



APIDT BUDGET 2022



FEBRUARY 2022

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The APIDT budget incorporates the consolidated budget for Funding activities and expenses for APIDTT PTY LTD ATF for Asia Pacific Internet Development Trust and APIDT Infrastructure PTY LTD.

Funding activities include investment in infrastructure to support ARENA-PAC projects in the region and funding for Grant projects to be implemented by the APNIC Foundation.

Expenses include all budgeted expenses related to the operations of APIDT.

Income is generated from investment distributions, dividends and increases in the value if the funds invested.

APIDT entered into an agreement to purchase a commercial property in early 2022 with the purchase being finalised at end of March 2022. The agreement includes a lease-back to the current tenant until the end of the year. The tenant will be required to pay for all outgoings during the lease period and APIDT is not anticipating incurring expenses in 2022. During 2022 a detailed plan for the site will be developed.

Funding Activities 2022

APIDT Infrastructure

ARENA-PAC Tokyo – Guam

A 15-year IRU agreement was signed in January 2021 to provide connectivity between Tokyo and Guam. The outlay for this link included an IRU Fee (one-time) with ongoing OA&M charges over 15 years. The circuit was active from April 2022. The IRU upfront investments in IRU agreements are amortised over the life span of the IRU agreement.

ARENA-PAC Guam – Singapore

As part of a consortium, a 15-year IRU agreement was signed to provide connectivity between Guam and Singapore. The outlay for this link includes an IRU Fee (one-time) with ongoing OA&M charges over 15 years, APIDT will contribute 25% towards the cost of these fees. This link went live in January 2022, after a cut to the cable in December delayed the links availability.

ARENA-PAC - Other

The budget includes provisions for upfront payments for agreements yet to be completed. During 2022, there is a provision to enter into agreements for capacity from Guam to the Philippines and Indonesia to be established.

ARENA-PAC Equipment

A purchase order for equipment to support connectivity in Tokyo, Guam, Indonesia, and the Philippines was placed in December 2021, with deliveries expected to commence in mid 2022.

APNIC Foundation

APIDT has budgeted to fund projects totalling USD \$14,357,603 to be implemented by the APNIC Foundation in 2022 with the first tranche of funding completed in February/March 2022, interim reports on the progress of each project are due in mid 2022, with final reports due in January 2023. The 2022 grants request includes new projects for:

- Project Grants
- Afghanistan Training and Mentoring
- Research
- Cybersecurity
- SEA gender diversity

Continuing from the Grant program in 2021 the following projects are included in the Grant request:

- ISIF Asia (Including IPv6 Grants)
- M-Root Anycast deployment support
- APNIC Academy Platform and Curriculum Development
- Training Delivery (Including Community Trainer Network Expansion)
- Asian Internet Interconnection (AI3) and School of Internet Asia (SOI) and Foundation
- Sponsorship and Contributions

Income 2022

The 2022 Budget assumes an annual return of 5% (after Investment Management Fees) from the APIDT Investment portfolio. The development of the formal investment policy and the allocation of Investment funds will be finalised in 2022. The funds are currently invested in a USD denominated fund with a “yield” profile, pending the finalisation of the formal investment policy.

At the beginning of January 2022, the Investment Fund was valued at USD \$405,866,995.

Expenses 2022

Funding Expenses 2022

Grants - APNIC Foundation

Funding for 10 projects to be implemented by the APNIC Foundation during 2022

APIDT Infrastructure

IRU Operating & Management Fees

Fees incurred for the ongoing operations and management pursuant to the long term IRU agreements.

IRU Amortisation of Investments

Upfront investments relating to IRU agreements are treated as investments in APIDT Infrastructure and are amortised over the life of each agreement.

Operating Expenses 2022

Accounting Fees

APIDT has engaged Ernst & Young Australia to provide a full range of accounting and payroll services. KPMG have been appointed as APIDT auditors.

Staffing & Professional Fees

The 2022 budget for staffing includes increasing the FTE allocation of the CFO role from 0.6 FTE to 0.8 FTE effective from February 1, 2022. The role of Senior Finance and Administration Officer will be filled during 2022, with an initial allocation of 0.2 FTE commencing from February 1, increasing to 0.4 FTE from June 30. The increase in staffing resources reflects the ongoing increase in APIDT's activities and the need for redundancy for key operational activities.

A provision has been made for Professional Fees in 2022, this is expected to be used to support professional advice to support the finalisation of the ARENA-PAC initiatives to provide capacity for the Philippine's and Indonesia.

Insurance Expenses

APIDT undertakes insurances including Management Liability, Public Liability, and Travel Insurances.

Legal Fees

APIDT maintains the services of a legal counsel on a retainer basis and engages expert legal advisors as required to support its operations and initiatives. The provision includes an allowance for the engagement of specialist legal advisors as required.

Travel Expenses

The budget for 2022 includes a provision for travel expenses during 2022, this includes travel for APIDT Directors, Staff, Consultants, and Investment Advisory Committee Members.

Investment Management Fees

Commencing at the end of April 2021, APIDT engaged the services of investment managers to manage its investment portfolio. For budgeting purposes in 2022, it is assumed that the current arrangements for the management of the funds will remain unchanged from 2021.

Membership Fees

APIDT and APIDT Infrastructure is a member of APNIC and pays annual membership fees based on the IP resource holdings at their membership anniversary date. APIDT's membership will move to the Associate tier upon renewal in 2022.

Other operating Expenses

This budget includes a provision for other minor expenses

Funding Activities 2022

Funding Activities		Total 2021 USD	Budget 2021 USD	2021 Var to Budget	% Variance	Draft Budget 2022 USD	Change to 2021 %
APIDT INFRASTRUCTURE							
ARENA-PAC IRU Funding*	One-Time charges	1,620,872	2,143,928	(523,056)	(24.40%)	5,212,285	200.0%
	O&M fees	105,180	121,779	(16,599)	(13.63%)	325,802	311.8%
	Total	1,726,052	2,265,707	(539,655)	(23.82%)	5,538,087	220.85%
ARENA-PAC Equipment	Upfront	-	2,000,000	(2,000,000)	(100.00%)	1,300,000	(100.00%)
	Ongoing	-	-	-	(100.00%)	-	(100.00%)
	Total	-	2,000,000	(2,000,000)	(100.00%)	1,300,000	(100.00%)
Total ARENA-PAC Funding	One-Time charges	1,620,872	4,143,928	(2,523,056)	(60.89%)	6,512,285	301.78%
	O&M fees	105,180	121,779	(16,599)	(13.63%)	325,802	209.76%
Total Infrastructure Grants		1,726,052	4,265,707	(2,539,655)	(59.54%)	6,838,087	296.17%
* Upfront costs of IRU to be amortised over the life of the agreement		-	-	-	-	-	-
APNIC FOUNDATION GRANTS							
	ISIF Asia (Including IPv6 grants)	2,122,782	2,245,000	(122,218)	(5.44%)	2,748,000	29.45%
	M-Root Anycast instance deployment support	132,770	770,000	(637,230)	(82.76%)	1,366,000	928.85%
	APNIC Academy Platform and Curriculum development	293,195	900,000	(606,805)	(67.42%)	1,170,000	299.05%
	Community Trainers Network Expansion	162,565	445,000	(282,435)	(63.47%)	-	(100.00%)
	Training Delivery	293,867	652,000	(358,133)	(54.93%)	1,378,000	368.92%
	Curriculum development for non-technical audiences	356,233	500,000	(143,767)	(28.75%)	-	(100.00%)
	AI3 and SOI	2,062,702	2,276,300	(213,598)	(9.38%)	3,782,267	83.36%
	Sponsorship and contributions	314,276	250,000	64,276	25.71%	250,000	(20.45%)
	Project Grants	-	-	-	-	250,000	n/a
	Afghanistan Training and Mentoring	-	-	-	-	240,000	n/a
	Research	-	-	-	-	250,000	n/a
	Cybersecurity (HoneyNet)	-	-	-	-	57,000	n/a
	SEA gender and diversity	-	-	-	-	1,096,080	n/a
	Overhead	908,117	1,124,445	(216,328)	(19.24%)	1,770,256	94.94%
Total Foundation Grants		6,646,507	9,162,745	(2,516,238)	(27.46%)	14,357,603	116.02%
Total Funding Activities		8,372,559	13,428,452	(5,055,893)	(37.65%)	21,195,690	153.16%

The specific purpose for which the special purpose financial information has been prepared is to provide information relating to the performance and financial position of the Trust that satisfies the information needs of the Board.

No audit or review has been performed and accordingly no assurance is expressed. The financial information was prepared exclusively for the Trustees.

Budget Income Statement 2022

Income		Total 2021 USD	Budget 2021 USD Jan - Dec	2021 Var to Budget	% Variance	Draft Budget 2022 USD	Change to 2021 %
Investment Income	Interest Income	32,176	109,568	(77,392)	(70.63%)	66,355	106.22%
	Investment Dividend Income	1,220,924	3,559,521	(2,338,597)	(65.70%)	2,517,841	106.22%
	Gains/Losses from market value adjustments	9,350,568	10,211,926	(861,358)	(8.43%)	19,283,134	106.22%
	Less: Investment Management Fees	(804,086)	(820,000)	15,914	(1.94%)	(1,131,069)	40.67%
Total Investment Income after fees		9,799,582	13,061,015	(3,261,433)	(24.97%)	20,736,260	111.60%
Expenses		Total 2021 USD	Budget 2021 USD	2021 Var to Budget	% Variance	Draft Budget 2022 USD	Change to 2021 %
Funding Expenses	Grants - APNIC Foundation	6,646,507	9,162,745	(2,516,238)	(27.46%)	14,357,603	116.02%
	APIDT Infrastructure - IRU Operating & Management Fees	105,180	142,500	(37,320)	(26.19%)	325,802	209.76%
	APIDT Infrastructure - IRU Amortisation of Investments	96,802	122,000	(25,198)	(20.65%)	736,544	660.88%
	Depreciation Expenses - ARENA PAC Equipment	-	-	-	n/a	243,750	n/a
Total Funding Expenses		6,848,489	9,427,245	(2,578,756)	(27.35%)	15,663,699	128.72%
Operating Expenses	Accounting Fees	85,894	100,000	(14,106)	(14.11%)	107,663	25.34%
	Staffing & Professional Fees	161,147	200,000	(38,853)	(19.43%)	287,342	78.31%
	Insurance Expenses	11,118	15,000	(3,882)	(25.88%)	15,205	36.76%
	Legal Fees	95,203	155,000	(59,797)	(38.58%)	106,950	12.34%
	Travel Expenses	-	-	-	n/a	150,000	n/a
	Membership Fees	21,502	16,000	5,502	34.39%	8,244	(61.66%)
	Depreciation	-	-	-	n/a	1,500	n/a
	Other Operating Expenses	10,841	9,500	1,341	14.12%	25,000	130.61%
Total Operating Expenses		385,705	495,500	(109,795)	(22.16%)	701,904	81.98%
Total Funding and Operating Expenses		7,234,194	9,922,745	(2,688,551)	(27.09%)	16,365,603	126.23%
Surplus/(Deficit) - Investing, Funding and Operating		2,565,388	3,138,270	(572,882)	(18.25%)	4,370,657	70.37%
Other Expenses	Loss from market value adjustment	-	-	-	n/a	-	n/a
	Unrealised Foreign Currency Loss	43,094	-	43,094	100.00%	-	(100.00%)
	Realised Foreign Currency Loss	997	-	997	100.00%	-	(100.00%)
	Loss on Sale of Intangible Asset	3,198,157	-	3,198,157	100.00%	-	(100.00%)
	Fair Value adjustment	2,798,387	-	2,798,387	100.00%	-	(100.00%)
Total Other Expenses		6,040,635	-	6,040,635	100.00%	-	-100.00%
Total Expenses		13,274,829	9,922,745	3,352,084	33.78%	16,365,603	23.28%
Surplus/(Deficit)		(3,475,247)	3,138,270	(6,613,517)	(210.74%)	4,370,657	88.32%

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