ANNUAL REPORT

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FOR THE YEAR ENDED

DECEMBER 31, 2009

INDEX

1. The directors have pleasure in submitting their Annual Report to the members together with the financial statements for the year ended 31 December 2009.

2. All board members have agreed by way of unanimous resolution date 03/12/08, that the Annual Report need not comply with the paragraphs (a), and (d) to (i) of Section 221 (1) of the Companies Act 2001.

Approved by the Board of Directors on 28 JUNE 2010.. and signed on its behalf by:-

)
) DIRECTORS
)

I certify that, to the best of any knowledge and belief, the company has lodged with the Registrar of Companies all such returns as are required of the company under the Companies Act 2001.

....
Company Secretary

EXECUTIVE SERVICES LTD

....
Date Jun 2 8 2010

AUDITORS' REPORT TO THE MEMBERS OF AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

Report on the Financial Statements

We have audited the financial statements of African Network Information Centre (AfriNIC) Ltd on pages 5 to 21 which comprise the statement of financial position as at December 31, 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 5 to 21 give a true and fair view of the financial position of the Company as at December 31, 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

AUDITORS' REPORT TO THE MEMBERS OF AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

Report on the Financial Statements *(continued)*

Other matter

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interest in the Company other than in our capacity as auditors and dealings with the Company in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Ernst & Young

ERNST & YOUNG

ANDRE LAI WAN LOONG, A.C.A.

Ebene,

Mauritius

Date: 28 JUN 2010

	Notes	2009	2008
		Rs	Rs
ASSETS			
Non-current assets			
Plant and equipment	3	2,226,931	2,332,575
Intangible assets	4	89,910	73,115
		2,316,841	2,405,690
Current assets			
Trade receivables and other assets	5	8,375,739	6,194,863
Deposits	6	-	31,755,000
Cash and cash equivalents	7	38,119,091	10,899,242
		46,494,830	48,849,105
Total assets		48,811,671	51,254,795
RESERVES AND LIABILITIES			
Revenue reserve		1,944,514	1,519,796
Other reserve		39,693,750	39,693,750
Grant		1,484,268	2,397,035
Net assets attributable to members		43,122,532	43,610,581
Current liabilities			
Trade and other payables	8	5,689,139	7,644,214
Total reserves and liabilities		48,811,671	51,254,795

These financial statements have been approved by the board of directors on JUN 2 8 2010

Name of directors Signature

(1) Mr PADAYATCHY T. Viveganunda

(2) Mr AKPLOGAN A.Adiel

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

	Notes	2009	2008
		Rs	Rs
Income	9	57,206,732	42,895,849
Administrative expenses		(34,795,197)	(14,907,261)
Distribution expenses		(22,434,049)	(20,393,906)
		(57,229,246)	(35,301,167)
Surplus of income over expenditure	10	(22,514)	7,594,682
Finance revenue	11	447,232	1,178,110
Surplus for the year		424,718	8,772,792

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

	Revenue Reserve	Other Reserves	Grant Capital	Grant Operational	Total
	Rs	Rs	Rs	Rs	Rs
At January 1, 2008	4,566,754	27,874,000	44,414	3,265,388	35,750,556
Released during the year	-	-	(22,207)	(890,560)	(912,767)
Transfer	(11,819,750)	11,819,750	-	-	-
Surplus for the year	8,772,792	-	-	-	8,772,792
At December 31, 2008	1,519,796	39,693,750	22,207	2,374,828	43,610,581
At January 1, 2009	1,519,796	39,693,750	22,207	2,374,828	43,610,581
Released during the year	-	-	(22,207)	(890,560)	(912,767)
Surplus for the year	424,718	-	-	-	424,718
At December 31, 2009	1,944,514	39,693,750	-	1,484,268	43,122,532

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

	Note	2009	2008
		Rs	Rs
Operating activities			
Surplus for the year		424,718	8,772,792
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation on plant and equipment		1,000,461	849,596
Amortisation of intangible assets		57,265	42,265
Loss on sale of plant and equipment		-	32,321
Release of grant		(912,767)	(912,767)
Other gains and losses:			
Loss/(Gain) on revaluation of deposit		411,782	(3,881,000)
Interest income		(447,232)	(1,178,110)
		534,227	3,725,097
Working capital adjustments:			
Trade and other receivables		(2,180,876)	(4,287,367)
Trade and other payables		(1,955,075)	3,379,933
Net cash flow (used in)/from operating activities		(3,601,724)	2,817,663
Investing activities			
Purchase of property, plant and equipment		(894,817)	(970,261)
Acquisition of intangible assets		(74,060)	(4,991)
Deposit withdrawn		31,343,218	-
Interest income		447,232	1,178,110
Net cash from investing activities		30,821,573	202,858
Net movement in cash and cash equivalents		27,219,849	3,020,521
Cash and cash equivalent as at January 01,		10,899,242	7,878,721
Cash and cash equivalent as at December 31,	7	38,119,091	10,899,242

The notes on pages 9 to 21 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

1. CORPORATE INFORMATION

African Network Information Centre (AfriNIC) Ltd, (the "Company") is a private company limited by guarantee incorporated in the Republic of Mauritius. Its registered address and place of business is situated at Ebène Cyber Tower, Office 0383, 3rd Floor, Cyber City, Ebène. The principal activity has remained unchanged during the year and consists of managing internet resources in the African Regions. The Company is a non-profit making organisation.

The financial statements of the Company for the year ended December 31, 2009 were authorised for issue in accordance with a resolution of the directors on ...28 JUN 2010...

2.1 BASIS OF PREPARATION

The financial statements of AfriNIC Limited have been prepared on a historical basis. The financial statements are presented in Mauritian rupees ("Rs").

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB).

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except as

The company has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these required standards and interpretation did not have any effect on the financial performance and position of the Company. They did however give rise to additional disclosures, including in some cases revisions to accounting policies:

- IFRS 7 Financial Instruments: Disclosures effective 1 January 2009
- IAS 1 Presentation of Financial Statements effective 1 January 2009

- IFRS 7 Financial Instruments: Disclosures effective 1 January 2009

The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level of hierarchy, by class, for all financial instruments recognised at fair value. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 15.

- IAS 1 Presentation of Financial Statements effective 1 January 2009

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present only one statement.

2.3 ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following standards and interpretations were in issue but not yet effective:

- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 16 Hedges of Net Investment in a Foreign Operation
- IFRS 2 Share Based Payment - Vesting Conditions and Cancellations (Amendments)
- IFRS 5 Non-current Assets Held for sale and Discontinued Operations (Revised May 2008)
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements (Revised May 2008)
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Chanmge in Accounting Estimates and Error
- IAS 10 Events after the Reporting Period
- IAS 16 Property, Plant and Equipment (Revised May 2008)
- IAS 18 Revenue
- IAS 19 Employee Benefits
- IAS 20 Government Grants and Disclosure of Government Assistance (Revised May 2008)
- IAS 23 Borrowings Costs (Revised May 2008)
- IAS 27 Consolidated and separate Financial statements (Revised May 2008)
- IAS 28 Investments in Associates
- IAS 31 Interests in Joint Ventures (Revised May 2008)
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets (Revised May 2008)
- IAS 38 Intangible Assets (Revised May 2008)
- IAS 39 Financial Instruments: Recognition and Measurement (Revised May 2008)
- IAS 40 Investment Property (Revised May 2008)
- IAS 41 Agriculture (Revised May 2008)

The Company expects that adoption of these pronouncements listed above will have no impact on the Company's financial statements in the period of initial application but additional disclosures will be required.

The Company is still evaluating the effect that these new or revised standards and interpretations on the presentation of its financial statements

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgement

In the process of applying the Company's accounting policies, management has not had to apply any judgements, which has any effect on the amounts recognised in the financial statements.

Estimation and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation and assumptions (Cont'd)

(i) Estimated useful lives and residual values of plant and equipment

Determining the carrying amounts of plant and equipment requires the estimation of the useful lives and residual values of these assets. Certain plant and equipment of the Company are separated into their significant parts and estimates of the useful lives and residual values thereof are made for the purposes of calculating depreciation. The estimates of useful lives and residual values carry a degree of uncertainty. The Directors have used historical information relating to the Company and the relevant industries in which the latter operate in order to best determine the useful lives and residual values of plant and equipment.

(ii) Estimation of recoverable amounts on trade and other receivables

In preparing those financial statements, the Directors have made estimates of the recoverable amounts of trade and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. The estimation of recoverable amounts involve an assessment of the financial condition of the debtors concerned and an estimate of the timing and the extent of cash flows likely to be received by the Company.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and equipment

Plant and equipment is stated at historical cost, excluding the costs of day-to-day servicing, less accumulated depreciation and any impairment in value. Cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Residual value is the estimated amount that the Company would currently obtain from disposal of the asset after deducting the estimated cost of disposal and if the asset were already of the age and in the condition expected at the end of its useful life.

The principal annual rates of depreciation are:

	%
Computer equipment	20
Motor vehicles	20
Office equipment	20
Fixtures and fittings	10

All plant and equipment have a nil residual value.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised. On disposal of revalued assets, amounts in revaluation are transferred to retained earnings.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and equipment (Cont'd)

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(b) Intangible Assets

Intangible assets of the Company have been assessed as having finite lives and are therefore amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on the intangible assets is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. The estimated useful life of computer software is 5 years.

(c) Grants

Grants received are analysed between capital and operational grants.

(i) Capital grants

The value of fixed assets donated is credited to a capital grant account and released into income using the same method as adopted for depreciation.

(ii) Operational grants

The value of income donated is credited to an operational grant account and released into income to match the expenses incurred for the year.

The amount of operational grant currently recognised in the financial statements is the excess amount received for the setting up of the company and is released to income at a rate of 15% annually. Other operational grants include rent and assistance in the form of human resources from various governments in the Africa region.

(d) Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit and loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Purchases or sales of financial assets thatr equire delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. ACCOUNTING POLICIES (CONT'D)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and to settle the liability simultaneously.

The Company's accounting policies for subsequent measurement of financial instruments are set out below:

(i) Trade and other receivables
Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts.

(ii) Trade payables
Trade payables are stated at their nominal value which approximates fair value.

(iii) Cash and cash equivalents
Cash and short-term deposits in the statement of financial position comprise cash at bank and

(iv) Equity instruments
Equity instruments are recorded at the proceeds received, net of direct issue costs.

(e) Derecognition of financial assets and liabilities

(i) Financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired;

- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a 'guarantee' over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2. ACCOUNTING POLICIES (CONT'D)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Derecognition of financial assets and liabilities (Cont'd)

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(f) Impairment

(i) Non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Company assesses at each reporting date whether a financial asset is impaired.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognised when they are assessed as uncollectible.

2. ACCOUNTING POLICIES (CONT'D)

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue from services is recognised upon providing of services and customer acceptance, net of Value Added Taxes.

(ii) Interest income

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in the statement of comprehensive income.

(i) Foreign currency translations

The financial statements are presented in rupees, which is the Company's functional and presentation currency. Items included in the financial statements of the Company are measured using the functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(j) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand, short-term deposit with an original maturity of three months or less and fixed deposit of twelve months or less.

(k) Taxes

The company has been exempted of income tax by the tax authorities.

3. PLANT AND EQUIPMENT

	Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Total
	Rs	Rs	Rs	Rs	Rs
COST					
At January 1, 2008	1,232,426	1,625,000	234,835	517,227	3,609,488
Additions	750,015	-	76,621	143,625	970,261
Disposals	(29,997)	-	(32,901)	-	(62,898)
At December 31, 2008	1,952,444	1,625,000	278,555	660,852	4,516,851
Additions	376,869	-	320,910	197,038	894,817
At December 31, 2009	2,329,313	1,625,000	599,465	857,890	5,411,668
DEPRECIATION					
At January 1, 2008	508,722	650,000	53,068	153,467	1,365,257
Charge for the year	396,488	325,000	62,023	66,085	849,596
Disposals	(23,997)	-	(6,580)	-	(30,577)
At December 31, 2008	881,213	975,000	108,511	219,552	2,184,276
Charge for the year	463,199	325,000	126,473	85,789	1,000,461
At December 31, 2009	1,344,412	1,300,000	234,984	305,341	3,184,737
NET BOOK VALUE					
At December 31, 2009	984,901	325,000	364,481	552,549	2,226,931
At December 31, 2008	1,071,231	650,000	170,044	441,300	2,332,575

4. INTANGIBLE ASSETS

	Computer Software
	Rs
COST	
At January 1, 2008	206,336
Additions	4,991
At December 31, 2008	211,327
Additions	74,060
At December 31, 2009	285,387
DEPRECIATION	
At January 1, 2008	95,947
Charge for the year	42,265
At December 31, 2008	138,212
Charge for the year	57,265
At December 31, 2009	195,477
NET BOOK VALUE	
At December 31, 2009	89,910
At December 31, 2008	73,115

5. TRADE RECEIVABLES AND OTHER ASSETS

	2009	2008
	Rs	Rs
Trade receivables	4,916,446	3,147,671
Other assets	3,459,293	3,047,192
	8,375,739	6,194,863

Trade receivables are non-interest bearing and are generally on 30-90 days' terms.

Other assets are non-interest bearing and are generally on 30-60 days' terms.

The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired < 30 days	30 - 60 days	61 - 90 days	> 90 days
	Rs	Rs	Rs	Rs	Rs	Rs
2009	4,916,446	232,671	-	-	-	4,683,775
2008	3,147,671	1,694,129	-	-	20,675	1,432,867

6. DEPOSITS

	2009	2008
	Rs	Rs
Fixed deposit	-	31,755,000

The deposit last year was in USD for a period of twelve months, and earned interest at the rate of 1.5% per annum.

7. CASH AND CASH EQUIVALENTS

	2009	2008
	Rs	Rs
Cash at bank and on hand	38,119,091	2,960,492
Short term deposit	-	7,938,750
	38,119,091	10,899,242

Cash at bank earn interest at floating rates based on daily bank deposit rates. Short term deposit is made of three months, and earn interest at the respective short term deposit rates.

8. TRADE AND OTHER PAYABLES

	2009	2008
	Rs	Rs
Trade payables	2,130,908	2,262,010
Other payables	3,558,231	5,382,204
	5,689,139	7,644,214

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normaly settled on 30-day terms
- Other payables are non-interest bearing and have an average term of six months.

9. INCOME

	2009	2008
	Rs	Rs
Members fees	52,647,062	40,848,507
Grants	4,122,745	1,919,132
Other Income	436,925	128,210
	57,206,732	42,895,849

10. SURPLUS OF INCOME OVER EXPENDITURE

	2009	2008
	Rs	Rs
The surplus is arrived at after :		
crediting:		
Grants released to statement of comprehensive income:		
- Capital	22,207	22,207
- Operational	890,560	890,560
Grants received	3,209,978	1,006,365
and charging :		
Depreciation on property, plant and equipment	1,000,461	849,596
Amortisation of intangible assets	57,265	42,265
Staff cost	18,842,699	11,829,064
Staff cost is analysed as follows:		
Salaries	18,524,711	11,417,244
Social security costs	317,988	411,820

11. FINANCE REVENUE

	2009	2008
	Rs	Rs
Bank interest receivables	447,232	1,178,110

12. RELATED PARTY TRANSACTIONS

(a) There were no amounts receivable or amounts payable to related parties.

(b) Transactions of key management personnel of the company:	2009	2008
	Rs	Rs
Total remuneration paid to key management personnel	3,716,849	3,405,736

13. FINANCIAL INSTRUMENTS

Fair value of instruments

Fair value is defined as the amount for which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arms-length transaction, other than in a forced or liquidation sale. The fair values of the Company's financial instruments, which principally comprise bank and cash balances, trade receivables, and trade and other payables approximate their statement of financial position carrying values.

	Carrying amount		Fair value	
	2009	2008	2009	2008
	Rs	Rs	Rs	Rs
Financial assets:-				
Deposit	-	31,755,000	-	31,755,000
Cash and cash equivalents	38,119,091	10,899,242	38,119,091	10,899,242
Trade and other receivables	8,375,739	6,194,863	8,375,739	6,194,863
Financial liabilities:-				
Trade and other payables	5,689,139	7,644,214	5,689,139	7,644,214

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as trade receivables and cash which arise directly from its operations.

The main risks arising from the Company's financial instruments are liquidity risk, foreign currency risk and credit risk. The Board of directors reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risks arising from various currency exposures primarily with respect to US dollars. A significant number of customers are therefore invoiced in US dollars. While protecting the Company against any fall in the parity of the Mauritian Rupee, it exposes it to a fall in revenue should the Rupee appreciate against the US dollar.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all other variables held constant, on the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). There is no impact on the Company's equity.

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

	Foreign currency denomination	Change in exchange rate	Effect on profit before tax
		%	Rs
2009	USD	+10	4,243,542
	EUR	+10	127,211
	USD	-10	(4,243,542)
	EUR	-10	(127,211)
2008	USD	+10	4,145,216
	EUR	+10	(62,037)
	USD	-10	(4,145,216)
	EUR	-10	62,037

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

The Company trades with recognised, creditworthy third parties only. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The Company only deposits cash surpluses with major banks of high quality credit standing.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the Company's financial liabilities at year end based on contractual undiscounted payments.

	3 to 12 months	Less than 3 months	Total
	Rs	Rs	Rs
December 31, 2009			
Trade and other payables	4,444,026	1,245,113	5,689,139
December 31, 2008			
Trade and other payables	4,099,567	3,544,647	7,644,214

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize net assets attributable to members.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company aims to transfer part of its revenue reserve to a fixed deposit every year. No changes were made in the objectives, policies or processes during the year ended December 31, 2009. The Company manages the following as its capital:

	2009	2008
	Rs	Rs
Reserve revenue	1,944,514	1,519,796
Other reserve	39,693,750	39,693,750
Grant	1,484,268	2,397,035
	43,122,532	43,610,581
Trade and other payables	5,689,139	7,644,214