APNIC Pty Ltd
ACN 081 528 010

Special Purpose Financial Report - 31 December 2004

Contents

Your director presents the report on the Company for the year ended 31 December 2004.

Director
The following person was a director of APNIC Pty Ltd during the whole of the financial year and up to the date of this report:

Paul Byron Wilson

Principal activities
The Company's principal activity during the course of the year was to act as a non-profit internet registry organisation for the Asia-Pacific region. There were no significant changes in the nature of the activities of the company during the year.

Dividends
The company does not pay or declare dividends due to its non-profit status as determined by its constituent documents.

Review of operations
The operating profit after income tax amounted to $27,611 (2003 profit: $94,419).

Matters subsequent to the end of the financial year
There have been no matters of significance subsequent to the end of the year.

Likely developments and expected results of operations
Information on likely developments in the company's operations and the expected results of operations have not been included in this report because the director believes it would be likely to result in unreasonable prejudice to the company.

Environmental regulation
The company is not subject to significant environmental regulation.

Insurance of officers
During the financial year, the Company paid a premium of $10,387 (2003: $9,252) to insure the director, officeholders (including executive council) and staff of the Company.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

Auditor
PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the director.

Paul Byron Wilson
Director

Location BRISBANE
Date 11/2/2005

	Notes	**2004** **$**	2003 $
Revenue from ordinary activities	2	**6,879,966**	7,056,022
Employee benefits expense		**(3,495,935)**	(3,045,068)
Depreciation expense	3	**(407,115)**	(319,153)
Occupancy expenses	3	**(387,970)**	(371,901)
Loss on disposal of investments		**(47,842)**	(118,829)
Foreign exchange losses		**-**	(877,652)
Professional fees		**(540,664)**	(403,148)
Travel expenses		**(708,882)**	(789,560)
Communications & meeting expenses		**(194,775)**	(285,492)
Contributions to ICANN		**(233,082)**	(176,835)
Membership fees		**(126,786)**	(48,501)
Other expenses		**(594,521)**	(469,797)
Profit from ordinary activities before income tax expense	3	**142,394**	150,086
Income tax expense	4	**(114,783)**	(55,668)
Profit from ordinary activities after income tax expense		**27,611**	94,418
Total changes in equity other than those resulting from transactions with owners as owners		**27,611**	94,418

The above statement of financial performance should be read in conjunction with the accompanying notes

APNIC Pty Ltd
Statement of financial position
As at 31 December 2004

	Notes	2004 $	2003 $
Current assets			
Cash assets	5	**4,731,908**	4,941,068
Receivables	6	**692,773**	550,889
Investment		**3,300,000**	3,000,000
Other	7	**163,504**	162,765
Total current assets		**8,888,185**	8,654,722
Non-current assets			
Other financial assets	8	**846,551**	723,775
Property, plant and equipment	9	**1,370,998**	1,339,519
Investment		**1,000,000**	1,000,000
Deferred tax assets		**877**	2,822
Total non-current assets		**3,218,426**	3,066,116
Total assets		**12,106,611**	11,720,838
Current liabilities			
Payables	10	**907,375**	718,812
Interest bearing liabilities	11	**20,279**	-
Unearned income		**2,630,564**	2,608,402
Total current liabilities		**3,558,218**	3,327,214
Non-current liabilities			
Deferred tax liabilities		**83,534**	33,099
Provisions - long service leave		**76,723**	-
Total non-current liabilities		**160,257**	33,099
Total liabilities		**3,718,475**	3,360,313
Net assets		**8,388,136**	8,360,525
Equity			
Contributed equity	12	**1**	1
Retained profits	13	**8,388,135**	8,360,524
Total equity		**8,388,136**	8,360,525

The above statement of financial position should be read in conjunction with the accompanying notes.

	Notes	2004 $	2003 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**5,890,906**	6,305,343
Payments to suppliers and employees (inclusive of goods and services tax)		**(5,699,684)**	(6,496,472)
		191,222	(191,129)
Interest received		**351,294**	261,452
Income taxes (paid) / received		**(33,361)**	69,953
Net cash inflow (outflow) from operating activities	17	**509,155**	140,276
Cash flows from investing activities			
Payments for property, plant and equipment		**(438,594)**	(419,067)
Payments for investments		**(300,000)**	(2,016,832)
Net cash inflow (outflow) from investing activities		**(738,594)**	(2,435,899)
Net increase (decrease) in cash held		**(229,439)**	(2,295,623)
Cash at the beginning of the financial year		**4,941,068**	7,236,691
Cash at the end of the financial year	5	**4,711,629**	4,941,068

The above statements of cash flows should be read in conjunction with the accompanying notes.

Note 1. Summary of significant accounting policies

(a) Basis of preparation of financial report

In the director's's opinion the company is not a reporting entity because there are no users dependent on general purpose reports.

This is a special purpose financial report that has been prepared at the request of the Executive Council for the interest of APNIC members and to comply with the Corporations Act 2001 requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The director's has determined that the accounting policies adopted are appropriate to meet the needs of the members.

As a result of applying the new accounting standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets for the first time, certain liabilities have been reclassified as described in note 1(j).

The company has applied Accounting Standard AASB 1025: Application of the Reporting Entity Concept and Other Amendments, which amended the application clauses of all standards existing at the date of its issue so that they now apply only to companies that qualify as reporting entities. However, the financial report has been prepared in accordance with AASB 1018: Statement of Financial Performance, AASB 1034: Financial Report Presentation and Disclosures, AASB 1040: Statement of Financial Position and other applicable Accounting Standards and Urgent Issues Group Consensus Views with the exception of the disclosure requirements in the following:

AASB 1005:	Segment Reporting
AASB 1017:	Related Party Disclosures
AASB 1026:	Statement of Cash Flows
AASB 1033:	Presentation and Disclosure of Financial Instruments
AASB 1041:	Revaluation of Non-Current Assets

The financial report is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(b) Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(c) Foreign currency translation

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date. Resulting exchange differences are brought to account in determining the profit or loss for the year.

Note 1. Summary of significant accounting policies (continued)

(d) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) *Interest income*

Interest income is recognised as it accrues unless collectability is in doubt.

(ii) *Member fees*

Member fees are recognised on an accruals basis.

(e) Receivables

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists and is based on historical information.

(f) Investments (Other Financial Assets)

Investments in managed funds are brought to account at net market value based upon redemption price at reporting date.

(g) Depreciation of property, plant and equipment

Acquisition

Items of property, plant and equipment are recorded at cost.

Depreciation

Items of property, plant and equipment acquired prior to 1 January 2000 are depreciated over their estimated useful lives.

Plant and equipment	20 - 40 %	reducing balance
Office furniture	20 - 25%	reducing balance
Office improvements	20 - 50 %	reducing balance

All assets acquired after 1 January 2000 are depreciated on a straight line basis over their expected useful life, as follows:

Plant and equipment	5 - 40%
Office furniture	5 - 7.5%
Office improvements	5 - 15%

(h) Leased non-current assets

Payments made under operating leases are charged to the statement of financial performance in equal instalments over the accounting periods covered by the lease terms except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(i) Trade and other creditors

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Summary of significant accounting policies (continued)

(j) Employee benefits

(i) *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors expected to be settled within 12 months of the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(k) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

Note 1. Summary of significant accounting policies (continued)

(l) International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) is adopting IFRS for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the company's financial statements for the year ending 31 December 2005.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 January 2005.

The company has undertaken steps to manage the transition to Australian equivalents to IFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. To date, the company has undertaken an analysis of most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Some of these choices are still being analysed to determine the most appropriate accounting policy for the company.

Major changes identified to date that will be required to the company's existing accounting policies include the following:

(i) Income tax

Under the Australian equivalent to IAS 12 *Income Taxes,* deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

(ii) Manged investment funds

Under the Australian equivalent to IAS 32 *Financial Instruments: Disclosure and Presentation* the current classification of financial instruments issued by the company will not change.

Under the Australian equivalent to IAS 39 *Financial Instruments: Recognition and Measurement* there may be a major impact as a result of:

- financial assets held by the company being subject to classification as either held for trading, held-to-maturity, available for sale or loans and receivables and, depending upon classification, measured at fair value or amortised cost. The most likely accounting change is that investments in equity securities will be classified as available for sale and measured at fair value, with changes in fair value recognised directly in equity until the underlying asset is derecognised.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the consolidated entity's financial position and reported results.

Note 2. Revenue

	2004	2003
	$	$
Revenue from operating activities		
Membership income	**4,756,575**	5,213,920
Non-membership income	**37,514**	123,874
Reactivation fees	**3,897**	-
Per allocation fees	**860,668**	639,719
IP resource allocation fees	**475,860**	538,119
	6,134,514	6,515,632
Revenue from outside the operating activities		
Interest	**383,367**	299,690
Foreign currency gains	**113,607**	-
Revaluation of investments	**142,779**	192,800
Other revenue	**105,699**	47,900
	745,452	540,390
Revenue from ordinary activities	**6,879,966**	7,056,022

Note 3. Profit from ordinary activities

(a) Net gains and expenses

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

	2004 $	2003 $
Net gains		
Foreign exchange gains and losses		
Exchange losses on foreign currency borrowings included in borrowing costs	113,607	-
Expenses		
Depreciation		
Plant and equipment	407,115	319,153
Other charges against assets		
Write down of investments to recoverable amount	(142,779)	(192,800)
Bad and doubtful debts - trade debtors	17,742	(11,887)
Borrowing costs		
Net foreign exchange losses, other than those resulting to foreign currency borrowings, included in revenue for the year	-	877,652
Total borrowing costs	-	877,652
Net loss on disposal of investments	47,842	118,828
Other provisions		
Employee entitlements	133,273	67,721
Rental expense relating to operating leases		
Minimum lease payments	297,760	292,772

Note 4. Income tax

(a) The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:

	2004 $	2003 $
Profit from ordinary activities before income tax expense	**142,394**	150,086
Income tax calculated @ 30% (2003 - 30%)	**42,718**	45,026
Tax effect of permanent differences		
Non-deductible expenses related to members	**1,949,751**	2,003,667
Non-assessable fees related to members	**(1,908,798)**	(1,967,583)
Income tax adjusted for permanent differences	**83,671**	81,110
Under (over) provision in previous year	**31,112**	(25,442)
Income tax expense	**114,783**	55,668

	2004 $	2003 $
Aggregate income tax expense comprises:		
Current taxation provision	**62,322**	(111,686)
Deferred income tax provision	**51,235**	12,271
Future income tax benefit	**1,226**	155,083
	114,783	55,668

Note 5. Current assets - Cash assets

	2004 $	2003 $
Petty cash	**400**	400
Cash at bank - NAB (AUD)	**-**	505,552
Cash at bank - NAB $USD APNIC Infodev	**32,224**	33,300
Cash at bank - NAB (USD)	**1,507,240**	2,147,934
Short term deposits - NAB	**3,192,044**	2,253,882
	4,731,908	4,941,068

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2004	2003
Balances as above	**4,731,908**	4,941,068
Less: Bank overdrafts (Note 11)	**20,279**	-
Balances as per statement of cash flows	**4,711,629**	4,941,068

Note 6. Current assets - Receivables

	2004 $	2003 $
Trade debtors	**521,021**	381,668
Less: Provision for doubtful debts	**(8,792)**	(4,828)
	512,229	376,840
Income tax receivable	**24,428**	53,824
Goods and services tax (GST) receivable	**16,379**	12,561
Interest receivable	**139,737**	107,664
	692,773	550,889

Note 7. Current assets - Other

	2004	2003
	$	$
Prepayments	163,454	162,465
Deposits	50	300
	163,504	162,765

Note 8. Non-current assets - Other financial assets

	2004	2003
	$	$
Units in managed investments funds - cost	709,062	729,065
Less: Provision for writeup/(writedown) to recoverable amount	137,489	(5,290)
	846,551	723,775

Note 9. Non-current assets - Property, plant & equipment

	2004 $	2003 $
Plant and equipment at cost	2,086,295	1,670,426
Less: Accumulated amortisation	(1,023,929)	(648,342)
	1,062,366	1,022,084
Office furniture and equipment at cost	72,158	59,630
Less: Accumulated depreciation	(41,509)	(37,946)
	30,649	21,684
Office improvements at cost	457,439	447,243
Less: Accumulated depreciation	(179,456)	(151,492)
	277,983	295,751
Total plant and equipment	1,370,998	1,339,519
Total property, plant and equipment	1,370,998	1,339,519

Note 10. Current liabilities - Payables

	2004 $	2003 $
Trade creditors	575,692	511,160
Other creditors	247,301	190,752
Accrued charges	84,382	16,900
	907,375	718,812

Note 11. Current liabilities - Interest bearing liabilities

	2004 $	2003 $
Bank overdraft - NAB (AUD)	20,279	-
	20,279	-

Note 12. Contributed equity

	2004 Shares	2003 Shares	2004 $	2003 $
(a) Share capital				
Issued and paid up capital	1	1	1	1

Note 13. Reserves and retained profits

	2004 $	2003 $
Retained profits at the beginning of the year	8,360,524	8,266,106
Net profit	27,611	94,418
Retained profits at the end of the year	8,388,135	8,360,524

Note 14. Equity

	2004 $	2003 $
Total equity at the beginning of the financial year	**8,360,525**	8,266,107
Total changes in equity recognised in the statement of financial performance	**27,611**	94,418
Total equity at the end of the financial year	**8,388,136**	8,360,525

Note 15. Remuneration of auditors

	2004 $	2003 $
Remuneration for audit of the financial reports of the company:		
Auditor of the company - PricewaterhouseCoopers Australian firm	**15,020**	13,000
Remuneration for other services:		
Auditor of the company - PricewaterhouseCoopers Australian firm	**4,080**	5,700

Note 16. Commitments for expenditure

	2004 $	2003 $
Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**309,142**	269,595
Later than one year but not later than 5 years	**740,279**	951,764
Commitments not recognised in the financial statements	**1,049,421**	1,221,359

Note 17. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	2004	2003
	$	$
Profit from ordinary activities after income tax	**27,611**	94,418
Depreciation and amortisation	**407,115**	319,153
Write down of investments to recoverable amount	**(142,779)**	(192,800)
Loss on sale of non-current assets	**47,842**	118,828
Bad debts	**13,779**	(11,887)
Investment distribution income	**(27,839)**	-
Change in operating assets and liabilities		
Decrease (increase) in interest receivable	**(32,072)**	2,510
Decrease (increase) in deposits and prepayments	**(387)**	(123,232)
Decrease (increase) in trade and other debtors	**(149,171)**	-
Increase (decrease) in trade and other creditors	**132,016**	114,060
Increase (decrease) in GST payable	**(3,817)**	-
Increase (decrease) in other operating liabilities	**-**	(43,931)
Increase (decrease) in provision for unearned income	**22,162**	(304,198)
Increase (decrease) in provisions	**133,273**	-
Increase (decrease) deferred tax liabilities and assets	**52,380**	167,354
Increase (decrease) in income tax payable	**29,042**	-
Net cash inflow from operating activities	**509,155**	140,275

As stated in Note 1(a) to the financial statements, in the director's opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standard AASB 1025: *Application of the Reporting Entity Concept and Other Amendments*, and other applicable Accounting Standards and mandatory professional reporting requirements, to the extent described in Note 1(a).

The director declares that the financial statements and notes set out on pages 2 to 15:

(a) comply with Accounting Standards and other mandatory professional reporting requirements, as detailed above, and the *Corporations Regulations 2001*

(b) give a true and fair view of the Company's financial position as at 31 December 2004 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the director's opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the director.

Paul Byron Wilson
Director

Brisbane
Date: 11/2/2005

Independent audit report to the members of APNIC Pty Ltd

Audit opinion

In our opinion, the financial report of APNIC Pty Ltd:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of APNIC Pty Ltd as at 31 December 2004 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and
- is presented in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia to the extent described in Note 1 to the financial statements, the *Corporations Act 2001* and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and director responsibility

The financial report, being a special purpose financial report, comprises the Statement of financial position, Statement of financial performance, Statement of cash flows, accompanying notes to the financial statements, and the Director's declaration for APNIC Pty Ltd (the company) for the year ended 31 December 2004. It has been prepared for distribution to members for the purpose of fulfilling the director financial reporting requirements under the *Corporations Act 2001*.

The director of the company is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The director has determined that the accounting policies used and described in Note 1 to the financial statements, including the basis of accounting, which forms part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001*. The members have agreed that these policies are appropriate to meet their needs.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion to the members of the company on its preparation and presentation in accordance with the accounting policies described in Note 1. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which they were prepared.

Our audit was conducted in accordance with Australian Auditing Standards. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the reasonableness of significant accounting estimates made by the director.

When this audit report is included in a document containing the director's report, our procedures include reading the director's report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature

Independent audit report to the members of APNIC Pty Ltd (continued)

and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by the director or management.

Independence

In conducting this audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

In addition to our statutory audit work, we were engaged to undertake other services for the company. In our opinion the provision of these services has not impaired our independence.

PricewaterhouseCoopers

M D Bruton
Partner

11th February 2005

APNIC Pty Ltd
Operating statement
For the year ended 31 December 2004

	2004 $	2003 $
Income		
Professional income		
Foreign currency gains	**113,607**	-
IP resource allocation fees	**475,860**	538,119
Interest	**383,367**	299,690
Membership fees	**4,756,575**	5,213,920
Non-membership income	**37,514**	123,874
Other revenue	**105,699**	47,900
Per allocation fees	**860,668**	639,719
Reactivation fees	**3,897**	-
Revaluation of investments	**142,779**	192,800
Total Professional income	**6,879,966**	7,056,022
Less Expenses		
Administration expenses (refer schedule)	**6,737,574**	6,905,936
Profit from ordinary activities before income tax	**142,392**	150,086

APNIC Pty Ltd
Operating statement schedule
For the year ended 31 December 2004

Schedule of expenses

	2004 $	2003 $
Administration expenses		
Administration fees	**1,031**	364
Audit fees	**18,976**	16,076
Bank charges	**28,454**	25,951
Books and periodicals	**2,406**	3,546
Cleaning	**11,116**	9,280
Communication expenses	**143,539**	213,848
Computer expenses	**74,713**	54,547
Depreciation	**407,115**	319,153
Donation/contribution	**66,781**	17,749
Doubtful debts	**13,778**	(11,887)
Electricity	**23,432**	17,344
Employees' entitlements	**133,272**	67,721
Entertainment	**2,090**	13,253
Equipment hire	**39,595**	22,184
Foreign currency translation losses	**-**	877,652
Fringe benefits tax	**6,430**	2,527
Gifts/promotions	**17,201**	29,557
ICANN	**233,082**	176,835
Insurance	**77,119**	65,652
Loss on sale of investments	**47,842**	118,829
Meeting expenses	**51,235**	71,644
Membership fees	**126,786**	48,501
Miscellaneous expenses	**13,141**	14,140
Office expenses	**44,077**	44,968
Parking expenses	**33,780**	27,446
Payroll tax	**143,948**	113,658
Postage	**55,063**	64,321
Printing and stationery	**47,581**	37,525
Professional fees - Accountancy/management	**28,506**	18,613
Professional fees - Consulting	**164,140**	145,961
Professional fees - Legal	**34,433**	27,691
Professional fees - Project management	**24,830**	12,365
Professional fees - R&D	**288,757**	198,517
Recruitment	**61,922**	68,897
Rent	**297,760**	292,772
Repairs and maintenance	**11,587**	7,536
Salaries and wages	**2,857,459**	2,539,719
Sponsorship fees	**22,055**	8,420
Staff amenities	**14,207**	8,272
Staff training	**65,915**	77,412
Superannuation	**266,118**	229,754
Translation expenses	**18,835**	12,057
Travel	**708,882**	789,560
Workers compensation	**8,585**	6,006
Total Administration expenses	**6,737,574**	6,905,936