

# AFRINIC FINANCE UPDATE

By: **Patrisse**

AFRINIC23 – Pointe Noire, Congo  
28<sup>th</sup> November 2015 – 04<sup>th</sup> December 2015

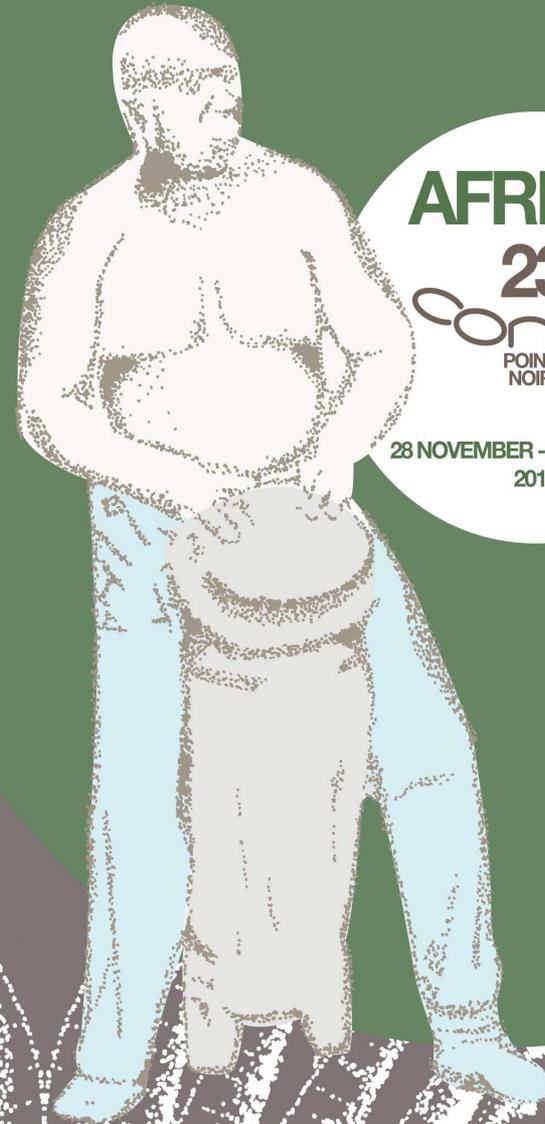
**AFRINIC**

**23**



POINTE  
NOIRE

28 NOVEMBER - 4 DECEMBER  
2015





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# Highlights

- **December 2014 Statutory Audit**
- **Members Billing activities**
- **2015 Fees Collection**
- **MUR/US\$ Exchange rate movements**
- **Budget execution**



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# Dec-14 Statutory Audit

- **Upon recommendation of the Audit Committee, the audited Financial Statements were not approved at the AGMM in Tunis.**
- **The Audit Committee felt the need for KPMG to revisit the audit exercise.**
- **Clarifications were sought, and a more detailed report was presented, with several amendments to disclosures.**



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# Fees Revenue

- Membership Fees remains the single largest source of operation revenue.
- The Budgeted Fees Revenue is expected to be achieved this year
- Continuous efforts being made to realized budgeted fees and increase new membership intake; includes improvements in New Member Portal, Customer Service unit was set up, automating actions among others.



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# Members Billing Activities

- Fees Revenue Summary:**

<b>Membership Fees Income - Q3 2015</b>			
	<b>Actual to Q3</b>	<b>Annual Budget</b>	<b>% Realised</b>
Renewals	3405	3434	99%
New Members	380	401	95%
<b>Total to Q3 2015</b>	<b>3785</b>	<b>3835</b>	<b>99%</b>
<i>Last Year - Q3 2014</i>	<i>3402</i>	<i>3900</i>	<i>87%</i>

## Discounts/Penalties

- AFRINIC offers various discounts on Fees

	Actual to Q3 2015	Actual to Q3 2014
Educational Discounts	\$105,165	\$80,750
Critical Infrastructure	\$11,250	
Early Settlement	\$19,670	\$19,455
Late Payment Penalties	\$119,530	\$87,779
New Members	115	85
Members on Closure List	85	44
Amounts	\$143,000	\$92,962



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# Billing data

- **Much efforts are being put in by the team to ensure effective and timely collection.**
- **By the End of Q3, 93% (2014 - 90%) of renewed membership were collected.**
- **Discounts allowed to Research & Educational Institutions amounted to US\$ 105k (2014 - \$85k)**
- **115 new members were recorded by the end of Q3. The target of 133 is expected to be met by the end of the year.**

# Operating Costs

- **Overview to Q3:**
  - **Admin Costs was contained to 62% of annual budget (2014 – 68%) with major contributions from HR costs**
  - **Distribution Costs reached 56% of annual budget compared to 85% same period last year.**
  - **Total Operating Costs averaged 61% of annual budget as opposed to 72% as at Q3 2014.**



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# Operating Costs - Admin

2014				2015		
Actual to Sep	Annual budget	Actual vs budget %		Actual to Sep	Annual budget	Actual vs budget %
			<b>Administrative expenses</b>			
1,556,426	2,442,772	64%	HR	1,324,298	2,216,477	60%
56,984	61,864	92%	Telephone & Comm.	49,646	66,737	74%
5,488	19,217	29%	Computer expenses	24,412	31,293	78%
188,094	246,312	76%	Office expenses	157,674	244,615	64%
512	4,300	12%	Motor vehicle expenses	1,419	3,167	45%
8,873	11,600	76%	Insurance	4,192	12,600	33%
23,764	15,003	158%	Printing, postage & stat	6,073	18,307	33%
33,236	25,000	132%	Bank charges	37,628	28,333	132%
10,009	15,720	64%	Professional fees	0	10,813	0%
161,250	215,000	75%	Depreciation	157,500	210,000	75%
85,490	63,767	134%	Legal & Consulting fees	46,255	55,667	83%
<b>2,130,126</b>	<b>3,120,555</b>	<b>68%</b>	<b>Total Admin. expenses</b>	<b>1,809,097</b>	<b>2,898,009</b>	<b>62%</b>



# Operating Costs - Distribution

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2014				2015		
Actual to Sep	Annual budget	Actual vs budget %		Actual to Sep	Annual budget	Actual vs budget %
			<b>Distribution expenses</b>			
3,754	35,918	10%	Marketing & Comm exps	7,951	30,000	26%
76,486	20,000	382%	Bad debts	4,210	60,000	7%
186,025	190,000	98%	Meeting Expenses	192,676	240,000	80%
3,686	100,000	3.70%	Members Training	34,756	82,760	42%
464,525	410,000	113%	Travelling Expenses	246,095	390,000	63%
-	50,000	0%	Research & Development	-	7,500	0%
3,984	25,000	16%	IPV6 Outreach Program	0	0	0%
51612	98000	53%	Community support	72,609	167,500	43%
0	2,340	0%	Remote Sites Ops Expenses	1,192	15,000	8%
<b>790,072</b>	<b>931,258</b>	<b>85%</b>	<b>Total Distribution expenses</b>	<b>559,490</b>	<b>992,760</b>	<b>56%</b>
-	2,500	0%	<b>Other Costs</b>	-	2,500	0%
<b>2,920,198</b>	<b>4,054,314</b>	<b>72%</b>	<b>Total Operating expenses</b>	<b>2,368,587</b>	<b>3,893,269</b>	<b>61%</b>

# Operating Costs

- Overall, expenses have been kept under control through ongoing monitoring.
- HR Costs are expected to close lower than budgeted, due to delayed recruitments
- Meeting expenses is expected to end higher than budgeted but will be compensated by a slightly increased sponsorships
- No other major deviations are anticipated and in total, operating costs will finish below budget

# Operating Costs

- For the year 2015, the effective US\$ operating costs has benefitted from a stronger US Dollar vis a vis the MUR.
- The year started with a US\$/MUR rate of 31.0000 and by the end of September was pegged at 36.3220.
- It is anticipated that the year will close in at a rate of 37.0000MUR to the Dollar.



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# Cash Holdings – 2013 to 2015

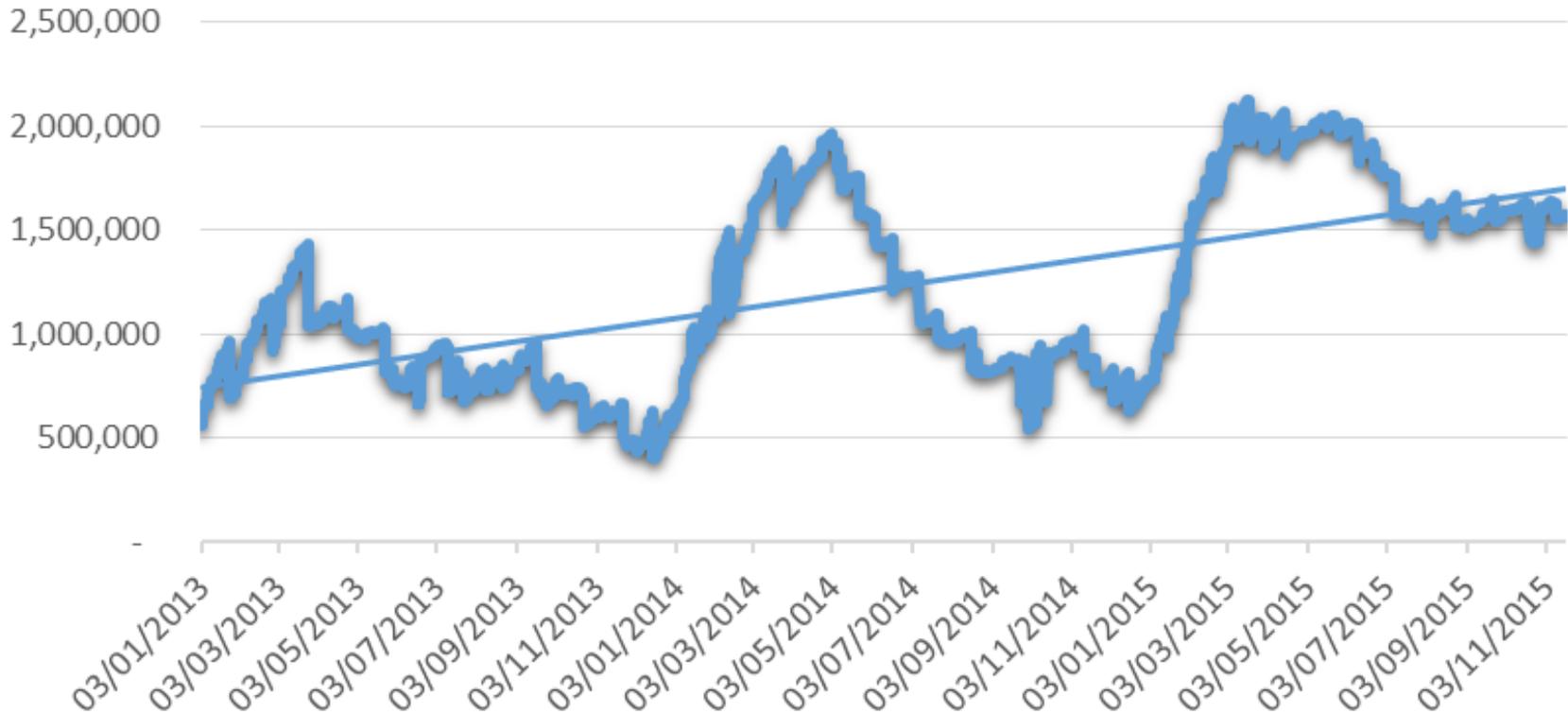
<b>US\$ Cash Holdings</b>				
	<b>LOWEST</b>		<b>HIGHEST</b>	
	<b>Date</b>	<b>US\$ Amount</b>	<b>Date</b>	<b>US\$ Amount</b>
<b>2013</b>	16-Dec-13	\$403,586	25-Mar-13	\$1,427,973
<b>2014</b>	30-Sep-14	\$541,199	02-May-14	\$1,962,683
<b>2015</b>	05-Jan-15	\$779,494	18-Mar-15	\$2,122,705



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# Cash Holdings – 2013 to 2015

## AFRINIC - US\$ OWN Cash Holding





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# Looking ahead

- **2015, thus far has been a relatively calm year with normal operating activities.**
- **With the projected fee revenue to be achieved and overall operating costs maintained below budget (*assisted by a strong US\$*), a decent positive financial result is expected for the current financial year.**

Thank you  
for your  
Attention

Questions?



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