



Financial Status – June 2013

By

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21 June 2013

Overview...

A typical start of operations:

- First part of the year is generally devoted to the putting in place of various activity plans
- Slow start is reflected in costs as well.
- Major activity from Finance point of view is the renewal of annual membership fees and members data cleanup in MyAfrinic
- Operational activities pick up with the organisation of the AIS

Fees Income..

Fees Income to June 2013:

	2011	2012	To June 2013
Fees Revenues	\$2,453,781	\$2,636,032	\$2,859,081
Budgets	\$2,723,249	\$3,017,127	\$3,502,400

Comments on Fees Income...

- The difference between the budgeted fee income and the amount achieved to date represents fees from new members; phased over the year
- New members achieved is 76 compared to 144 budgeted for the first six months. However, there are 49 tickets at different stages with a realizable value of \$130k

Awaiting Payment/RSA – 32

Being evaluated by HM – 17

- The proportion of new members is 62% LIR & 38% End Sites.
- Bottlenecks have been identified and have been addressed. Softening the approach with regards to RSA.

Comments on Fees Income...

- Debtors as at mid June stood at \$1.15m with a collection rate of 59%
- Reminders are being sent to unpaid members and fees collections shall be a priority in the coming weeks.
- In 2013, the late payment penalty fee shall be levied on all unpaid invoices. We have already started invoicing.

Operating Costs...

LAST YEAR - 2012			ACTUALS - 2013		
Budget	Actual - June 2012		Budget	Actual- June 2013	%
		Administrative expenses			
1,809,766	646,116	HR	2,204,391	807,262	37%
64,000	27,589	Telephone & Communications	49,897	23,233	47%
3,333	1,331	Computer expenses	3,333	2,333	70%
205,796	127,535	Office expenses	219,659	132,718	60%
3,600	395	Motor vehicle expenses	3,000	1,742	58%
11,667	8,658	Insurance	10,200	6,300	62%
14,997	3,436	Printing, postage & stationery	9,245	1,975	21%
22,500	10,524	Bank charges	23,333	8,500	36%
14,033	410	Professional fees	13,867	2,264	16%
92,501	46,253	Depreciation	161,520	80,760	50%
65,200	25,618	Legal & Consulting fees	61,567	33,741	55%
2,307,394	897,865	Total Administrative expenses	2,760,012	1,100,828	40%

Operating Costs Cont'd...

LAST YEAR - 2012			ACTUALS - 2013		
Budget	Actual- June 2012		Budget	Actual- June 2013	%
		Distribution expenses			
78,350	4,930	Advertising expenses	34,908	5,363	15%
16,667	-	Bad debts	20,000	-	0%
182,900	73,705	Meeting Expenses	190,800	85,630	45%
37,100	-	Members Training	105,000	24,660	23%
366,667	215,988	Travelling Expenses	345,000	181,883	53%
	-	Research & Development	32,000	-	0%
2,000	-	Entertaining expenses	3,333	-	0%
9,160		IPv6 Outreach Program	3,500	-	0%
110,833	16,625	Contribution	97,500	-	0%
1,667	-	Remote Sites Operation Expenses	6,750	-	0%
805,343	311,248	Total Distribution expenses	838,791	297,536	35%
35,000	-	Other Costs	5,000	-	0%
3,147,737	1,209,113	Total Operating expenses	3,603,803	1,398,365	39%

Comments on Operating Costs...

- Overall Operating Costs achieved 39% of the Annual budget after 6 months.
- Close monitoring of Office Expenses, Travel and Meeting expenses.
- A mid year review to be carried out in view of drop in new membership intake with a possible readjustment to operating costs.
- Focus on the 2012 deficit recovery by the end of the year

Thank you for your attention

