ANNUAL REPORT

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FOR THE YEAR ENDED

DECEMBER 31, 2012

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, 2012.

2. All board members have agreed by way of unanimous resolution date ...., 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 Oct 29 2013 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 for the year ended December 31, 2012.

....
Company Secretary
EXECUTIVE SERVICES LTD
Per Ah Man Wong Too Yan
Date:...........................
Oct 2 9 2013

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 25 which comprise the statement of financial position as at December 31, 2012 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 25 give a true and fair view of the financial position of the Company as at December 31, 2012 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD (CONTINUED)

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.

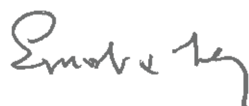
Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or 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 OCT 2013

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, 2012

	Notes	2012	2011
		Rs	Rs
ASSETS			
Non-current assets			
Plant and equipment	3	13,061,593	9,753,838
Intangible assets	4	2,266,427	67,995
		15,328,020	9,821,833
Current assets			
Trade receivables and other assets	5	18,166,684	11,093,048
Deposits	6	-	18,071,440
Cash and cash equivalents	7	23,992,836	14,678,626
		42,159,520	43,843,114
Total assets		57,487,540	53,664,947
RESERVES AND LIABILITIES			
Revenue reserve		(4,653,124)	3,239,601
Other reserve		39,693,750	39,693,750
Grant		-	-
Net assets attributable to members		35,040,626	42,933,351
Non current liabilities			
Finance lease obligation	8	1,142,664	-
Current liabilities			
Finance lease obligation	8	226,651	-
Trade and other payables	9	21,077,599	10,731,596
		21,304,250	10,731,596
Total reserves and liabilities		57,487,540	53,664,947

These financial statements have been approved by the board of directors on Oct 2 9 2013

Name of directors | Signature

(1) Mr Badru N. Sekikubo ....

(2) Mr Adiel A Akplogan ....

The notes on pages 9 to 25 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, 2012

	Notes	2012	2011
		Rs	Rs
Income	10	82,738,905	76,162,768
Distribution expenses		(31,545,858)	(21,494,265)
Administrative expenses		(59,817,868)	(55,151,765)
		(91,363,726)	(76,646,030)
Deficit of income over expenditure	11	(8,624,821)	(483,262)
Finance revenue	12	757,920	597,920
Finance cost	13	(25,824)	-
(Deficit)/surplus for the year		(7,892,725)	114,658

The notes on pages 9 to 25 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, 2012

	Revenue reserve	Other reserve	Grant	Total
	Rs	Rs	Rs	Rs
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**
At January 1, 2012	3,239,601	39,693,750	-	42,933,351
Deficit for the year	(7,892,725)	-	-	(7,892,725)
At December 31, 2012	**(4,653,124)**	**39,693,750**	**-**	**35,040,626**

The notes on pages 9 to 25 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

	Notes	2012	2011
		Rs	Rs
Operating activities			
(Deficit)/surplus for the year		(7,892,725)	114,658
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation on plant and equipment	3	3,074,686	1,986,197
Amortisation of intangible assets	4	582,020	47,058
Assets written off		103,753	-
Release of grant		-	(593,708)
Other gains and losses:			
Gain on disposal of motor vehicle		(521,739)	-
Loss on revaluation of deposit		-	666,000
Interest income	12	(757,920)	(597,920)
		(5,411,925)	1,622,285
Working capital adjustments:			
Trade and other receivables		(7,073,636)	(4,914,040)
Trade and other payables		10,346,003	(2,790,446)
Net cash flow used in operating activities		(2,139,558)	(6,082,201)
Investing activities			
Purchase of property, plant and equipment		(4,559,740)	(1,468,725)
Acquisition of intangible assets	4	(2,780,452)	-
Deposit matured		18,071,440	(453,939)
Interest income	12	757,920	597,920
Net cash generated from/(used in) investing activities		11,489,168	(1,324,744)
Financing activities			
Payment of finance lease liabilities		(35,400)	-
Net movement in cash and cash equivalents		9,314,210	(7,406,946)
Cash and cash equivalent as at January 01,		14,678,626	22,085,572
Cash and cash equivalent as at December 31,	7	23,992,836	14,678,626

Non-cash transactions

Motor vehicles

Part of the acquisition of property, plant and equipment was financed by finance leases as follows:

		2012	2011
		Rs	Rs
Total amount acquired	3	6,486,194	-
Financed by cash		(4,559,740)	-
		1,926,454	-

The notes on pages 9 to 25 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, 2012 were authorised for issue in accordance with a resolution of the directors on 29 OCT 2013

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 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of January 01, 2012:

- IAS 12 *Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets*
- IFRS 1 *First-Time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters*
- IFRS 7 *Financial Instruments : Disclosures - Enhanced Derecognition Disclosure Requirements*

The adoption of the standards or interpretations is described below:

IAS 12 *Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets*

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis. The amendment is effective for annual periods beginning on or after January 01, 2012 and has no effect on the Company's financial position, performance or its disclosures.

IFRS 1 *First-Time Adoption of International Financial Reporting Standards (Amendment) - Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters*

The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation. The amendment is effective for annual periods beginning on or after July 01, 2011. The amendment had no impact to the Company.

2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS (CONT'D)

IFRS 7 *Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements*

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after July 01, 2011. The Company does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. This listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company expects to adopt those standards when they become effective.

IFRS 1 Government Loans - Amendment to IFRS 1

The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. It provides the same relief to first-time adopters as is granted to existing preparers of IFRS financial statements when applying IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. The amendments are effective for annual periods beginning on or after January 01, 2013, with earlier application permitted. The amendments will not impact the Company's financial position or performance.

IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

Common disclosure requirements were issued that are intended to help investors and other users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The new requirements are set out in Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7). As part of that project the IASB also clarified aspects of IAS 32 Financial Instruments: Presentation. The amendments address consistencies in current practice when applying the requirements. The amendments will not impact the Company's financial position or performance and become effective for annual periods beginning on or after January 01, 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 01, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 01, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY (CONT'D)

IFRS 10 Consolidated Financial Statements

The Standard replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation - Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities (including 'special purpose entities' or 'structured entities' as they are now referred to in the new standards, or 'variable interest entities'). The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore are required to be consolidated by a parent which may imply changes in entities within a group. The new requirements are effective for annual periods beginning on or after January 01, 2013, with earlier application permitted. The amendment has no impact on the Company.

IFRS 11 Joint Arrangements

The Standard supercedes IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities - Non-monetary Contributions by Venturers. IFRS 11 uses some of the terms that were used in IAS 31, but with different meanings and describes the accounting for a 'joint arrangement'. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The new requirements are effective for annual periods beginning on or after January 01, 2013, with earlier application permitted. IFRS 11 will not have any impact on Company's financial position, as the Company is not party to any Joint Arrangements.

IFRS 12 Disclosure of Interests in Other Entities

The Standard combines the disclosure requirements for an entity's interests in subsidiaries, joint arrangements, associates and structures entities into one comprehensive disclosure standard. Many of the disclosure requirements were previously in IAS 27, 28 and 31, while others are new. The objective of IFRS 12 is for an entity to disclose information that helps users of its financial statements evaluate (i) the nature of, and risks associated with, its interests in other entities and (ii) the effects of those interests on its financial position, financial performance and cash flows. The new requirements are effective for annual periods beginning on or after January 01, 2013, with earlier application permitted. The amendment has no impact on the Company.

IFRS 13 Fair Value Measurement

The Standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. The Company is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. The new requirements are effective for annual periods beginning on or after January 01, 2013, with earlier application permitted.

IAS 1 Presentation of Items in Other Comprehensive Income ("OCI") - Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has there no impact on the Company's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 01, 2012. The amendment has no impact on the Company.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY (CONT'D)

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amendment has no impact on the Company. The amendment becomes effective for annual periods beginning on or after January 01, 2013.

Amendments to IFRS 10, IFRS 11 and IFRS 12

On June 28, 2012, the IASB issued Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12). The amendments provide additional transition relief in IFRS 10, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Furthermore, for disclosures related to unconsolidated structured entities, the amendments will remove the requirement to present comparative information for periods before IFRS 12 is first applied. The effective date of the amendments is annual periods beginning on or after January 01, 2013, which is aligned with the effective date of IFRS 10, 11 and 12. The amendment has no impact on the Company.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

The application guidance to IFRS 10 clarifies that an entity must consider all facts and circumstances when assessing whether it is an investment entity, including its purpose and design. An entity must meet all three elements of the definition to be an investment entity to obtain exemption from preparing consolidated financial statements. In other words, it does not consolidate its subsidiaries and does not apply IFRS 3 Business Combinations when it obtains control of an entity. Instead, an investment entity is required to measure subsidiaries at fair value through profit or loss in accordance with IFRS 9. However, if an investment entity has a subsidiary that provides investment-related services, such as investment management services, to the entity or other parties, then the investment entity must consolidate its subsidiary. The amendment applies for annual periods beginning on or after January 01, 2014, with earlier application permitted. The amendment has no impact on the Company.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Company does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after January 01, 2013. The amendment has no impact on the Company.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment becomes effective for annual periods beginning on or after January 01, 2013. This standard will not have any impact on the Company's financial position as the Company does not have any investment in Associates and Joint ventures.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN EARLY ADOPTED BY THE COMPANY (CONT'D)

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are effective for annual periods beginning on or after January 01, 2014 and are required to be applied retrospectively. These amendments are not expected to impact the Company's financial position or performance.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The Interpretation is effective for annual periods beginning on or after January 01, 2013 with earlier application permitted. It will not have any impact on the Company.

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IFRS 1 First-time Adoption of International Financial Reporting

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with

These improvements are effective for annual periods beginning on or after January 01, 2013.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgement

In the process of applying the Company's accounting policies, management has made no significant judgements except as disclosed below which has the most significant effect on the amounts recognised in the financial statements.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Judgement (Cont'd)

Determination of functional currency

The determination of the functional currency of the Company is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. The directors have determined that the functional currency of the Company is the Mauritian Rupees (Rs.).

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Plant and equipment (Cont'd)

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.

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.

Other operational grants include rent and assistance in the form of human resources from various governments in the Africa region and income received from various organisations to sponsor meetings held during the year.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Financial assets (Cont'd)

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.

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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment (Cont'd)

(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.

(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 Mauritian 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.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Leases - As a lessee

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Company, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the income statement.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(k) 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.

(l) 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, 2011	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
Additions	3,306,206	1,926,454	166,313	509,124	578,097	6,486,194
Disposal	(41,900)	(1,625,000)	-	(139,228)	-	(1,806,128)
At December 31, 2012	7,806,456	1,926,454	1,921,476	1,643,369	8,236,422	21,534,177

3. PLANT AND EQUIPMENT (CONT'D)

	Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
	Rs	Rs	Rs	Rs	Rs	Rs
DEPRECIATION						
At January 1, 2011	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
Charge for the year	1,329,185	385,291	358,308	178,260	823,642	3,074,686
Disposal	(8,380)	(1,625,000)	-	(68,995)	-	(1,702,375)
At December 31, 2012	4,080,789	385,291	1,132,757	521,827	2,351,920	8,472,584
NET BOOK VALUE						
At December 31, 2012	3,725,667	1,541,163	788,719	1,121,542	5,884,502	13,061,593
At December 31, 2011	1,782,166	-	980,714	860,911	6,130,047	9,753,838

Finance leases

Included under plant and equipment is the following net book value of motor vehicle held under finance lease:

	2012	2011
	Rs	Rs
Cost	1,926,454	-
Accummulated depreciation	(385,291)	-
Net book value	1,541,163	-

4. INTANGIBLE ASSETS

	Computer Software
	Rs
COST	
At January 1, 2011	353,988
Additions	-
At December 31, 2011	353,988
Additions	2,780,452
At December 31, 2012	**3,134,440**
AMORTISATION	
At January 1, 2011	238,935
Charge for the year	47,058
At December 31, 2011	285,993
Charge for the year	582,020
At December 31, 2012	868,013

4. INTANGIBLE ASSETS (CONT'D)

	Computer Software
	Rs
NET BOOK VALUE	
At December 31, 2012	2,266,427
At December 31, 2011	67,995

5. TRADE RECEIVABLES AND OTHER ASSETS

	2012	2011
	Rs	Rs
Trade receivables	7,609,812	5,751,767
Other assets	10,556,872	5,341,281
	18,166,684	11,093,048

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
2012	7,609,812	842,421	-	190,837	330,313	6,246,241
2011	5,751,767	309,511	-	-	-	5,442,256

At December 31, 2012, Trade receivables amounting to Rs 3,308,523 were impaired and fully provided for (2011: Rs 767,259).

6. DEPOSITS

	2012	2011
	Rs	Rs
Fixed deposit	-	18,071,440

The fixed deposit held in Bramer Bank matured during the year and the balance transferred to cash at bank.

7. CASH AND CASH EQUIVALENTS

	2012	2011
	Rs	Rs
Cash at bank and on hand	23,992,836	14,678,626

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

8. FINANCE LEASE OBLIGATION

During the year under review, the Company entered into a finance lease agreement for a duration of five years with AXYS Leasing Ltd for the purchase of a motor vehicle.

	2012	2011
	Rs	Rs
Not later than 1 year	397,956	-
Later than 1 year and within 5 years	997,183	-
Total minimum lease payments	1,395,139	-
Less amounts representing finance charges	(25,824)	-
Present value of minimum lease payments	1,369,315	-

The present value of finance lease liabilities may be analysed as follows:

	Interest rate (%)	Maturity	2012	2011
			Rs	Rs
Within one year	11.1	2013	226,651	-
After one year but not more than five years	11.1	2014-2017	1,142,664	-
			1,369,315	-

9. TRADE AND OTHER PAYABLES

	2012	2011
	Rs	Rs
Trade payables	6,980,654	3,292,228
Other payables	6,216,050	2,520,019
Deferred income	531,615	603,432
Advance receipts from members	7,349,280	4,315,917
	21,077,599	10,731,596

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.

10. INCOME

	2012	2011
	Rs	Rs
Members fees	79,080,963	73,613,420
Grants	2,619,066	1,699,604
Other Income	1,038,876	849,744
	82,738,905	76,162,768

11. DEFICIT OF INCOME OVER EXPENDITURE

	2012	2011
	Rs	Rs
The (deficit)/profit is arrived at after:		
crediting:		
Grants released to statement of comprehensive income:		
Operational	-	593,708
Grants received	2,619,066	1,699,604
and charging :		
Depreciation on property, plant and equipment	3,074,686	1,986,197
Amortisation of intangible assets	582,020	47,058
Staff cost	43,271,208	29,612,272
Staff cost is analysed as follows:		
Salaries	33,609,270	23,606,854
Social security costs and other benefits	9,661,938	6,005,418

12. FINANCE REVENUE

	2012	2011
	Rs	Rs
Bank interest receivable	757,920	597,920

13. FINANCE COST

	2012	2011
	Rs	Rs
Finance charges payable under finance lease	25,824	-

14. RELATED PARTY DISCLOSURES

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

(b) Transactions of key management personnel of the company:

	2012	2011
	Rs	Rs
Total remuneration paid to key management personnel	5,864,598	4,743,397

15. 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	
	2012	2011	2012	2011
	Rs	Rs	Rs	Rs
Financial assets:-				
Deposit	-	18,071,440	-	18,071,440
Cash and cash equivalents	23,992,836	14,678,626	23,992,836	14,678,626
Trade and other receivables	18,166,684	11,093,048	18,166,684	11,093,048

15. FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount		Fair value	
	2012	2011	2012	2011
	Rs	Rs	Rs	Rs
Financial liabilities:-				
Finance lease obligation	1,369,315	-	1,369,315	-
Trade and other payables	9,926,174	4,709,467	9,926,174	4,709,467

16. 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.

	Foreign currency denomination	Change in exchange rate	Effect on profit before tax
		%	Rs
2012	USD	+10	3,195,903
	EUR	+10	174,828
	USD	-10	(3,195,903)
	EUR	-10	(174,828)
2011	USD	+10	3,339,340
	EUR	+10	-
	USD	-10	(3,339,340)
	EUR	-10	-

16. 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.

	Less than 3 months	3 to 12 months	More than 1 year	Total
	Rs	Rs	Rs	Rs
December 31, 2012				
Finance lease obligation	91,836	275,508	1,408,152	1,775,496
Trade and other payables	8,547,736	1,378,438	-	9,926,174
December 31, 2011				
Finance lease obligation	-	-	-	-
Trade and other payables	3,601,273	1,108,194	-	4,709,467

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, 2012. The Company manages the following as its capital:

	2012	2011
	Rs	Rs
Reserve revenue	(4,653,124)	3,239,601
Other reserve	39,693,750	39,693,750
	35,040,626	42,933,351
Finance lease obligation	1,369,315	-
Trade and other payables	21,077,599	10,731,596