



RIPE NCC

RIPE NETWORK COORDINATION CENTRE

Financial Report 2019

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Chief Financial Officer
RIPE NCC

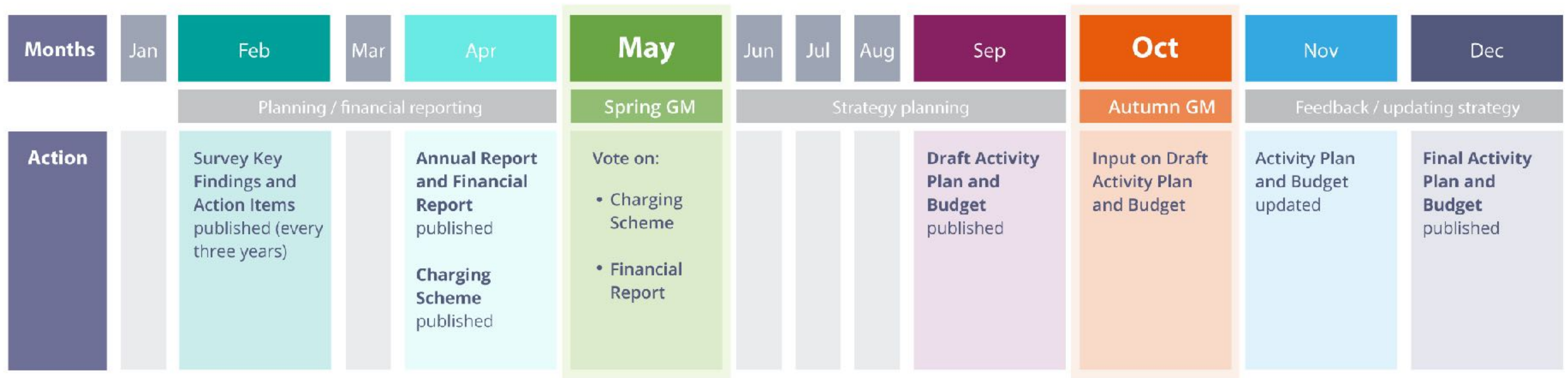
RIPE NCC General Meeting | 13 May 2020

Our Financial Strategy



- Not-for-profit funding model
- Our funding strategy aims to generate sufficient income so that we can fulfil our obligations in a stable, predictable manner
- Authorised spending is in line with established mandate
- Transparent reporting:
 - Efficiency gains
 - Average cost per LIR
 - Risk management
- Equality between members in the current Charging Scheme reinforces simplicity and predictability

Yearly Planning Cycle



2019 Independent Audit Review



- EY provided an unqualified opinion
 - The RIPE NCC's financial statements of 2019 provided a true and fair view in accordance with the guidelines for annual reporting for not-for-profit organisations in the Netherlands (640 organisations - Dutch GAAP).
- The financial statements comprise of the:
 - Balance sheet
 - Profit and Loss (P&L)
 - Cash flow overview
 - Other explanatory notes

2019 Highlights



- > 25,000 LIRs
- Record income
- Cost management under control
- Redistribution of 8,2M to members (333 EUR per member)
- Capital buffers increased

2019 Risks and Uncertainties



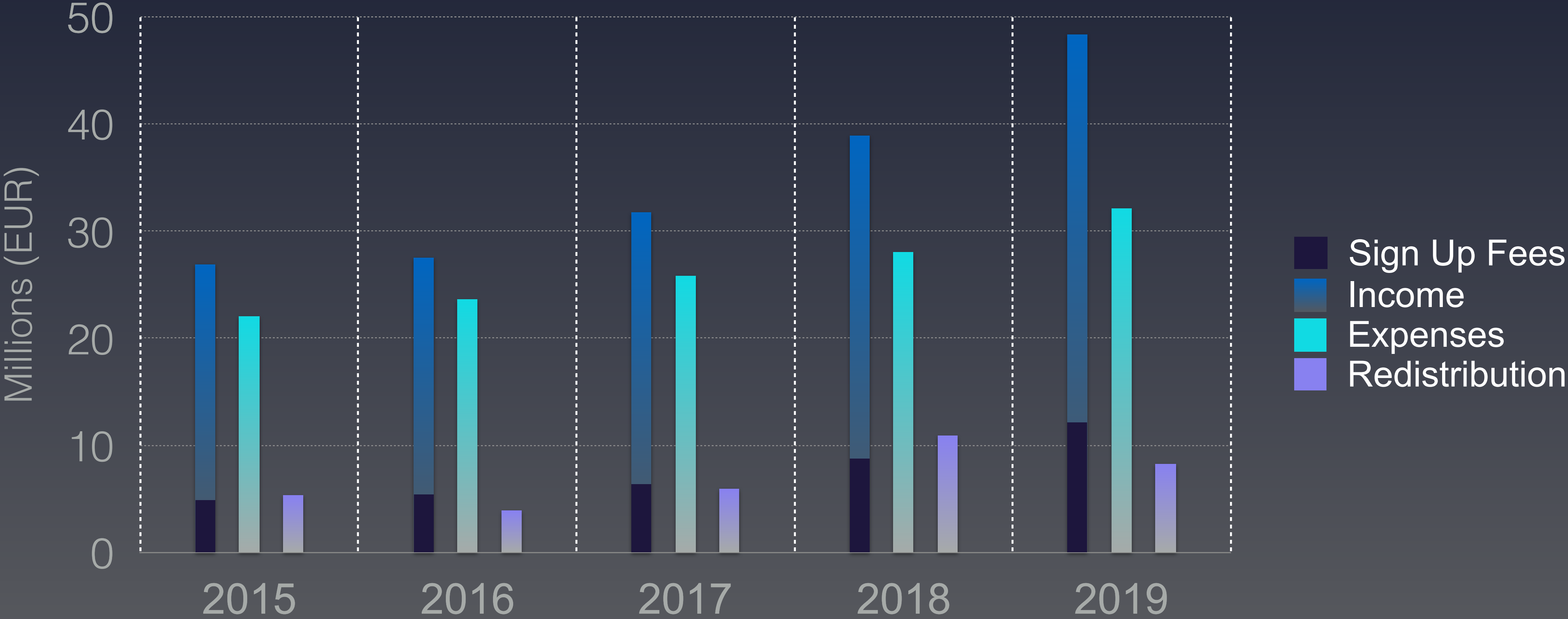
- Risk findings in the “Organisational” and “HR” categories were remediated by a restructuring and associated HR controls
- Risks matured in Financial Risk (tax) and Registry Risk (Due Diligence process - EU Sanctions)
- As part of our long-term strategy, the RIPE NCC continues to be committed to maintaining a low-risk profile
- Every year, the RIPE NCC revalidates the initial risk assessment

Balance Sheet



Assets	2019	2018
Tangible Fixed Assets	2,935	3,299
Financial Fixed Assets	12,975	13,305
Total Current Receivables	1,683	1,543
Cash at bank and in hand	30,689	22,531
Total Assets	48,282	40,678
Capital and Liabilities		
Capital	32,234	25,461
Current Liabilities	16,048	15,217
Total Capital and Liabilities	48,282	40,678

Profit & Loss

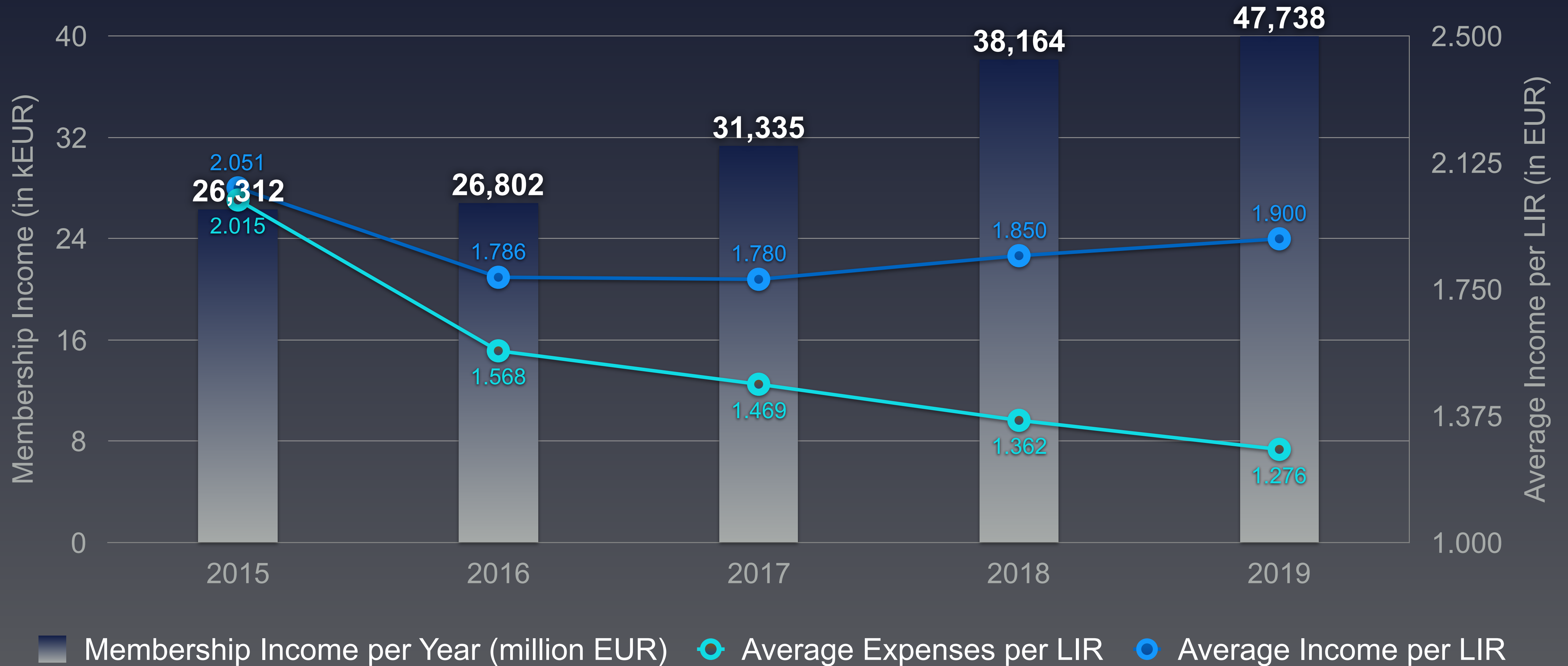


2019 Membership Developments



- Record membership growth (from 20,000 to 25,000 LIRs)
- Record membership income (IPv4 run-out)
- Average income per LIR slightly increasing
- Average expense per LIR decreasing
- Strong relationship with members confirmed by the RIPE NCC 2019 Survey

Membership Income



Challenges in the Year Ahead

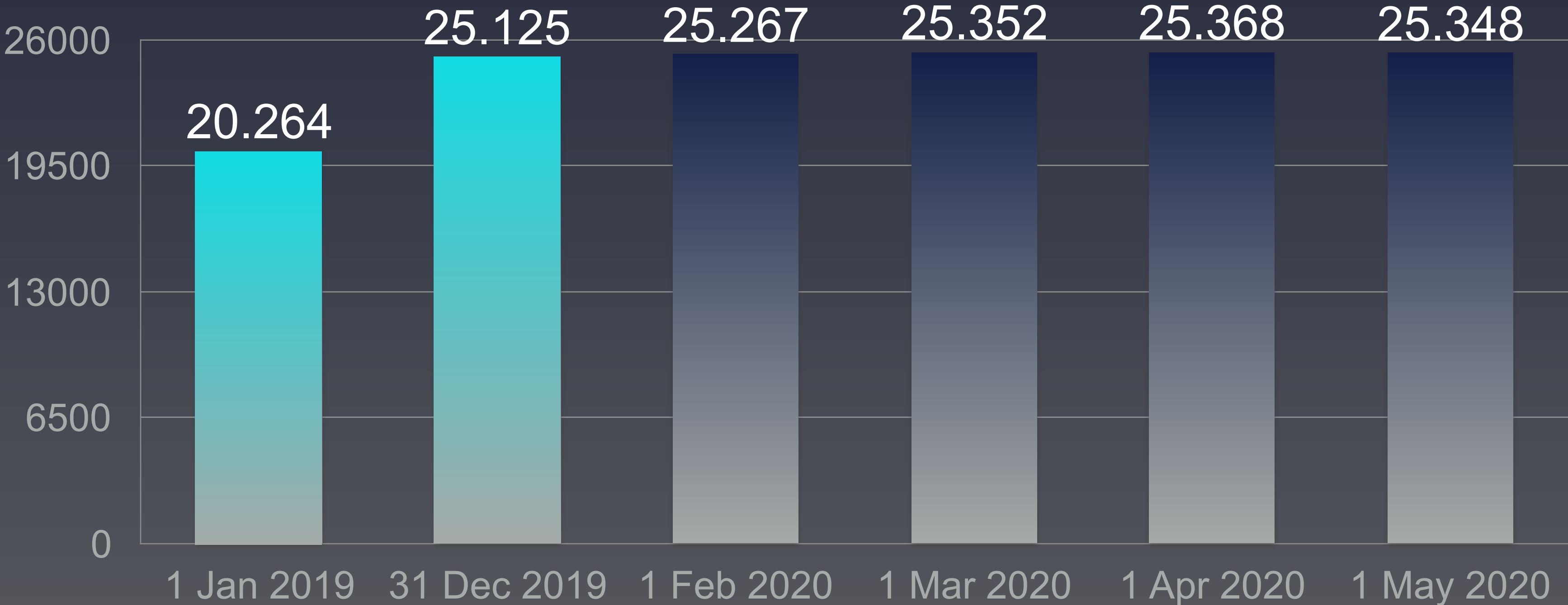


- LIR consolidation and financial stability
- Future expenses
- Transparency in financial operations
- Efficiency gains (average cost per LIR)

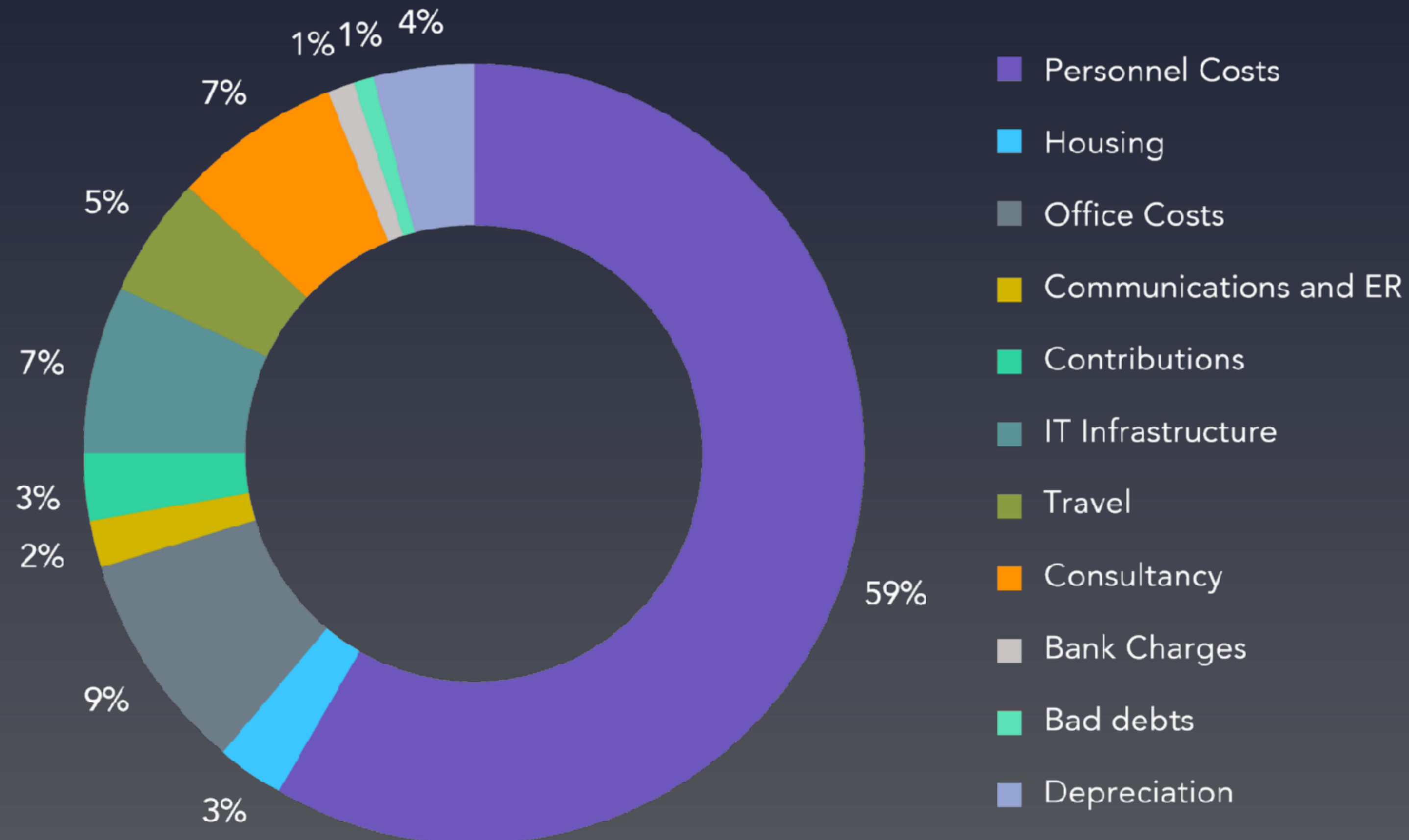
Stabilised Growth of LIRs in 2020



Number of LIRs



2019 Cost management: Under Control



- Total expenditure (EUR 32,1M) for 2019
 - 3% below budget (EUR 33,2M)
- Average expense per LIR decreased to EUR 1,276 (from EUR 1,362)
- In 2020, our budget is EUR 34,4M

2019 Purchase History



2019

Suppliers

K EUR	#INVOICES	# SUPPLIERS
14,109	1,919	487

Preferred Suppliers

K EUR	#INVOICES	# SUPPLIERS
10,567	1,483	203

One-off Suppliers

K EUR	#INVOICES	# SUPPLIERS
2,629	385	270

CAPEX/Investments

K EUR	#INVOICES	# SUPPLIERS
913	51	14

Top 3

	K EUR	#INVOICES	CATEGORY
1	1,268	12	Personnel Costs
2	821	12	Information Technology
3	794	9	Housing & Insurance

Top 3

	K EUR	#INVOICES	CATEGORY
1	365	1	Outreach & PR (RIPE MTG)
2	175	1	Outreach & PR (RIPE MTG)
3	137	1	Outreach & PR (RIPE MTG)

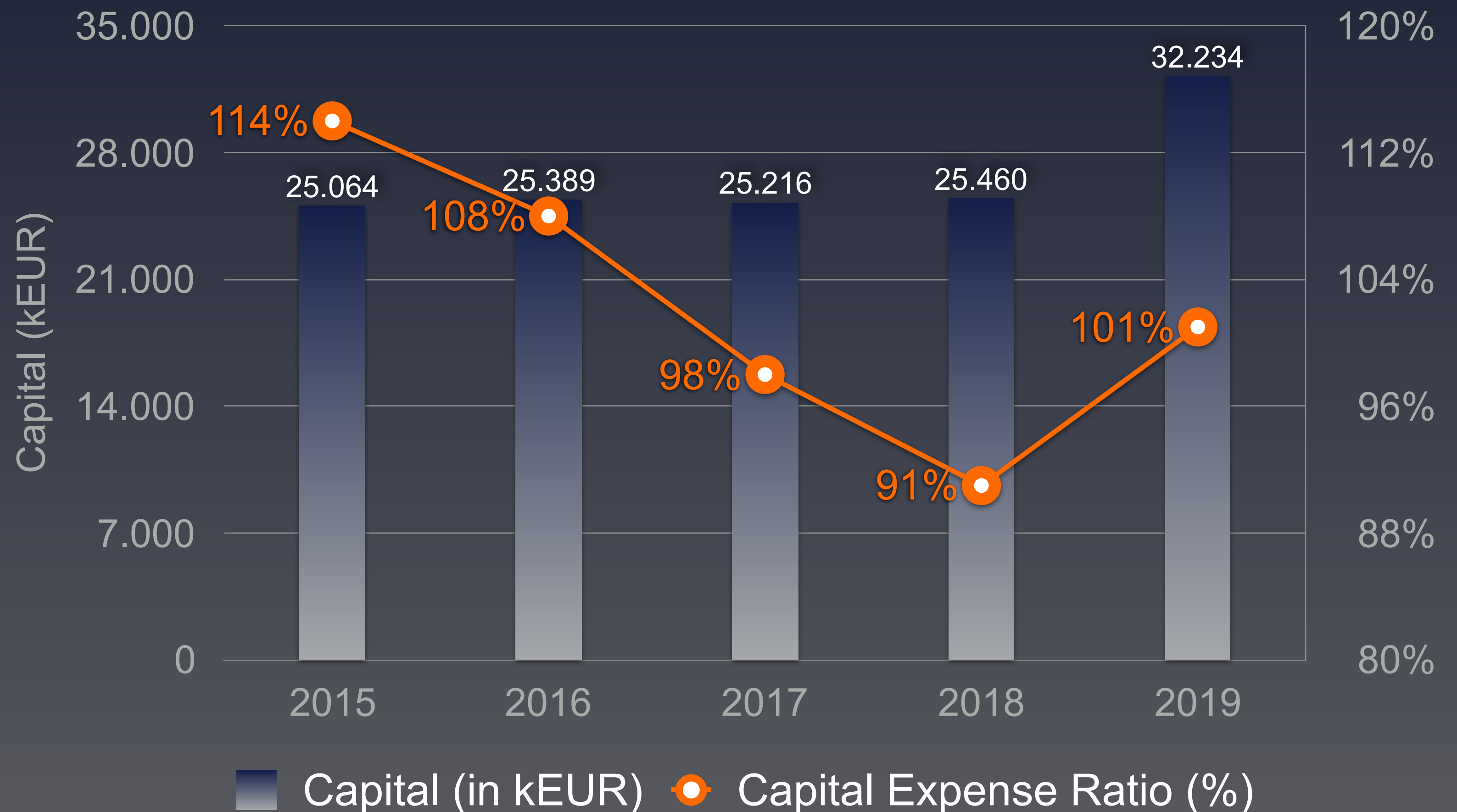
Top 3

	K EUR	#INVOICES	CATEGORY
1	384	19	Information Technology
2	170	2	Information Technology
3	115	11	Information Technology

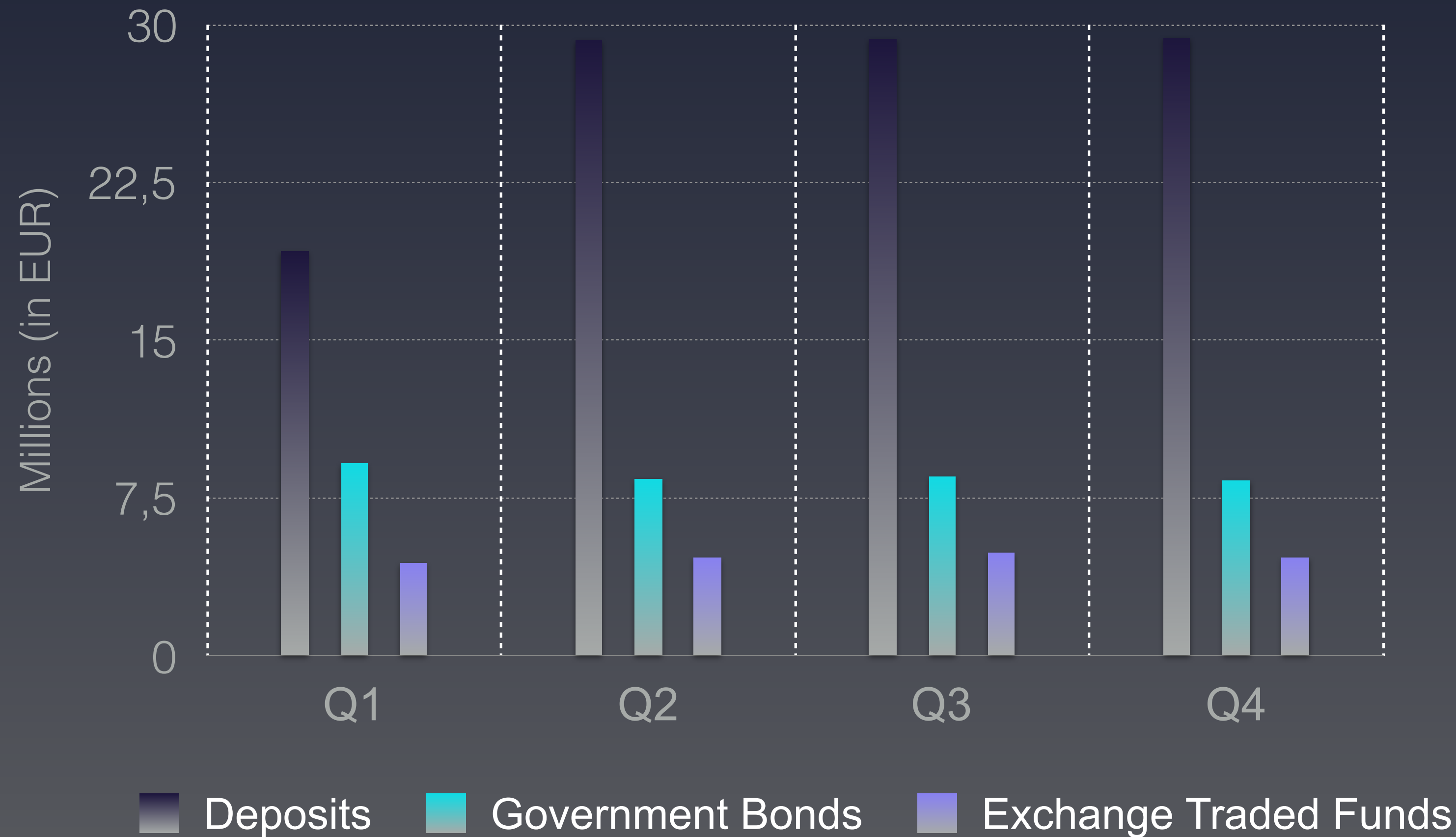
Capital and Liquidity: Balanced and Healthy



- The RIPE NCC continues to be very solvent
- 32M Clearing House buffer to respond to uncertainties
- Conservative investment strategy in line with Treasury Statute



2019 Asset Portfolio - Market Value



- Stable management of RIPE NCC reserves
- 2019 positive market conditions
 - In Q2, we disposed of a EUR 866k government bond
- Assets are spread out over low-risk asset classes
- Deposits:
 - Depending on market conditions, we will look for reinvestments in fixed income



Questions



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