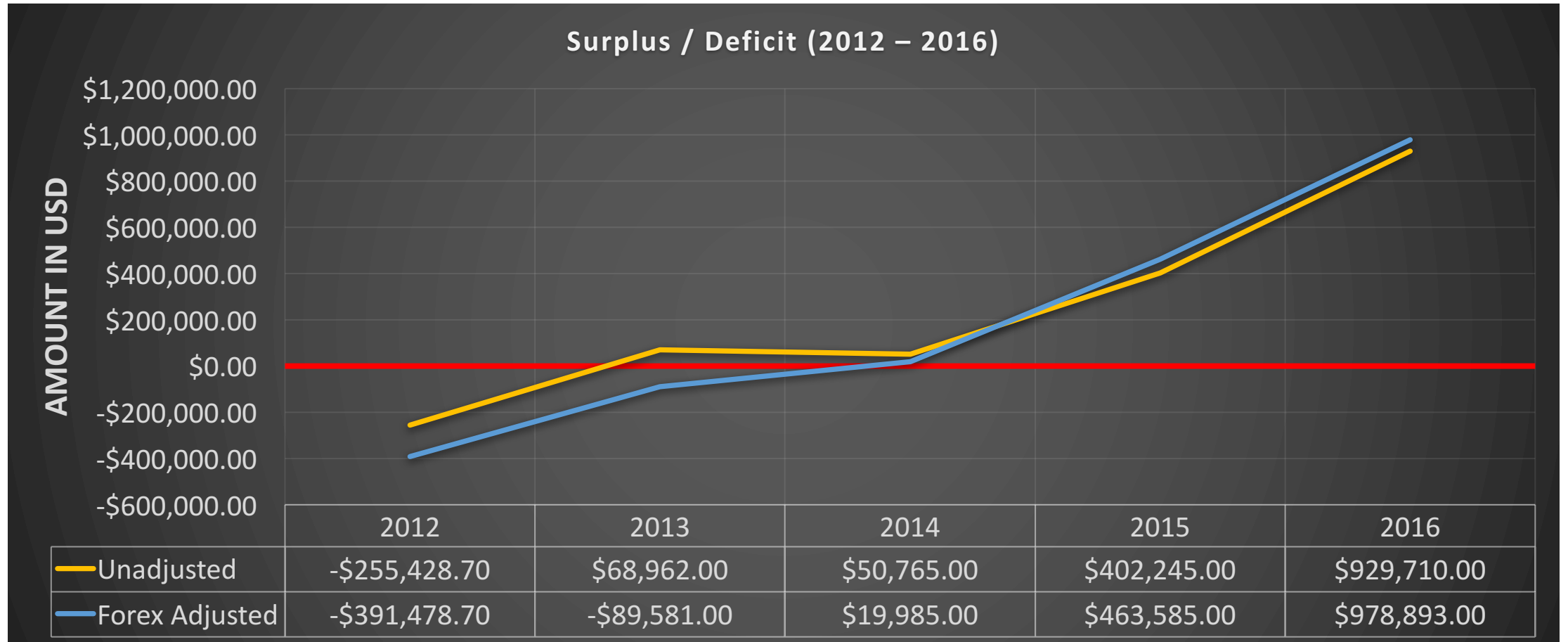
The financial position as of 31/12/2016 (2)

- As of the 31st of December 2016, the total amount of money in the dedicated reserve fund had increased from \$250,000 to \$551,271 (Note 7, Page 22)

Income and expenditure Breakdown

- AfriNIC received a total of \$170,410 from grants, sponsorship and other income unrelated to the fees (Note 11, Page 24)
- The total fee income for the year was \$4,427,239, an increase of approximately 12% from 2015.
- The fee income (recurring) for the year was \$3,946,739 for 2016
- The fee income (non-recurring) was \$480,500 for 2016
- Our total combined administration and distribution expenses amounted to \$3,624,019, an increase of \$2,895 from 2015
- AfriNIC recorded a loss of \$49,183 on Finance costs (primarily forex loss)
- A surplus of \$929,710 was recorded for the 2016 financial year.

Further Surplus / Deficit History



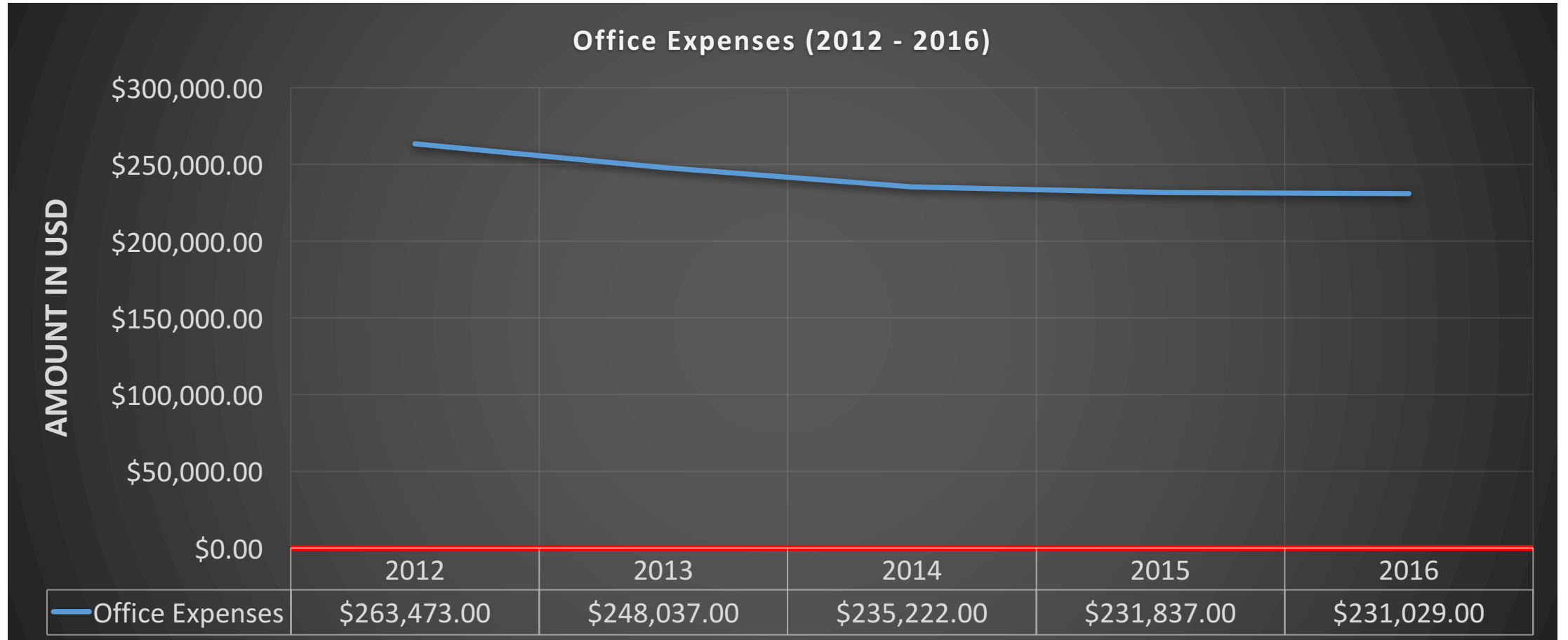
More details on the expenses

- Expenses are broken down into administration expenses and distribution expenses. Administration expenses refer to HR costs and Office costs, everything else is considered a distribution expense.
- Expense Movements:
 - Bad debt rose to \$39,199 - an increase of 50.2%
 - Travel costs dropped to \$414,386 – a decrease of 11.4%
 - Meeting expenses increased to \$279,223 – an increase of 1.5%
 - Staff and related costs decreased to \$1,858,827 – a decrease of 1%
 - Office expenses decreased to \$231,029, a decrease of 0.3%
 - Depreciation (non-cash expense) decreased to \$158,657 – a decrease of 1.6%

Travel Expenses Trend



Office Expense Trend



Audit Appointment Recommendation

- The board would like to recommend the reappointment of PricewaterhouseCoopers Ltd. for the 2017 financial year.

Thanks!

Any Questions?