



RIPE NCC
RIPE NETWORK COORDINATION CENTRE

Financial Report 2020

Simon-Jan Haytink
Finance Manager, RIPE NCC

Our Financial Strategy



- Non-for-profit funding model
- Our funding strategy aims to generate sufficient income so we can fulfil our obligations in a stable and predictable manner
- Equality between members in the current Charging Scheme reinforces simplicity and predictability
- We are committed to maintaining a low-risk profile

Financial Performance



- Compared to our 2020 budget*

(*2020 budget = 100%)

Income

 **107%**

Costs

 **84%**

LIRs

 **103%**

2020 in Numbers



- Our income was 7% higher than projected at **40.2M EUR**
- The total expenditure was **29.1M EUR** (16% under the budgeted 34.4M) mainly due to the impact of COVID-19
- **159 FTEs** against budgeted 165 FTEs
- Surplus of **11.1M EUR**, redistributed to the members
- LIR consolidation in line with expectation, from 25,125 LIRs to **23,569 LIRs**
- Income from sign-up fees dropped to **2.5M EUR** in 2020 (compared to 12.1M EUR in 2019)
- The Capital Expense ratio increased from 101% to **112%**

The Impact of COVID-19



- A three month payment extension was offered to members in April 2020
- All events and in-person training courses from March 2020 onwards were cancelled
- All travel was (and remains) suspended
- Recruitment of staff was slower

Payment behaviour during COVID-19



	2019	2020	2021
Payment on time (<30d payment term)	66%	56%	61%
Payment during COVID-19 extension	N/A	26%	N/A
Payment after reminders before final closure	33%	17%	33%
LIR account closure	0.8%	0.8%	
Outstanding as of 1 May 2021			6%

Balance Sheet (in kEUR)



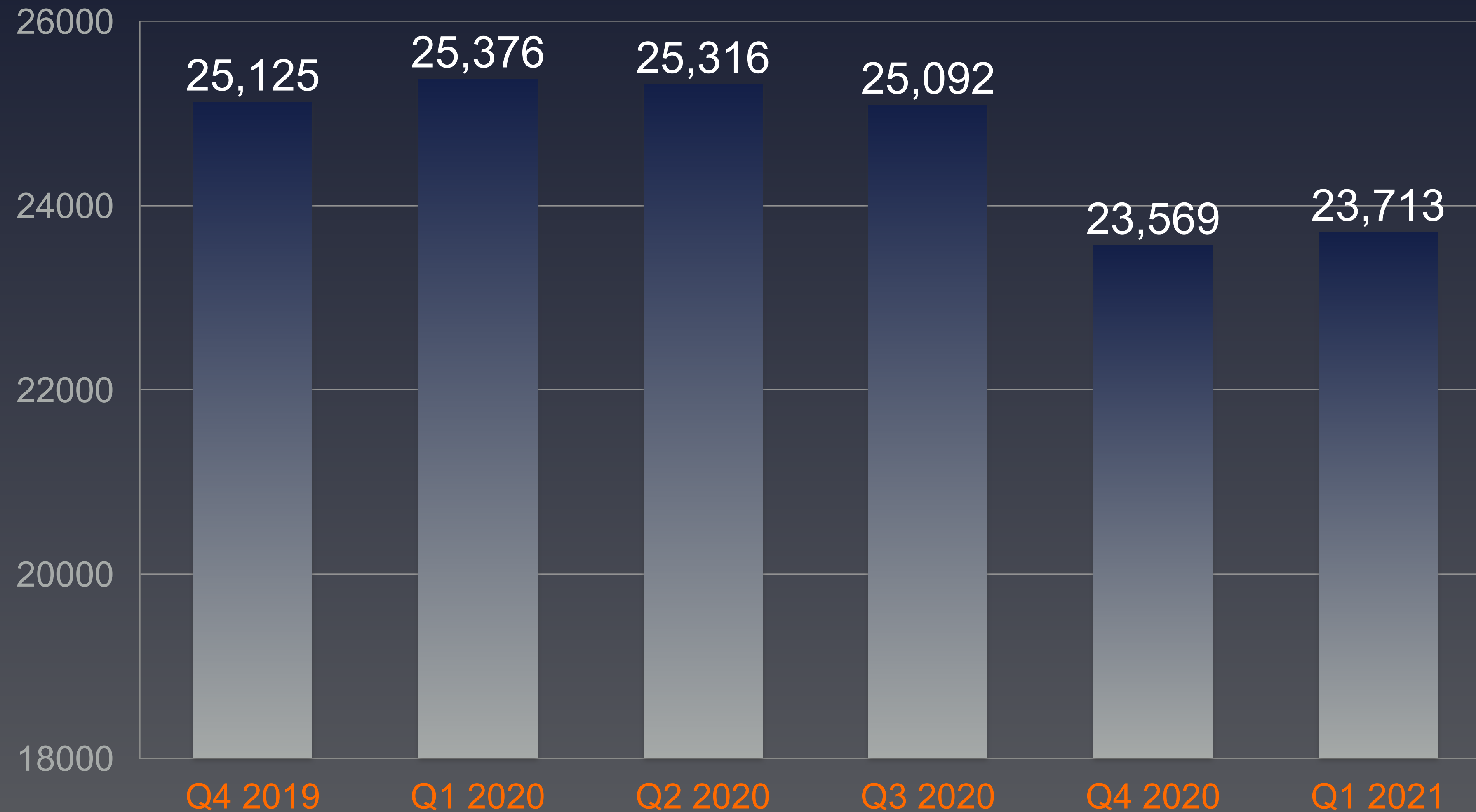
Assets	2020	2019
Tangible Fixed Assets	2,323	2,935
Financial Fixed Assets	12,381	12,975
Total Current Receivables	1,861	1,683
Cash at bank and in hand	32,556	30,689
Total Assets	49,121	48,282
Capital and Liabilities		
Capital	32,472	32,234
Current Liabilities	16,649	16,048
Total Capital and Liabilities	49,121	48,282

Balance Sheet (in kEUR)

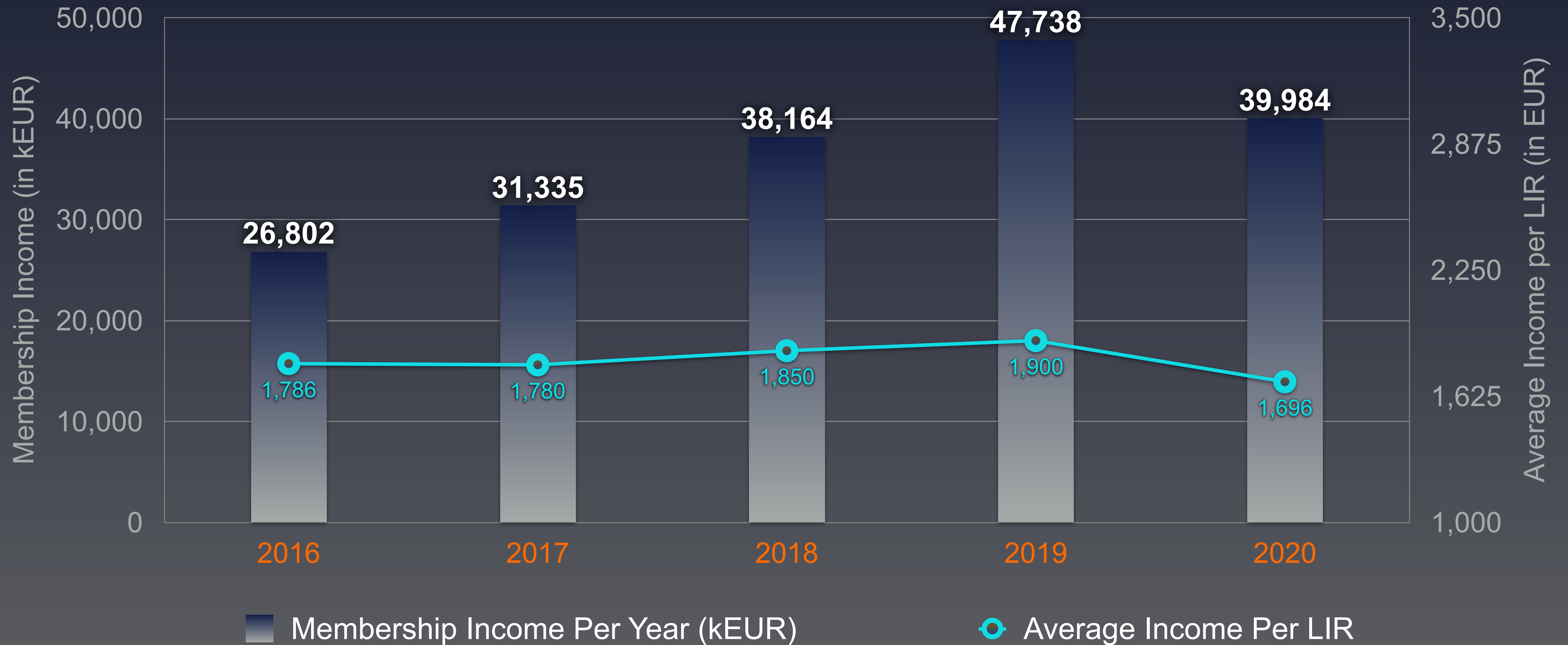


Capital and Liabilities	2020	2019	2018	2017
Clearing House	32,234	25,460	25,215	25,389
Surplus / Deficit	238	6,774	245	(173)
Capital	32,472	32,234	25,460	25,216
Redistribution of members' fees	11,156	8,365	11,035	6,196
Other Current Liabilities	5,493	7,683	4,182	4,451
Current Liabilities	16,649	16,048	15,217	10,647
Total	49,121	48,282	40,678	35,863

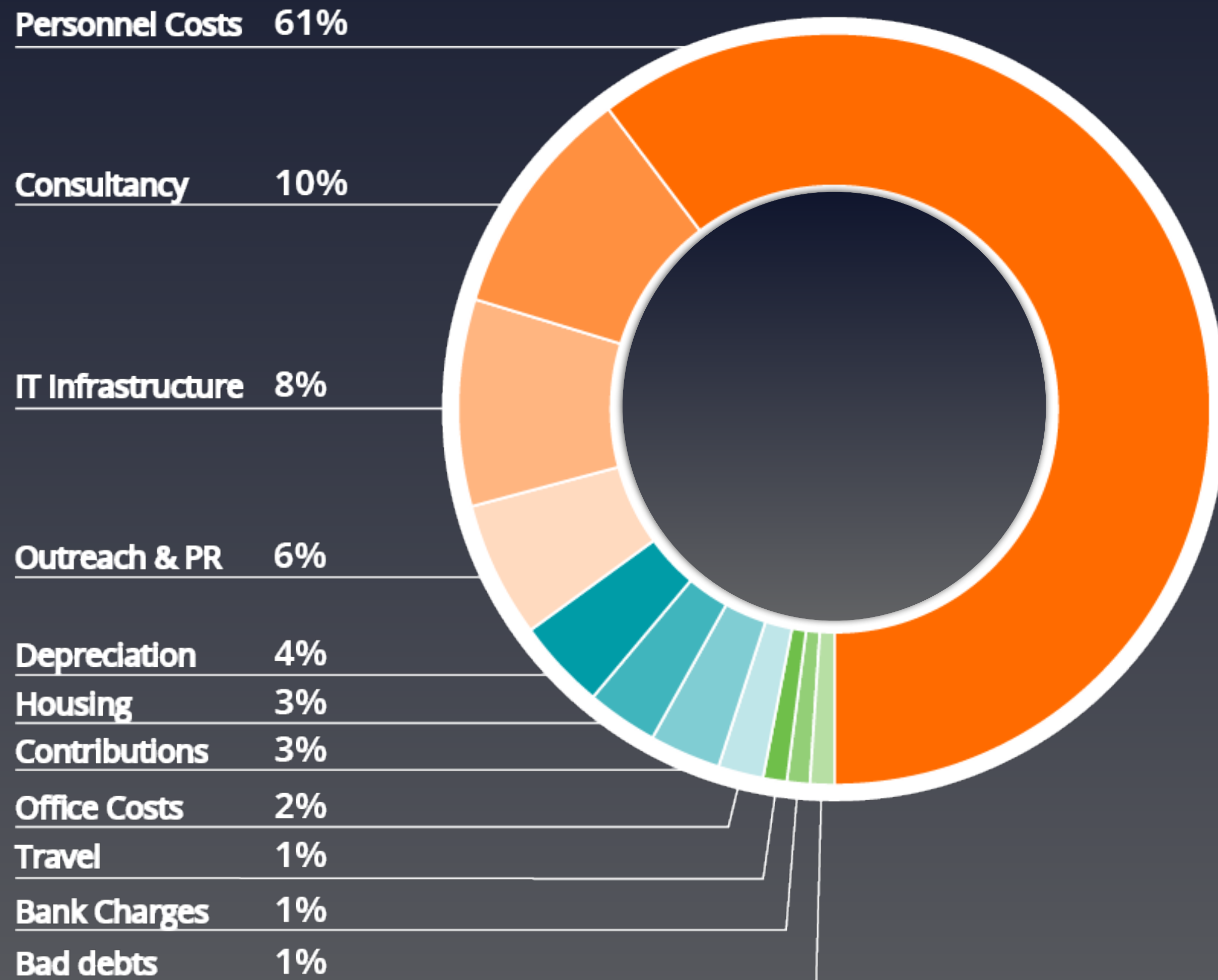
LIRs in 2020



Membership Income

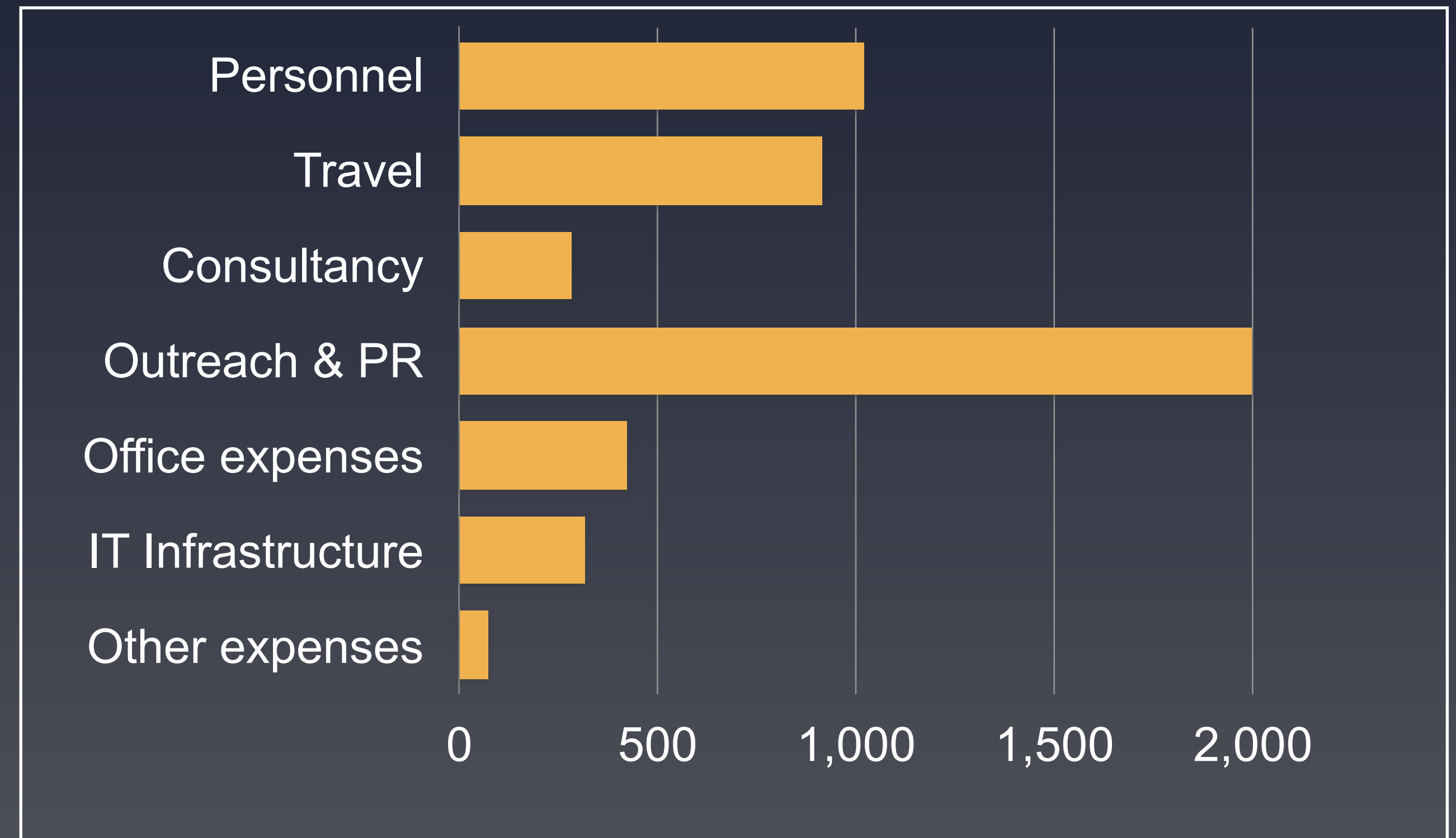
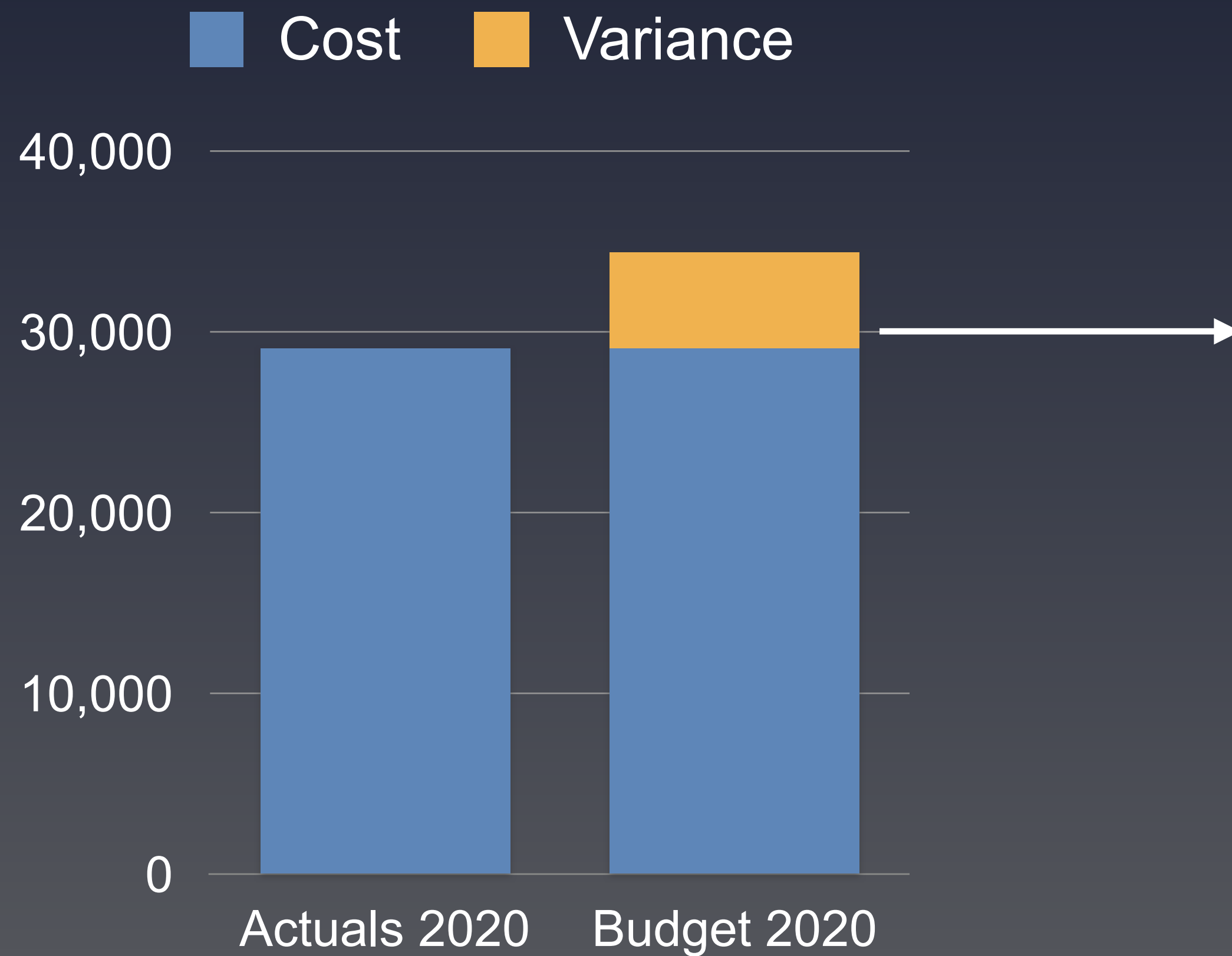


Cost Breakdown



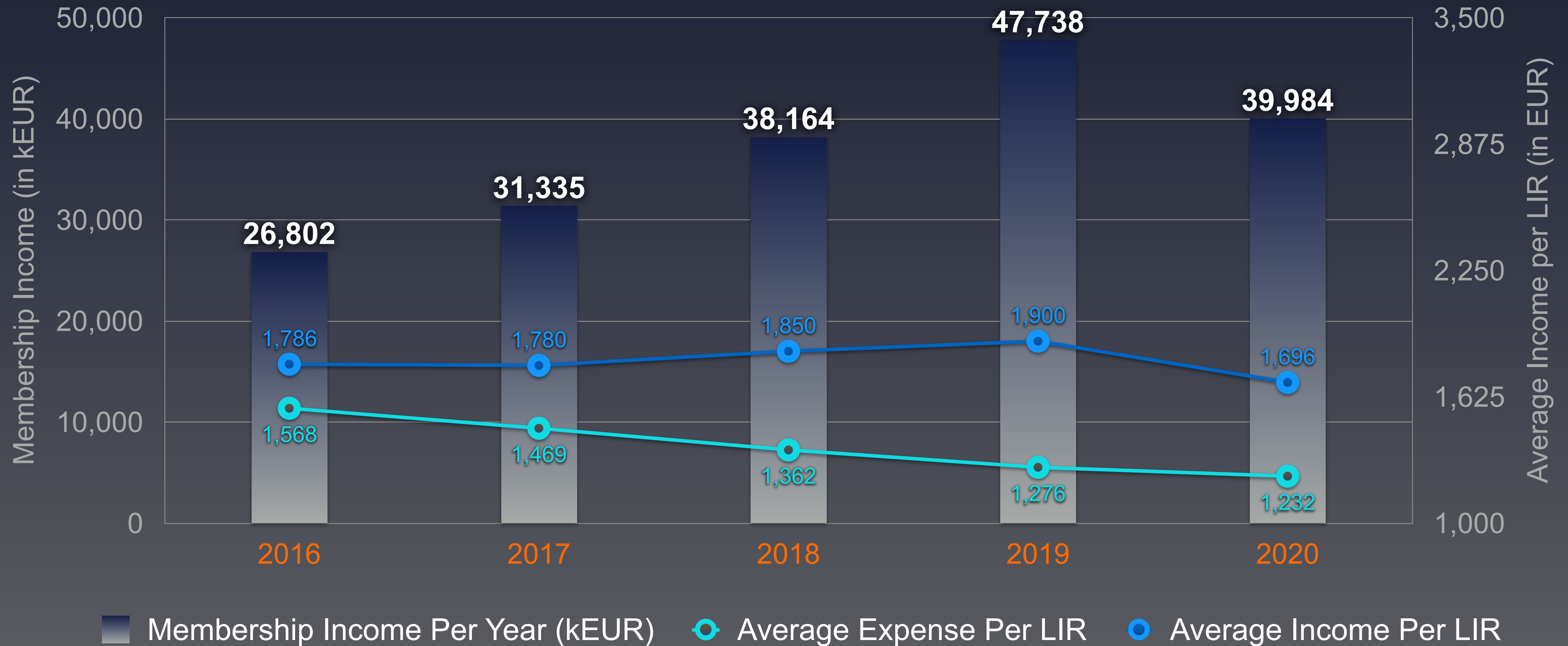
- Total expenditure for 2020 EUR 29.1M
 - 16% or 5.4M below budget (EUR 34.4M)
- Budget for 2021 EUR 33.5M
 - Down from 34.4M

Budget (cost) Variance in KEUR



• Total Variance: 5.4 million

Membership Income vs Costs



Procurement Report 2020



	In EUR	Number of invoices	Average in EUR per invoice	Individual Invoices
Turnover Creditors (Inc VAT)	12,821,040	1,876	6,834	>100KEUR 23
VAT on Creditor invoices	1,473,729	1,234	1,194	
Capital Expenditure (BS)	514,897	42	12,259	>25KEUR 6
	Total Creditors		Average in EUR per Creditor	
Number of Creditors	225		56,982	

Procurement Report 2020 Inc VAT



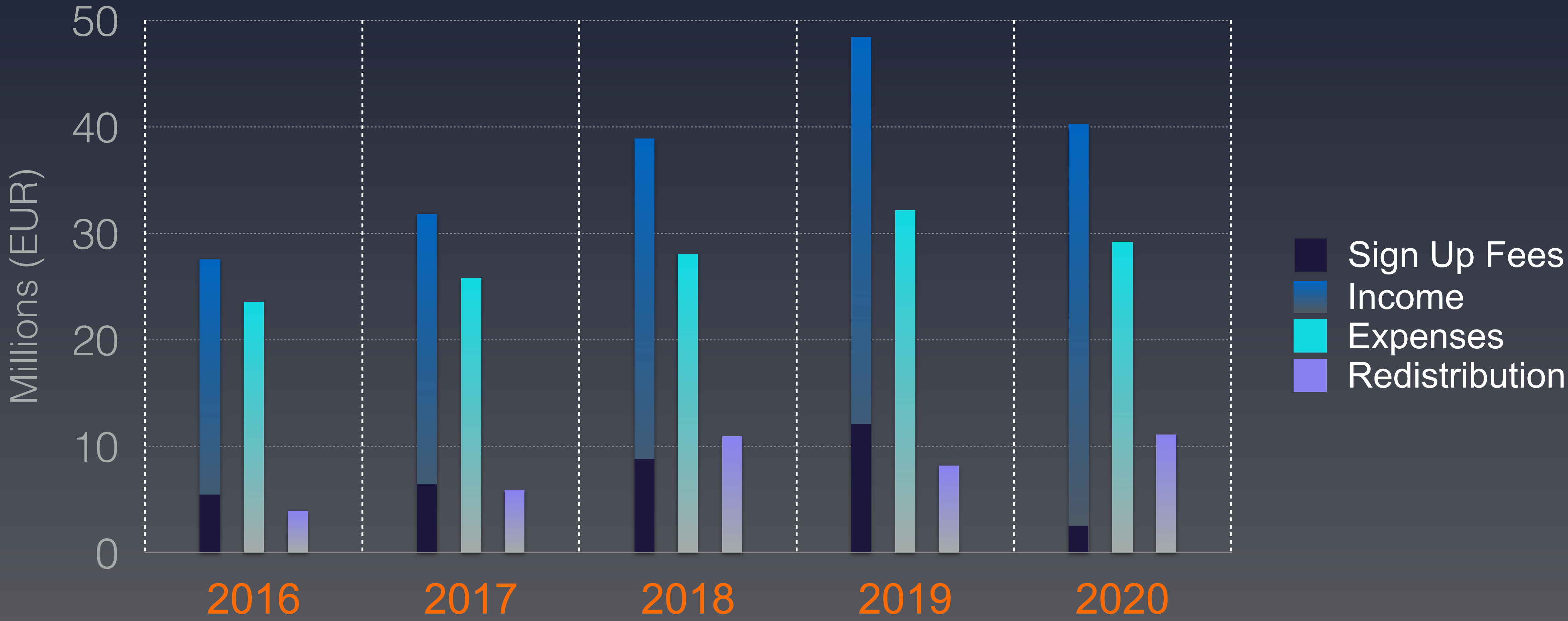
Suppliers with turnover higher then 100kEUR 1 of 2	Activity	In EUR
1. Staff Pension	Organisational Sustainability	1,348,801
2. IT-Housing	Information Services	922,176
3. Office Rent	Organisational Sustainability	890,072
4. IT Hardware & Support	Information Services	705,653
5. Staff Health Insurance	Organisational Sustainability	327,365
6. Business Licenses	The Registry	237,844
7. Cloud and Cloud Services	Information Services	218,730
8. Software Licenses	The Registry	213,288
9. Business Insurances	Organisational Sustainability	191,625

Procurement Report 2020



Suppliers with turnover higher than 100kEUR 2 of 2	Activity	In EUR
10. Hardware & Support	Information Services	168,837
11. Server Support Contracts	Information Services	163,796
12. IETF Endowment & ISOC Membership	Community and Engagement	146,903
13. Laptops & ancillaries	Information Services	128,052
14. Business Travel	Community and Engagement	121,689
15. Office Catering Services	Information Services	115,930
16. Expat Health Insurance	Organisational Sustainability	107,116
17. Cloud and Cloud Services	Information Services	104,982
18. Software Licenses	Information Services	100,847

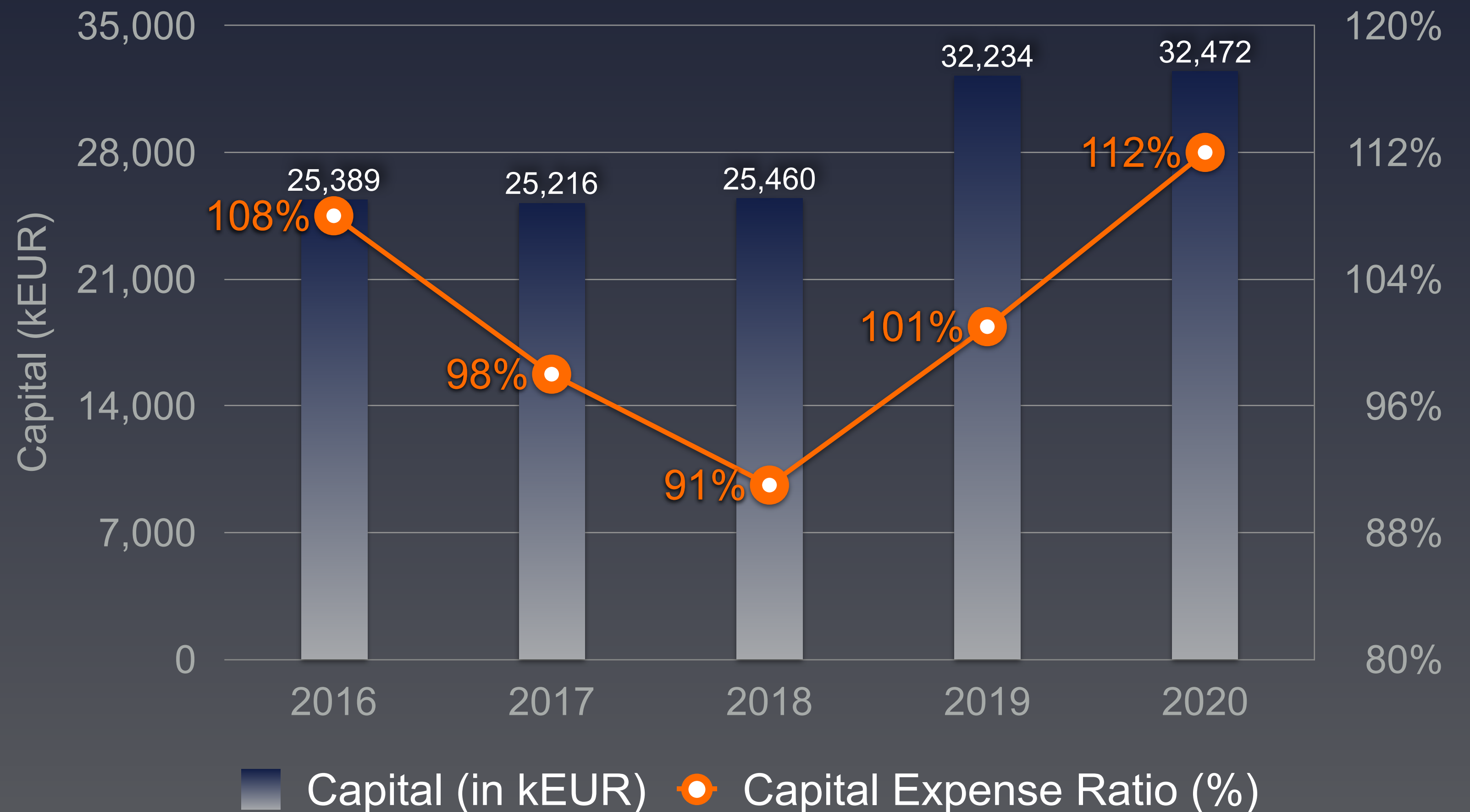
Income and Expenditure



Capital and Liquidity



- Balanced and healthy
- Clearing House buffer of 32M EUR to respond to uncertainties
- We are solvent and in a robust financial position
- Ready for the future



Executive Board Remuneration



Executive Board Remuneration

The RIPE NCC Executive Board does not receive remuneration or a fixed expense reimbursement. Board members are reimbursed for travel expenses incurred while attending board meetings, RIPE Meetings, RIPE NCC Regional Meetings and other Internet coordination meetings. These costs decreased from 155 kEUR in 2019 to 19 kEUR in 2020 due to COVID-19 travel restrictions.

The Year Ahead



- Our budget is 33.5M EUR for 2021
- Hopefully we will be in a post-COVID scenario
- We expect to see further LIR consolidation, this could have an impact on our financial stability
- Continue to engage with our banks to resolve invoicing issues for members in countries impacted by sanctions.
- Ensure we can deliver our promise to all our members
- Negative interest rates are a concern
- We will review our Treasury Statute



Questions

simon@ripe.net

