

RIPE NCC

Financial Report 2000

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Amsterdam, 25 July 2001

Letter from the Managing Director

This was another year of transition for the RIPE NCC. During this year the membership has grown by more than 50 percent, from 1,696 in 1999 to 2,567 in 2000, with members from 85 countries. The membership has continued to take an active interest and participation in the various RIPE working groups that provide guidance to RIPE NCC operations. New initiatives were taken to enhance the RIPE NCC services.

The annual General Meeting of the association again saw constructive discussion and full support for the RIPE NCC and its Board. While the relation with ICANN remains to be fully formalised, the day-to-day co-operation works well. The related organisational bodies and fora have done good work.

The staff has grown to 66 members, a very international group coming from 22 nationalities and having a high level of professional expertise. They have continued to provide the membership with professional services in a neutral and impartial way.

We again close the year in a healthy financial position that provides the stability and the continuity that is expected by the membership.

For 2001, we expect that membership growth will follow the pattern of the previous year. Current services will continue and will be further improved. We will continue to play a role in the formalisation of global Internet administrative structures, most notably in policy development regarding IP address space and related identifiers.

For more details about the 2000 operating year, please refer to the RIPE NCC Annual Report 2000. The report can be found on our web site at <http://www.ripe.net>.

If you have any further questions, please do not hesitate to contact us.

Kind regards,



Axel Pawlik
Managing Director

BALANCE SHEET (in k EUR)

ASSETS	31/12/2000	31/12/1999
Fixed Assets		
Computers	461	299
Infrastructure	179	174
Office Furniture	66	75
Total Fixed assets	706	548
Current Assets		
Receivables	5,181	3,324
VAT	15	-19
Prepays	579	230
	5,775	3,535
Cash & payments in transit	5,934	3,803
Total	12,415	7,886
LIABILITIES		
Capital		
Reserves	477	477
Clearing House	2,248	732
Surplus	2,472	1,516
	5,197	2,725
Current Liabilities		
Creditors	766	118
Unearned revenues	5,621	4,391
Personnel fund payable	498	333
Miscellaneous payable	333	319
	7,218	5,161
Total	12,415	7,886

STATEMENT OF INCOME AND EXPENDITURES (in k EUR)

	2000		1999
INCOME			
Fees	7,982		5,718
Other Income	233		122
Total Income	<u>8,215</u>		<u>5,840</u>
EXPENDITURES			
Operating expenses	5,149		3,650
Depreciation expense	503		343
Total Expenses	<u>5,652</u>		<u>3,993</u>
Surplus before miscellaneous costs	2,563		1,847
Miscellaneous costs			
Doubtful debts	50		0
Personnel fund	165		332
Total miscellaneous costs	<u>215</u>		<u>332</u>
Financial expenses			
Banking expenses	16		25
Bank interest	-158		-32
Exchange rate differences	18		6
Total financial expenses	<u>-124</u>		<u>-1</u>
NET SURPLUS	<u><u>2,472</u></u>		<u><u>1,516</u></u>

Notes to the RIPE NCC Balance Sheet as per 31 December 2000

GENERAL INFORMATION

All amounts are expressed in kEUR and all currencies participating in the European Monetary Union are converted at the official rate as set by the European Central Bank on 31 December 1998. Historic costs have been used throughout unless otherwise stated.

FIXED ASSETS	31/12/2000	31/12/1999
Computers		
Purchase costs	940	460
Less: depreciation	-479	-161
Book value 31-12	461	299
Infrastructure		
Purchase costs	802	633
Less: depreciation	-623	-459
Book value 31-12	179	174
Office Furniture & Equipment		
Purchase costs	112	99
Less: depreciation	-46	-24
Book value 31-12	66	75
Total Fixed Assets at book value	706	548

Assets are valued at historical costs and are depreciated on a straight-line basis, starting in the month after acquisition. Computers are written off in two years, infrastructure is written off in three years and office furniture and equipment in five years. All items under EUR 1,000 are expensed. Because the computers are written off in two years instead of three years, the depreciation increases by an extra EUR 16,950.

CURRENT ASSETS	31/12/2000	31/12/1999
Receivables		
Receivables 31 December	5,201	3,374
Less: Bad debts/Credit notes	-20	-50
	5,181	3,324

	31/12/2000	31/12/1999
Prepaid rent & other expenses	348	53
Prepaid pensions & health	231	177
Prepays	579	230

CAPITAL

The reserves are accumulated surpluses of previous years until 1998. They are not earmarked for any specific purpose.

The surpluses of both 1998 and 1999 have been allocated to the Clearing House by a decision of the Executive Board. This amount may be redistributed to the members if so decided by the Executive Board. The tax ruling between the RIPE NCC and the Dutch tax authorities allows the RIPE NCC to accumulate up to a maximum of three times the members' annual contributions in the Clearing House account. The first year of operation of the Clearing House was 1998.

CURRENT LIABILITIES

Unearned revenues

The unearned revenues consists of invoices sent in the calendar year but pertaining to the following accounting year. These will be recognised as income during the next accounting year.

Personnel Fund

The Personnel Fund expense was calculated using the number of people with employment contracts of indeterminate time working at the RIPE NCC as at 31 December 2000. The amount includes allowances for vacation pay, the pension and year end payment as well as the employer's part of the social premiums payable. The 2000 contribution to the fund was EUR 165,220.

Miscellaneous payables	31/12/2000	31/12/1999
Accruals	188	165
Accrued vacation	98	79
Wage taxes & social premiums	47	75
	333	319

ITEMS NOT SHOWN IN THE BALANCE SHEET

The RIPE NCC rents office space in two buildings and has three separate rental agreements for these. One contract runs from 1 January 1997 for a period of five years. This contract will be automatically renewed for a further five years if notice of intent to vacate has not been given to the owner. The other contract runs from 1 December 1997 for a period of five years with a renewal option of an additional five years. The last contract is for another 250 square meters in the adjoining building. This runs from 15 February 2000 for a period of five years with a renewal option of another five years.

Three bank guarantees have been issued to cover the rent of the office space in Amsterdam. The guarantees are valid for the length of the lease agreements plus three months.

Notes to the RIPE NCC Statement of Income and Expenditures

All amounts are expressed in kEUR and all currencies participating in the European Monetary Union are converted at the official rate as set by the European Central Bank on 31 December 1998. Historic costs have been used throughout unless otherwise stated.

The RIPE NCC had 66 employees as at 31 December 2000. Along with temporary personnel, this represents 61.7 FTEs (Full Time Equivalent). Salary and related costs account for 60% of Operating Expenses.

Revenues were higher than budgeted because the rate of growth of Local Internet Registries was higher than estimated. Interest revenues come from short-term deposits of working capital. Other income is primarily the RIPE meeting plus service charges and interests on outstanding accounts receivable.

The number of LIRs increased by just over 2.25 per calendar day in 2000, as opposed to the budgeted increase of 1.25 per calendar day. At the end of 2000 there were 2,567 Local Internet Registries as compared to 1,696 at the end of 1999.

Auditor's Report

Introduction

We have audited the financial statements of Réseaux IP Européens Network Coordination Centre (RIPE NCC), Amsterdam, for the year 2000. These financial statements are the responsibility of the management of the association. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the financial position of the association as at 31 December 2000 and of the result for the year ended in accordance with accounting principles generally accepted in the Netherlands.

Amsterdam, 10 July 2001

Horlings, Brouwer & Horlings
Registeraccountants