ANNUAL REPORT

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FOR THE YEAR ENDED

DECEMBER 31, 2011

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
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1. The directors have pleasure in submitting their Annual Report to the members together with the financial statements for the year ended December 31, 2011.

2. All board members have agreed by way of unanimous resolution date Dec 0 3 2008, 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 Jun 2 9 2012 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
Per Ah Man Wong Too Ya

Date: Jun 2 9 2012

INDEPENDENT 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 (the "Company") on pages 5 to 21 which comprise the statement of financial position as at December 31, 2011 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2011 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

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.

A member firm of Ernst & Young Global Limited

ERNST & YOUNG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD(CONTINUED)

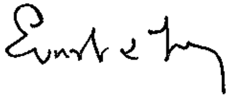
Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings 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
Ebène, Mauritius

Date: 29 JUN 2012

LI KUNE LAN POOKIM, A.C.A, F.C.C.A.
Licensed by FRC

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

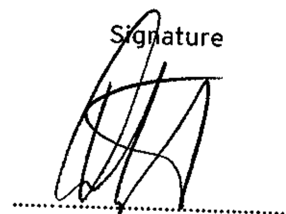
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011

	Notes	2011	2010
		Rs	Rs
ASSETS			
Non-current assets			
Plant and equipment	3	9,753,838	10,271,310
Intangible assets	4	67,995	115,053
		9,821,833	10,386,363
Current assets			
Trade receivables and other assets	5	11,093,048	6,179,008
Deposits	6	18,071,440	18,283,500
Cash and cash equivalents	7	14,678,626	22,085,572
		43,843,114	46,548,080
Total assets		53,664,947	56,934,443
RESERVES AND LIABILITIES			
Revenue reserve		3,239,601	3,124,943
Other reserve		39,693,750	39,693,750
Grant		-	593,708
Net assets attributable to members		42,933,351	43,412,401
Current liabilities			
Trade and other payables	8	10,731,596	13,522,042
Total reserves and liabilities		53,664,947	56,934,443

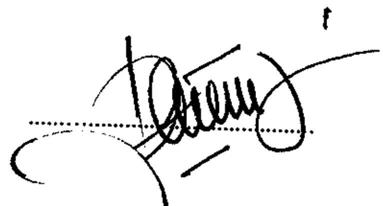
These financial statements have been approved by the board of directors on Jun 2 9 2012

Name of directors | Signature

(1) Mr PADAYATCHY T. Viveganandа



(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.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011	2010
		Rs	Rs
Income	9	76,162,768	71,647,672
Distribution expenses		(21,494,265)	(24,587,747)
Administrative expenses		(55,151,765)	(46,126,321)
		(76,646,030)	(70,714,068)
(Loss)/surplus of income over expenditure	10	(483,262)	933,604
Finance revenue	11	597,920	246,825
Surplus for the year		114,658	1,180,429

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

ANNUAL REPORT

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FOR THE YEAR ENDED

DECEMBER 31, 2011

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2. All board members have agreed by way of unanimous resolution dated Dec 0 3 2008, 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 Jun 2 9 2012 and signed on its behalf by:-

) DIRECTORS

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
CERTIFICATE FROM THE COMPANY SECRETARY

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
Per Ah Man Wong Too Ya.

Date: Jun 29 2012

INDEPENDENT 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 (the "Company") on pages 5 to 21 which comprise the statement of financial position as at December 31, 2011 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2011 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

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.

ERNST & YOUNG

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

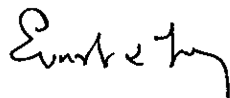
Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings 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
Ebène, Mauritius

Date: 29 JUN 2012

LI KUNE LAN POOKIM, A.C.A, F.C.C.A.
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AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011

	Notes	2011	2010
		Rs	Rs
ASSETS			
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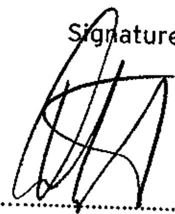
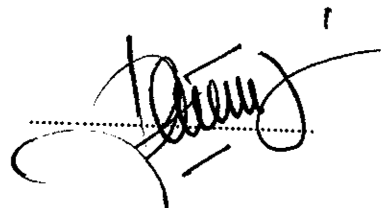
Trade and other payables	8	10,731,596	13,522,042
Total reserves and liabilities		53,664,947	56,934,443

These financial statements have been approved by the board of directors on Jun 2 9 2012

Name of directors Signature



(1) Mr PADAYATCHY T. Viveganada



(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.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011	2010
		Rs	Rs
Income	9	76,162,768	71,647,672
Distribution expenses		(21,494,265)	(24,587,747)
Administrative expenses		(55,151,765)	(46,126,321)
		(76,646,030)	(70,714,068)
(Loss)/surplus of income over expenditure	10	(483,262)	933,604
Finance revenue	11	597,920	246,825
Surplus for the year		114,658	1,180,429

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

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

	Revenue Reserve	Other Reserves	Grant Operational	Total
	Rs	Rs	Rs	Rs
At January 1, 2010	1,944,514	39,693,750	1,484,268	43,122,532
Released during the year	-	-	(890,560)	(890,560)
Surplus for the year	1,180,429	-	-	1,180,429
At December 31, 2010	3,124,943	39,693,750	593,708	43,412,401
At January 1, 2011	3,124,943	39,693,750	593,708	43,412,401
Released during the year	-	-	(593,708)	(593,708)
Surplus for the year	114,658	-	-	114,658
At December 31, 2011	3,239,601	39,693,750	-	42,933,351

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

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011	2010
Operating activities		Rs	Rs
Surplus for the year		114,658	1,180,429
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation on plant and equipment		1,986,197	2,181,361
Amortisation of intangible assets		47,058	43,458
Assets written off		-	160,348
Release of grant		(593,708)	(890,560)
Other gains and losses:			
Loss on revaluation of deposit		666,000	55,500
Interest income	11	(597,920)	(246,825)
		1,622,285	2,483,711
Working capital adjustments:			
Trade and other receivables		(4,914,040)	3,333,622
Trade and other payables		(2,790,446)	6,696,012
Net cash flow (used in)/from operating activities		(6,082,201)	12,513,345
Investing activities			
Purchase of property, plant and equipment		(1,468,725)	(10,386,088)
Acquisition of intangible assets		-	(68,601)
Increase in deposit		(453,939)	(18,339,000)
Interest income	11	597,920	246,825
Net cash from investing activities		(1,324,744)	(28,546,864)
Net movement in cash and cash equivalents		(7,406,946)	(16,033,519)
Cash and cash equivalent as at January 01,		22,085,572	38,119,091
Cash and cash equivalent as at December 31,	7	14,678,626	22,085,572

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 11th Floor Raffles Tower, Ebène 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 not-for-profit organisation.

The financial statements of the Company for the year ended December 31, 2011 were authorised for issue in accordance with a resolution of the directors on ...12 JUN 2012...

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 that the Company has adopted the following IFRS and IFRIC interpretations as of January 1, 2011:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters (effective July 2010)
- IAS 24 - Related Party Disclosures (Revised) (effective January 2011)
- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendments) (effective February 2010)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment) (effective January 2011)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (effective July 2010)
- Improvements to IFRSs (May 2010)

The principal effects of these changes are as follows:

IFRS 1 First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters (effective July 2010)

The Standard has been amended to allow first-time adopters to utilise the transitional provisions of IFRS 7 Financial Instruments: Disclosures. The amendments provide relief to first-time adopters, by reducing the costs and resources required to provide certain comparative disclosures. The amendments may be applied earlier than the effective date.

IAS 24 Related Party Disclosures (Revised) (effective January 2011)

The definition of a related party has been clarified to simplify the identification of related party relationships, particularly in relation to significant influence and joint control. A partial exemption from the disclosures has been included for government-related entities and for these entities, the general disclosure requirements of IAS 24 shall not apply. Instead, alternative disclosures are required.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

IAS 32 Financial Instruments: Presentation - Classification of Rights Issues (Amendments) (effective February 2010)

The amendment to IAS 32 is effective for annual periods beginning on or after 1 February 2010 and amended the definition of a financial liability on order to classify rights issues (and certain options or warrants) as equity instruments in cases where such rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, or to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. This amendment will have no impact on the Company after application.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) (effective January 2011)

The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective July 2010)

IFRIC 19 addresses the accounting by the entity that issues equity instruments in order to settle, in full or in part, a financial liability.

Improvements to IFRSs

In May 2010 the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Company.

Improvements to IFRS in May 2010

- IFRS 1 First-time Adoption of International Financial Reporting Standards (effective January 2011): The amendment will increase the amount of disclosures required when accounting policies are changed, putting greater emphasis on initial selection of policies at the date of transition. It is also likely to increase the use of fair value as deemed cost for existing preparers as well as first-time adopters, thereby improving the net asset position of entities. Existing preparers need to evaluate the costs to determine the event-driven fair value and subsequent effects as depreciation charges or impairments. However, they have a limited time frame, ending with the financial year beginning on or after 1 January 2011. The improvement expands the scope of 'deemed cost' for property, plant and equipment or intangible assets to include items used subject to rate regulated activities. The exemption will be applied on an item-by-item basis. All such assets will also need to be tested for impairment at the date of transition.

- IFRS 3 Business Combinations (effective July 2010): This improvement clarifies that the amendments to IFRS 7 Financial Instruments: Disclosures, IAS 32 Financial Instruments: Presentation and IAS 39 Financial Instruments: Recognition and Measurement, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of IFRS 3 (as revised in 2008).

- IFRS 7 Financial Instruments: Disclosures (effective January 2011): The improvement clarifies disclosures and emphasises the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. There are amendments mainly to quantitave and credit risks disclosures and are intended to simplify the disclosures provided and reduce time and effort in preparing the financial statements.

- IAS 1 Presentation of Financial Statements (effective January 2011): The improvement clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES (CONT'D)

Improvements to IFRS in May 2010 (Cont'd)

- IAS 27 Consolidated and Separate Financial Statements (effective July 2010): This improvement clarifies that the consequential amendments from IAS 27 made to IAS 21 The Effect of Changes in Foreign Exchange Rates, IAS 28 Investments in Associates and IAS 31 Interests in Joint Ventures apply prospectively for annual periods beginning on or after 1 July 2009 or earlier when IAS 27 is applied earlier.

- IAS 34 Interim Financial Reporting (effective January 2011): The improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements around the circumstances likely to affect fair values of financial instruments and their classification, transfers of financial intruments between different levels of fair value hierarchy and changes in contingent liabilities and assets.

- IFRIC 13 Customer Loyalty Programmes (effective January 2011): This improvement clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

The Company however, expect no impact from the adoption of the amendments on its financial position or performance.

2.3 STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standard issued but not yet effective up to the date of issuance of the Company's financial statements are listed below:

- IFRS 1 - First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosure for First-time Adopters (effective July 2011)
- IFRS 7 - Financial Instruments: Disclosures (Amendment) (effective July 2011)
- IFRS 7 - Financial Instruments: Disclosures (effective January 2013)
- IFRS 9 - Financial Instruments (effective January 2013)
- IFRS 9 - Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition (effective January 2015)
- IFRS 10 - Consolidated Financial Statements (effective January 2013)
- IFRS 11 - Joint Arrangements (effective January 2013)
- IFRS 12 - Disclosure of Interests in Other Entities (effective January 2013)
- IFRS 13 - Fair Value Measurement (effective January 2013)
- IAS 1 - Presentation of Items in Other Comprehensive Income - Amendments to IAS 1 - effective as of 1 July 2012
- IAS 12 - Income Taxes (Amendments) - Deferred Taxes: Recovery of Underlying Assets - effective as of 1 January 2012
- IAS 19 - Employee Benefits (Revised) - effective as of 1 January 2013
- IAS 27 - Separate Financial Statements (as revised in 2011) - effective as of 1 January 2013
- IAS 28 - Investments in Associates and Joint Ventures (as revised in 2011) - effective as of 1 January 2013
- IAS 32 - Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities - effective as of 1 January 2014
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine - effective as of 1 January 2013

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.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

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 financial year are discussed below.

(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
Building Improvements	10

A full year depreciation is charged in the year of purchase and none in the year of disposal.

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 profit or loss in the year the asset is derecognised. On disposal of revalued assets, amount in revaluation is transferred to retained earnings.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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 profit or loss in the expense category consistent with the function of the intangible asset. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the asset is derecognised. The estimated useful life of computer software is 5 years. A full year amortisation is charged in the year, in which an asset is purchased.

(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 that require 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.

2.5 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 cash in hand.

(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. In that case, the company also recognises an associated liability. The transfered asset and the associated liability are measured on a basis that reflects the right and obligations that the company has retained. 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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) Financial 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 profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income 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 profit or loss 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 there is oblective evidence that 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.

2.5 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 profit or loss net of any reimbursement.

(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 regardless of whether payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contracting defined terms of payment and excluding taxes and duty. 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. The Company provides services which spans over more than one year. The consideration received is then deferred over the duration of the contract.

(ii) Interest income

Revenue is recognised as interest accrues (using the effective interest method). Interest income is included in finance revenue in profit or loss.

(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. All differences are taken to profit or loss. Tax charges and credit attributable to exchange difference on those monetary items are also recorded in other comprehensive income. 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.

(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	Building Improvements	Total
	Rs	Rs	Rs	Rs	Rs	Rs
COST						
At January 1, 2010	2,329,313	1,625,000	599,465	857,890	-	5,411,668
Additions	1,444,280	-	955,517	361,846	7,624,445	10,386,088
Disposal	-	-	(148,620)	(263,750)	-	(412,370)
At December 31, 2010	3,773,593	1,625,000	1,406,362	955,986	7,624,445	15,385,386
Additions	768,557	-	348,801	317,487	33,880	1,468,725
At December 31, 2011	4,542,150	1,625,000	1,755,163	1,273,473	7,658,325	16,854,111
DEPRECIATION						
At January 1, 2010	1,344,412	1,300,000	234,984	305,341	-	3,184,737
Charge for the year	656,360	325,000	315,812	121,744	762,445	2,181,361
Disposal	-	-	(110,152)	(141,870)	-	(252,022)
At December 31, 2010	2,000,772	1,625,000	440,644	285,215	762,445	5,114,076
Charge for the year	759,212	-	333,805	127,347	765,833	1,986,197
At December 31, 2011	2,759,984	1,625,000	774,449	412,562	1,528,278	7,100,273
NET BOOK VALUE						
At December 31, 2011	1,782,166	-	980,714	860,911	6,130,047	9,753,838
At December 31, 2010	1,772,821	-	965,718	670,771	6,862,000	10,271,310

4. INTANGIBLE ASSETS

	Computer Software
	Rs
COST	
At January 1, 2010	285,387
Additions	68,601
At December 31, 2010	353,988
Additions	-
At December 31, 2011	353,988
DEPRECIATION	
At January 1, 2010	195,477
Charge for the year	43,458
At December 31, 2010	238,935
Charge for the year	47,058
At December 31, 2011	285,993
NET BOOK VALUE	
At December 31, 2011	67,995
At December 31, 2010	115,053

5. TRADE RECEIVABLES AND OTHER ASSETS

	2011	2010
	Rs	Rs
Trade receivables	5,751,767	2,532,187
Other assets	5,341,281	3,646,821
	11,093,048	6,179,008

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 and are neither past due nor impaired.

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
2011	5,751,767	309,511	-	-	-	5,442,256
2010	2,532,187	140,112	-	33,520	-	2,358,555

6. DEPOSITS

	2011	2010
	Rs	Rs
Fixed deposit	18,071,440	18,283,500

The deposit this year is in USD for a period of twelve months, and earns interest at the rate of 3.50% (2010: 2.65%) per annum.

7. CASH AND CASH EQUIVALENTS

	2011	2010
	Rs	Rs
Cash at bank and on hand	14,678,626	22,085,572

Cash at bank earn interest at floating rates based on daily bank deposit rates.

8. TRADE AND OTHER PAYABLES

	2011	2010
	Rs	Rs
Trade payables	3,292,228	6,114,800
Other payables	6,835,936	6,958,613
Deferred income	603,432	448,629
	10,731,596	13,522,042

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

	2011	2010
	Rs	Rs
Members fees	73,613,420	67,766,020
Grants	1,699,604	3,433,762
Other Income	849,744	447,890
	76,162,768	71,647,672

10. (LOSS)/SURPLUS OF INCOME OVER EXPENDITURE

	2011	2010
	Rs	Rs
The surplus is arrived at after :		
crediting:		
Grants released to statement of comprehensive income:		
- Operational	593,708	890,560
Grants received	1,699,604	2,543,202
and charging :		
Depreciation on property, plant and equipment	1,986,197	2,181,361
Amortisation of intangible assets	47,058	43,458
Staff cost	29,612,272	25,232,221
Staff cost is analysed as follows:		
Salaries	23,606,854	18,416,856
Social security costs and other benefits	6,005,418	5,812,862

11. FINANCE REVENUE

	2011	2010
	Rs	Rs
Bank interest receivables	597,920	246,825

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:

	2011	2010
	Rs	Rs
Total remuneration paid to key management personnel	4,743,397	4,207,353

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.

13. FINANCIAL INSTRUMENTS (CONT'D)

Fair value of instruments (Cont'd)

	Carrying amount		Fair value	
	2011	2010	2011	2010
	Rs	Rs	Rs	Rs
Financial assets:-				
Deposit	18,071,440	18,283,500	18,071,440	18,283,500
Cash and cash equivalents	14,678,626	22,085,572	14,678,626	22,085,572
Trade and other receivables	11,093,048	6,179,008	11,093,048	6,179,008
Financial liabilities:-				
Trade and other payables	10,731,596	13,522,042	10,731,596	13,522,042

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

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.

	Foreign currency denomination	Change in exchange rate	Effect on profit before tax
		%	Rs
2011	USD	+10	3,339,340
	EUR	+10	-
	USD	-10	(3,339,340)
	EUR	-10	-
2010	USD	+10	3,319,286
	EUR	+10	138,473
	USD	-10	(3,319,286)
	EUR	-10	(138,473)

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

Risk Management (Cont'd)

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, 2011			
Trade and other payables	5,097,467	5,634,129	10,731,596
December 31, 2010			
Trade and other payables	6,592,235	6,929,807	13,522,042

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, 2011. The Company manages the following as its capital:

	2011	2010
	Rs	Rs
Reserve revenue	3,239,601	3,124,943
Other reserve	39,693,750	39,693,750
Grant	-	593,708
	42,933,351	43,412,401
Trade and other payables	10,731,596	13,522,042