AFRINIC
The Internet Numbers Registry for Africa

2019
ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

Chairman's Message

On behalf of the AFRINIC Board of Directors, I am pleased to present AFRINIC's Annual Report and Financial Statements for the year 2019.

As the Internet number resources authority in Africa region, AFRINIC's vision is "Spearheading Internet technology and policy development in the African region". AFRINIC continues to follow this vision, and contributes significantly to the development of the Internet in the region in the spirit of bottom-up and community-driven approaches to make sure that no one is left behind in today's global networked society. We are working hard to ensure Africa's unconnected are not left behind and that every citizen now and in the future is connected.

We were fortunate to welcome on board a new CEO Mr Eddy Kayihura on 4 November 2019 and wish him well and success in his new role.

The company has delivered on its mandate despite a few challenges. I would like to take this opportunity to thank the staff and our members for their support and positive contributions to the growth and sustainability of the company.

With 4,574,464 of IPv4 address space, 364 /32s IPv6 address space and 188 AS Numbers distributed in 2019, compared to 6,137,856 of IPv4 address space, 77/32s IPv6 address space and 170 AS number distributed in 2018, we continue to play our part in contributing to Africa's Internet growth. We welcomed on board 182 new members in 2019. This is a positive achievement.

The IPv4 address pool in our service region is dwindling. We will soon be left with only a /11 from our last /8 after which the Phase 2 of the soft-landing policy will come into force. We urge our membership and community to take up the challenge of implementing IPv6 to keep our promise of growing the Internet in our region.

On the policy development side, efforts needs to be invested in the enhancement of the quality of the content and governing mechanism of the Working Group. In 2018, eight policies were submitted, four reached consensus and were approved by the Board. In 2019, 11 policies were submitted. Only two reached consensus and were approved by the Board.

AFRINIC also participated in more than 30 Internet-related events engaging with our regional and global communities. AFRINIC has supported the growth of local Network Operator Groups (NOGs), Network Research Education (RENs) as well as local Internet Governance Forum (IGF) initiatives. As a community, we need to support AFRINIC and grow it into an institution that will help Africa achieve its Internet development goals.

In addition, we continued to carry out the activities and objectives as per the Strategic Plan 2016-2020.

I am optimistic that we are on the right track. As you know, every five years, the Board, staff and the community at Large work to develop a new strategic direction to guide AFRINIC's activities. The direction of the development of the new Strategic Plan 2021-2023 has been defined and the work will be completed in 2020, the last year of the 2016-2020 Strategic Plan. We shall seek feedback from Members and the community to set out the objectives and priorities that need to be achieved.

The Board and working committees also met throughout the year to discuss governance matters as highlighted in this report. The minutes and resolutions of all Board meetings are published on our website (see https://afrinic.net/board/meeting). Furthermore, the Board met with the Council of Elders (CoE) and the Governance committee (GovCom) to discuss matter of common interest.

I wish to thank our Members and Community at Large for their great support and trust they have on us. I also take this opportunity to thank the AFRINIC staff for their commitment to AFRINIC's mission and the success of the company.

We look forward to another successful year.

Christian Domilongo Bope, PhD

Chairman

Message from the CEO

I am pleased to present this report of AFRINIC's activities in 2019. I would like first to express my gratitude for the warm welcome and support I received from the AFRINIC community following my appointment. I have been a member of this community for many years and with my new role, I feel privileged to be able to continue being part of this important community, mindful of the many challenges that behold.

AFRINIC has welcomed 182 new members during the year: we finished the year with a total of 1,760 members.

We allocated about 4.6 million IPv4 addresses, 364 IPv6 /32 prefixes and 188 ASNs during 2019. At the end of the year, we had the equivalent of only 0.16 /8s remaining in our IPv4 address pool. Following the implementation of the IPv4 resource transfer policy within the service region, we approved 29 transfer requests in 2019.

Two policy proposals were implemented in 2019. Ten additional policies were discussed throughout 2019. Three other policies have reached the last call stage, one policy has been ratified by the Board, one policy is pending implementation following its ratification. Finally, two policies have been withdrawn.

We continue to call for v6 adoption throughout the African region. Around 47% of AFRINIC member organisations have been allocated IPv6 space so far. It is encouraging to note that we are reporting a five-fold increase in IPv6 allocations from 2018.

Our technical training team is now focusing its effort on IPv6 deployment support strategies and e-learning. Six IPv6 deployathons recorded 83 participants, 1196 professionals participated in 16 webinars, the IPv6 deployment helpdesk attended to 146 requests and 99 candidates took part in the AFRINIC's IPv6 Certification programme, certi::6.

On the technical operations side, we have improved the reliability and redundancy of our infrastructure during 2019 by deploying a new set of technical equipment for our infrastructure located in Johannesburg.

We have achieved a healthy surplus of $1,224,907 representing a 25.8% growth in our total reserves which is now at $5,857,000.

Two successful AIS and AFRINIC meetings were organised, with over 970 participants between the two meetings. I take this opportunity to thank all those who attended, participated in or contributed to the meetings. I would also like to appreciate the sponsors without whose support some of the meetings would have not been as successful.

Finally, a word of thanks to our dedicated staff. Our people are the most important asset. We would not have achieved what we have, have not been where we are at the moment without them. We celebrate their commitment and continued dedication to the advancement of both the vision and mission of AFRINIC.

I invite you to go through the pages of this report to read more about our achievements.

I wish you all a pleasant read.

Eddy Kayihura

Chief Executive Officer

2019 in Numbers

Members

- New Members in 2019: 182
- Total Members: 1,760

ASNs

- 188 ASNs assigned in 2019.
- 2,040 ASNs assigned since 2004.

IPv4

- 4,574,464 /32s of IPv4 address space distributed in 2019.
- 117,098,752 /32s of IPv4 address space distributed since 2004.

IPv6

- 364 /32s of IPv6 address space distributed in 2019.
- 9,586 /32s of IPv6 address space distributed since 2004.

Training and Capacity Building

- IPv6 deployathons held in five countries recording 83 participants
- 1,196 professionals who participated in 16 webinars
- The IPv6 helpdesk attended to 146 requests
- Nine MoUs signed with partners to conduct examinations
- 99 candidates took part in certi::6 examinations
- IPv6 Webinars and Elearning

Blog and Social Media

- 40 blog posts published.
- 7,472 Facebook Page Likes, over 935 more than at the start of 2019.
- 8,684 Twitter Followers, over 1202 more than at the start of 2019.
- 381 Youtube Subscribers over 120 more than at the start of 2019.
- 375 Instagram Followers over 259 more than at the start of 2019.
- 2,275 Linkedin Followers over 720 more than at the start of 2019.
- Popular campaings included: AIS 19, AFRINIC 31, AFRINIC Fellowship,

Outreach

- Outreach activities in 31 international events

FIRE Africa

- $39,348.13 of funding allocated to projects through the FIRE Africa Grants and Award Program.

Fellowship

- 24 AFRINIC fellows provided with assistance to attend AFRINIC Meetings

Highlights

January

AFRINIC Board appointments to NRO NC/ ASO AC and Governance Committee

Call for Comments on AFRINIC Board Candidates for Seats 2 and 6 Opens

Call for Comments on AFRINIC bylaws

February

AFRINIC 2019 AGMM Quorum

Nomination Committee (NomCom) Appointment for 2019

Board appointments to fill casual vacancies

Report of the AFRINIC consultation on the future of the ASO

Nomcom 2019 Chair

March

Call for Nominations on the AFRINIC Board Now Open

Govcom Nomination 2019

April

Nomination process for two co-chairs of the AFRINIC PDWG is now open

AFRINIC-30 Fellowship Winners

2019 AGMM Quorum

Call for Applications for the 2019 FIRE Africa ICT for Development Award is now Open

AFRINIC Board of Directors Announces Departure of AFRINIC CEO

May

AFRINIC CEO Recruitment process

June

Announcement for Final Candidate Slate for Open Seats of AFRINIC Board Elections

Announcement for Final Candidate Slate for Open Seat on AFRINIC Governance Committee

Notice of AFRINIC AGMM 2019

E-voting/proxy appointment now open for the AFRINIC Board and Governance Committee elections

PDWG and NRO NC/ASO AC election results

Board and Governance Committee for 2019 election results

AFRINIC Board elects Chair and Vice Chair

July

New features in MyAFRINIC version 1.7.0 deployed

AFRINIC Customer Satisfaction Survey 2019 Published

AFRINIC Interim CEO

August

AFRINIC approaches IPv4 Exhaustion, Soft-landing Phase 2

Policy Proposals Ratified by the AFRINIC Board

September

Communique from AFRINIC Board of Directors

Maxim Nyansa IT Solutions is the 2019 FIRE Award winner

AFRINIC Honours Staff

Congratulatory Message to Mr Adiel Akplogan for being inducted into the 2019 Internet Hall of Fame

October

IPv4 Exhaustion: Phase 2 is Imminent

Update on AFRINIC CEO Recruitment Process

AFRINIC appoints a new CEO

November

Annual Billing 2020

Congratulatory Message to Mr. Alain Aina for receiving the Jonathan B. Postel Service Award

December

AFRINIC Board Updates

ABOUT AFRINIC

The African Network Information Centre (AFRINIC) is the Regional Internet Registry (RIR) for Africa. It is responsible for the distribution and management of Internet number resources (IPv4 and IPv6 addresses and Autonomous System Numbers – ASNs) for the African and Indian Ocean region. It was founded in 2004 and is a non-governmental, not-for-profit, membership-based organisation headquartered in Mauritius. The policies governing the distribution of Internet number resources by AFRINIC are defined by the AFRINIC community using a bottom-up, community-driven policy development process (PDP). The Board of Directors then ratifies these policies. AFRINIC also plays a leading role in education and capacity building as well as in IP infrastructure development and reinforcement throughout the region.

CORE FUNCTIONS

AFRINIC's core function is to assign and allocate Internet number resources (IPv4, IPv6 and ASNs) to its members and to provide related services, including RPKI and the management of the Reverse DNS (rDNS) zones for the Internet number resources it allocates and assigns.

In addition to its core function, AFRINIC

- Supports the community-based process for developing number resource policies.
- Provides training and education services to its members, governments and the wider community to support capacity building and infrastructure development throughout the region.
- Collaborates with regional and international organisations on Internet-related matters to ensure the needs of the region are taken into account.
- Promotes and supports an open, stable, secure and resilient Internet through technologies and projects including RPKI, DNSSEC, local Internet Exchange Point (IXP) set up and deployment of root server copies throughout Africa.
- Manages the small Grants and Awards programme, FIRE Africa, to fund and mentor entrepreneurial Internet-related projects in Africa.

MEMBERS

AFRINIC is a membership organisation and provides services to its members, mostly Internet Service Providers (ISPs), governments, educational institutions and end-users, within its geographical service region. At year-end 2019, AFRINIC had 1760 active members. More details about membership can be found in the Membership section.

SERVICE REGION

There are 55 economies in AFRINIC's service region, which includes several island nations located in the Atlantic Ocean and in the Indian Ocean.

VISION, MISSION AND CORE VALUES

Vision: Be the leading force in growing the Internet for Africa's sustainable development.

Mission: Serve the African community by providing professional and efficient management of Internet number resources, supporting Internet technology usage and development, and promoting a participatory and multi-stakeholder approach to Internet self-governance.

CORE VALUES

- Community Driven
- Operational Excellence
- Innovation & Creativity
- Passion

CORPORATE GOVERNANCE

AFRINIC's activities are overseen by a Board of Directors (BoD) and managed by an appointed Chief Executive Officer who oversees the staff and daily operations. The BoD is supported by the Council of Elders, which performs an advisory function. AFRINIC is governed by Bylaws developed and approved by its member.

Compliance Statement

In accordance with its mission statement, AFRINIC is committed to applying the principles of good corporate governance in its day-to-day operations

Bylaws

AFRINIC is governed by a set of Bylaws that are developed and adopted by the AFRINIC membership.

Board of Directors

The Board of Directors (BoD) is elected by AFRINIC members on a regional and non-regional representation basis as defined by Article 13 of the Bylaws. Once appointed to the BoD, each director represents and works for the entire region and not just for the sub-region seat they were elected into. The BoD responsibilities as outlined in Article 15 of the Bylaws are to:

- Determine the guidelines for the allocation of address space for Members.
- Consider broad Internet policy issues in order to ensure that the policies and strategies of the Company fully respond to the changing Internet environment.
- Determine a financial budget for the activities of the Company for a given period.
- Establish a ceiling for expenditures for a given period and from time to time to vary such ceiling as they deem fit.
- Fill any casual vacancy in the office of the auditor of the Company.
- Provide any general directives to the Chief Executive Officer regarding the staffing of the Company.
- Determine the conditions of employment of the employees of the Company who are employed at an Executive level.
- Reduce or waive fees payable by any person to the Company, or to amend in any manner whatsoever the conditions relating to the payment thereof.
- Appoint or remove the secretary of the Company and to determine the remuneration payable to such secretary.
- Appoint such committees for such reasons and with such terms of reference as they shall consider necessary or desirable.

Conflicts of Interest

All members of the Board of Directors are expected to be enlightened individuals from the region served by AFRINIC. Using their knowledge of Internet Technology and business, they endeavour to advance the interests of the community and the Internet Infrastructure in the region. A Board Director should bring to the knowledge of the Board any degree of conflict that may arise in the course of his or her functions and must resolve such conflict according to their own judgment, always acting in the best interest of the organisation. Each individual Director is encouraged to declare any possible conflict at the beginning of their term on the Board. The Director is encouraged to give details of the nature and extent of the conflict of interest, and how its nature relates to the decision making capacity of the Board of Directors, in writing to the Chief Executive Officer (CEO). The CEO shall inform the Chairman of the Board, and an appropriate decision will be taken as per majority decision of the Board.

Board Meetings and Composition

The AFRINIC Board meets regularly. A Calendar of Board meeting for the upcoming year is approved at the end of each preceding year. The Board met 19 times during the period under review.

2019 Board Resolutions

During 2019, 81 resolutions were discussed and resolved. A detailed overview of these resolutions can be found at https://www.afrinic.net/board/meeting

BOARD COMPOSITION

BOARD ATTENDENCE 2019
Key: Blank denotes Not a Board Member

COUNTRY	REGION	TO	FROM	SEAT	NAME	01 February	05 March	03 April	10 April	17 April	28 April	10 May	11 May	31 May	4 June	14 June	15 June	21 June	23 August	6 September	10 October	13 October	30 November	1 December
Tunisia	Northern Africa	30 June 2022	20 July 2019	1	Habib Youssef	✓	✓	✗	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mali	Northern Africa	20 June 2019	1 February 2019	1	Ousmane Ly		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓						
Nigeria	Western Africa	30 June 2022	20 June 2019	2	Adewale Adedokun													✓	✓	✓	✓	✗	✓	✓
Mauritius	Indian Ocean	30 June 2020	1 July 2017	3	Subramanien Moonesamy	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DRC Congo	Central Africa	30 June 2020	1 July 2017	4	Christian D. Bope	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
South Africa	Southern Africa	21 June	20 June 2019	5	Vika W.Mpisane	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓
Rwanda	Eastern Africa*	13 October 2019	1 February 2019	6*	Robert F. Nkusi		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Nigeria	Non Regional	22 June	20 June 2019	7	Seun Ojedeji	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DRC Congo	Non Regional	30 June 2020	1 July 2017	8	Serge Ilunga	✓	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓

9	Alan Peter Barrett	January-July 2019 [Resigned effective end July 2019] **
10	Eddy Mabano Kayihura	Appointed CEO of AFRINIC in November 2019

The Board Seat 6– Eastern Africa, Seat 2- Western Africa and Board Seat 7 – Non Geographical were subject for election under the Annual General Members Meeting [AGMM2019] in June 2019 in Kampala, Uganda. The Board election during the AGMM2019 led to the following results:

- Robert Ford Nkusi who was appointed to Board Seat 6 – Eastern Africa in February 2019 was elected by the members to the Seat 6 for a two-year term ending June 2021.
- Seun Ojedji was elected to Board Seat 7 – Non Geographical for a three-year term ending June 2022.
- Adewale Adedokun was elected to Board Seat 2 – Western Africa for a three-year term ending June 2022 in replacement of Ousmane Ly. Ly was appointed by the Board to Seat 2 in February 2019.

*The Seat 6 is vacant since 13 October 2019.

**Alan Peter Barrett resigned as CEO effective end of July 2019. The Interim CEO, Patrisse Deesse, joined the Board for the period July-October 2019. A new CEO was recruited in November 2019.

In the course of the year, Robert Ford Nkusi resigned on 13 October 2019. The Seat 6 was vacant as at 31 December 2019.

Board Committees

Committees are set up by the Chair of the Board and assist the Board of Directors in the course of their work as per Article 15.3 of the Bylaws. The Board Committees facilitate the discharge of the Board's responsibilities and provide in-depth focus on specific areas. The Committees report to the Board through their respective chairmen. Each committee has Terms of Reference (ToR) which the Board reviews at least once a year. The committees are formed again as and when a new Board is elected and are also constituted with a defined lifetime. Ad-hoc committees are set up as and when necessary to support short-term projects or activities.

The following Committees were active in 2019:

The Audit Committee

The Audit committee assists the BoD in discharging its oversight responsibilities, and oversees the financial reporting process to ensure the balance, transparency and integrity of published financial information. The Audit Committee also reviews the effectiveness of AFRINIC's internal financial control and risk management system, internal auditing and control, informational systems and IT governance.

The Audit Committee Charter can be seen at: https://www.afrinic.net/board/committees#audit

Committee Members:

- Seun Ojedeji
  (January - 1 December)
- Vika Mpisane
  [January - 1 December)
- Ousmane Ly
  [February - June)
- Robert Ford Nkusi
  (June - October)
- Serge Ilunga
- Adewale Adedokun
  (1 December -)
- Habib Youssef (1 December -)

Finance Committee

The Finance Committee monitors AFRINIC's financial planning, management and reporting matters. It also ensures the fiscal stability and long-term economic health of the company, as well as making recommendations and delivering reports to the Board of Directors. See https://www.afrinic.net/board/committees#finance for more details.

Committee Members:

- Subramanien Moonesamy
- Robert Ford Nkusi
  (February - June)
- Habib Youssef
  (January - 1 December)
- Christian Bope
- Adewale Adedokun
  (June - 1 December]
- Seun Ojedeji
  (1 December -)
- Alan Barrett (CEO, January - July)
- Eddy Kayihura (CEO,
  1 December -)

Remuneration Committee

The Remuneration Committee is responsible for recommendations with regard to determining, agreeing and developing the company's general policy on executive and senior management remuneration, performance related elements, including short term bonuses and long term incentives.

Committee Members:

- Serge Ilunga
  (January - 1 December)
- S. Moonesamy
  (January - 1 December)
- Seun Ojedeji
- Vika Mpisane
- Habib Youssef
- Alan Barrett (CEO, January - July)
- Eddy Kayihura
  (CEO, 1 December -)

Technical Committee

The Board constituted a Technical Committee in September 2019. It is responsible for defining and recommending matters related to technical aspects of the organisation for approval by the Board.
Its ToRs are published at https://www.afrinic.net/board/committees#technical

Following the resignation of Alan Barrett as the Chief Executive Officer, effective end of July 2019, the Board constituted the following committees to assist in assessing the operational challenges AFRINIC was facing.

Committee members:

- Vika Mpisane (1 December -)
- S. Moonesamy
- Christian Bope
- Robert Ford Nkusi
  (September - October)
- Adewale Adedokun
  [September - 1 December)
- Serge Ilunga (1 December -)
- Eddy Kayihura (CEO,
  1 December -)

Reform Committee

The Reform Committee was set up in September 2019 to help address some of the issues the organisation is facing on matters of governance, accountability and transparency. The Committee is composed of the following members:

Committee Members:

- Adiel Akplogan
- Alan Barrett
- Habib Youssef
- Viv Padayatchy
- Alioune Traore
- Paul Wilson

PDWG Appeal Committee

AFRINIC has a Policy Development Appeal Committee as per Section 3.5 of the AFRINIC Policy Development Policy.

The AFRINIC Policy Development Appeal Committee, or the Appeal Committee, is appointed by the AFRINIC Board, intended to adjudicate on appeals in terms of the Conflict Resolution section of the AFRINIC Policy Development Process (PDP). Any such appeal will involve a disagreement regarding the actions taken by the Chair(s) of the Policy Development Working Group (PDWG).

Further information on the Appeal Committee and its charter is available at https://www.afrinic.net/policy/appeal-committee#tor

Committee members:

- Adam Nelson
- Paulos Nyirenda
- Luc Missimbazi
- Jean-Robert Hountomey
- Wafa Dahmani Zaafouri

Nomination Committee

According to Section 9 of AFRINIC Bylaws, a Nomination Committee is appointed by the Board and works to ensure that appropriate candidates are nominated for open Board seats and that all elections are conducted according to current procedures. The four members of this committee are appointed by the Board. One member is from the Board while three others are selected from the community.

Committee members:

- Serge Parfait-Goma
- Balbine Manga
- Ali Hadji Mmadi
- S. Moonesamy (Board Representative)

The Council of Elders

Article 16 of the Bylaws empowers the Board of Directors to appoint up to six former AFRINIC Board chairpersons to the AFRINIC Council of Elders. Those who are eligible for membership to the Council of Elders should have served for at least one full term as the Chair of the AFRINIC BoD. The Council of Elders performs an advisory role.

The Council of Elders is composed of:

- Dr. Viv Padayatchy
- Mr. Pierre Dandjinou
- Mrs. Maimouna Diop
- Dr. Nii Quaynor

CEO Search Committee

The Remuneration Committee was assigned the task of searching and recruiting the CEO following the resignation of Alan Barrett in May 2019. The Committee completed its work in October 2019 and was subsequently dissolved. Eddy Kayihura was recruited as the new Chief Executive Officer and assumed duty on 4 November 2019.

Ad hoc Committee

The Board constituted an Ad hoc Committee in April 2019 to assess the state of AFRINIC operations and provide a report with recommendations to the Board. The Committee was dissolved in May 2019 after completion of its work. Vika Mpisane, Robert Ford Nkusi and S. Moonesamy were appointed to the Ad hoc Committee.

Annual General Members Meeting (AGMM)

The AGMM is held once a year, usually during an AFRINIC Open Policy Meeting. The AGMMs enable members to meet with the BoD, Council of Elders and CEO to discuss operational, financial and corporate governance issues. Elections for BoD seats and voting on proposed special resolutions may also take place during the AGMMs. The AGMM took place in June 2019 during the AFRINIC-30 meeting at the Sheraton Kampala Hotel in Kampala, Uganda.

The minutes, video recording and presentation materials from this meeting are available on the AFRINIC website.

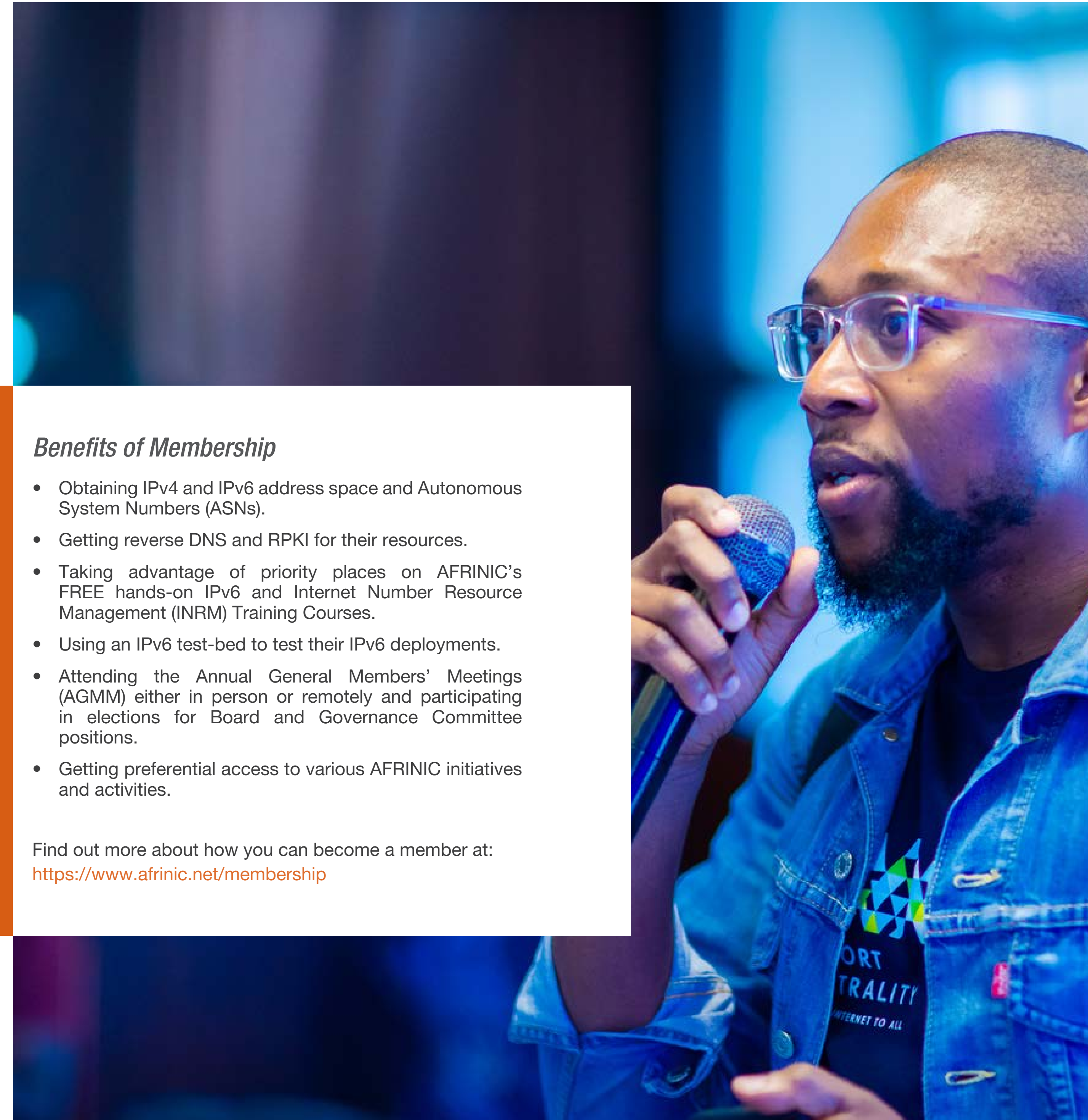
2019 Board Retreat

A Board Retreat was held in Mauritius from 19-29 August 2019. The Board took note of challenges in AFRINIC's operations and with the community, including the recruitment of the CEO. A Board Community webinar was organised during which the Board engaged members on a range issues. This was aimed at enhancing Board-Community engagement and relations.

Board members attended, during the retreat, a session on 'Introduction to Board Evaluation and Performance'. The session was the second in a series of trainings on Board Best Practices conducted by the Mauritius Institute of Directors. The first session was done in 2018. The training programme seeks to strengthen the evaluation and performance capacity of the Board Members.

MEMBERSHIP OVERVIEW

AFRINIC members are mostly Internet Service Providers (ISPs), governments, educational institutions and end-users located within its service region. By the end of 2019, AFRINIC had 1,760 active members. Most members receive Internet number resources (IPv4, IPv6 and ASNs) from AFRINIC and then distribute them to their customers or use their allocations and assignments within their own networks.



Members

There are two types of membership:

- Resource Members: Local Internet Registries (LIRs) or End Users (EUs). These are organisations that allocate the Internet number resources they receive to their own customers or those who use the resources in their own infrastructure.
- Associate Members. These are organisations or individuals who do not use Internet Number Resources but have a substantial interest in the management of Internet Number resources in Africa.

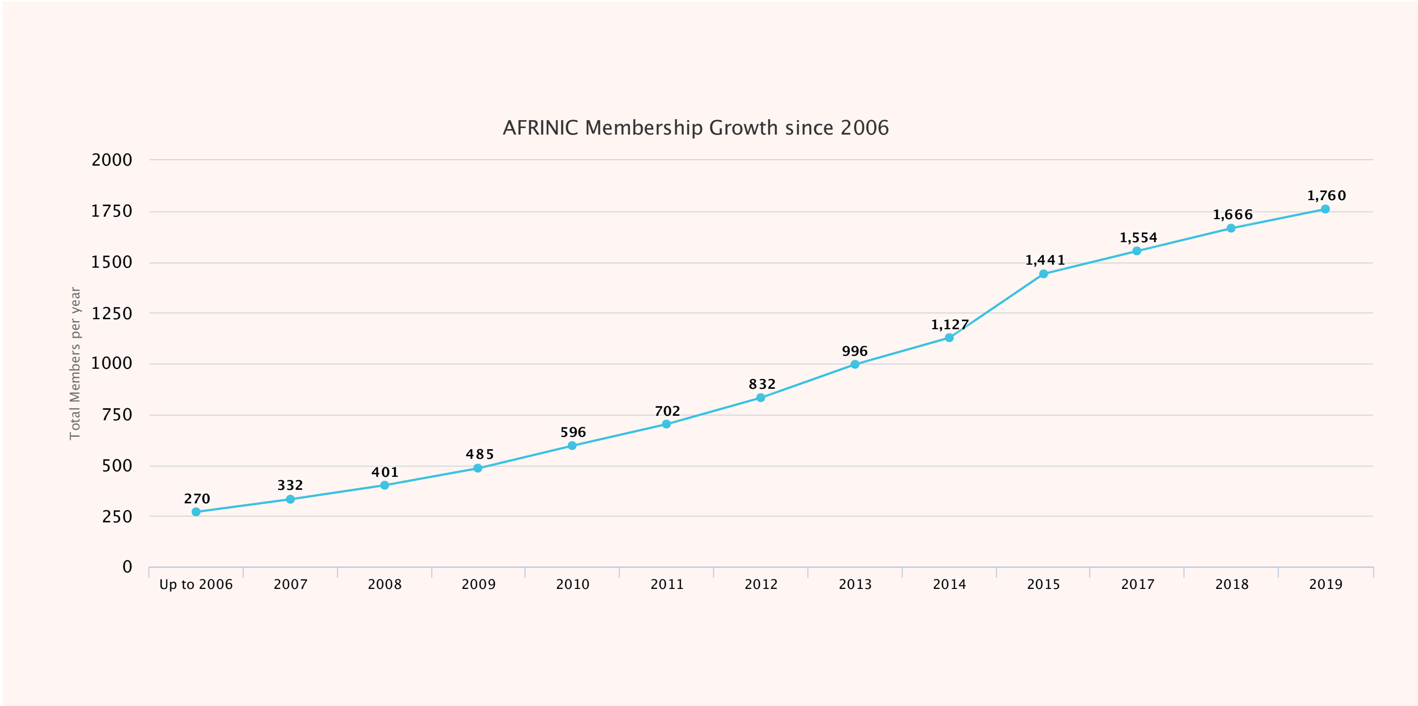
Fees

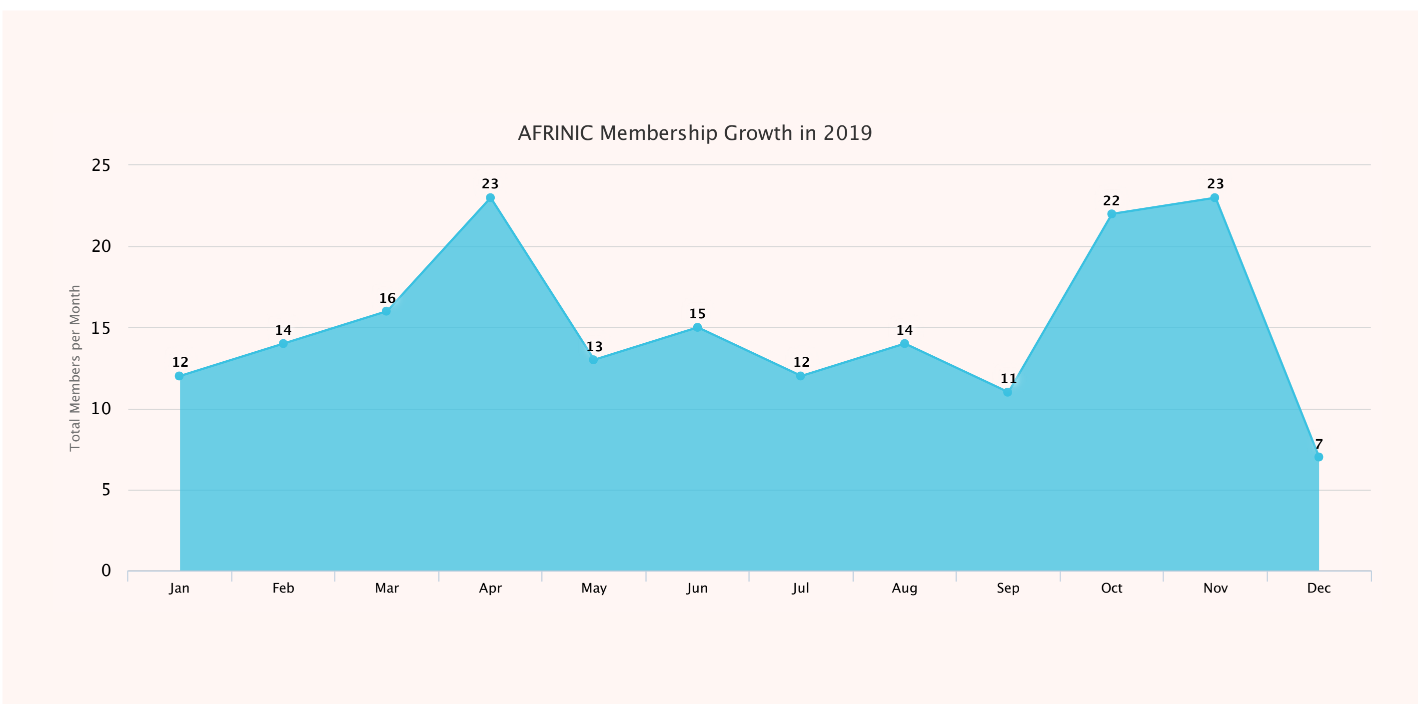
Annual membership fees are calculated based on the amount of Internet number resources an organisation holds.

Benefits of Membership

- Obtaining IPv4 and IPv6 address space and Autonomous System Numbers (ASNs).
- Getting reverse DNS and RPKI for their resources.
- Taking advantage of priority places on AFRINIC's FREE hands-on IPv6 and Internet Number Resource Management (INRM) Training Courses.
- Using an IPv6 test-bed to test their IPv6 deployments.
- Attending the Annual General Members' Meetings (AGMM) either in person or remotely and participating in elections for Board and Governance Committee positions.
- Getting preferential access to various AFRINIC initiatives and activities.

Find out more about how you can become a member at:
https://www.afrinic.net/membership





New Members 2019 by Membership Category

Year	2016	2017	2018	2019
Total Members	1,441	1,554	1,667	1,760
LIRs	981	1,058	1,151	1,215
End-User	445	492	511	545
Associate Member	4	4	4	4

MEMBER SERVICES (MS)

Aside from it core duties, the MS department's objectives in 2019 were to improve customer satisfaction and quality management as well as increasing outreach activities. The department was also instrumental in the implementation of several key AFRINIC projects throughout the year, member helpdesk, procedure updating, services documentation, policy implementation, Internet Routing Registry (IRR) maintenance, member contacts updates and billing automation.

Requests, Queries and Tickets

The department responded to an average of 75.3% of tickets logged within SLC within 48 working hours throughout the year.

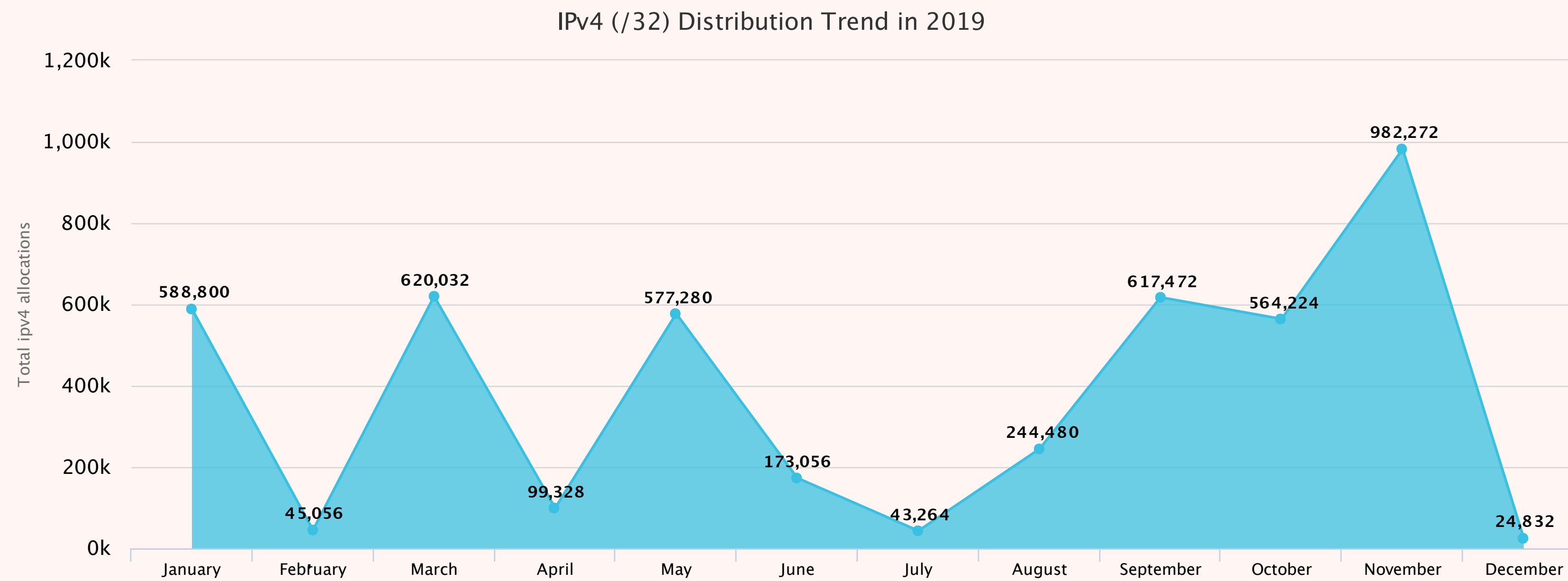
Real-time ticket statistics can be found at:
https://www.afrinic.net/stats/requests

Outreach

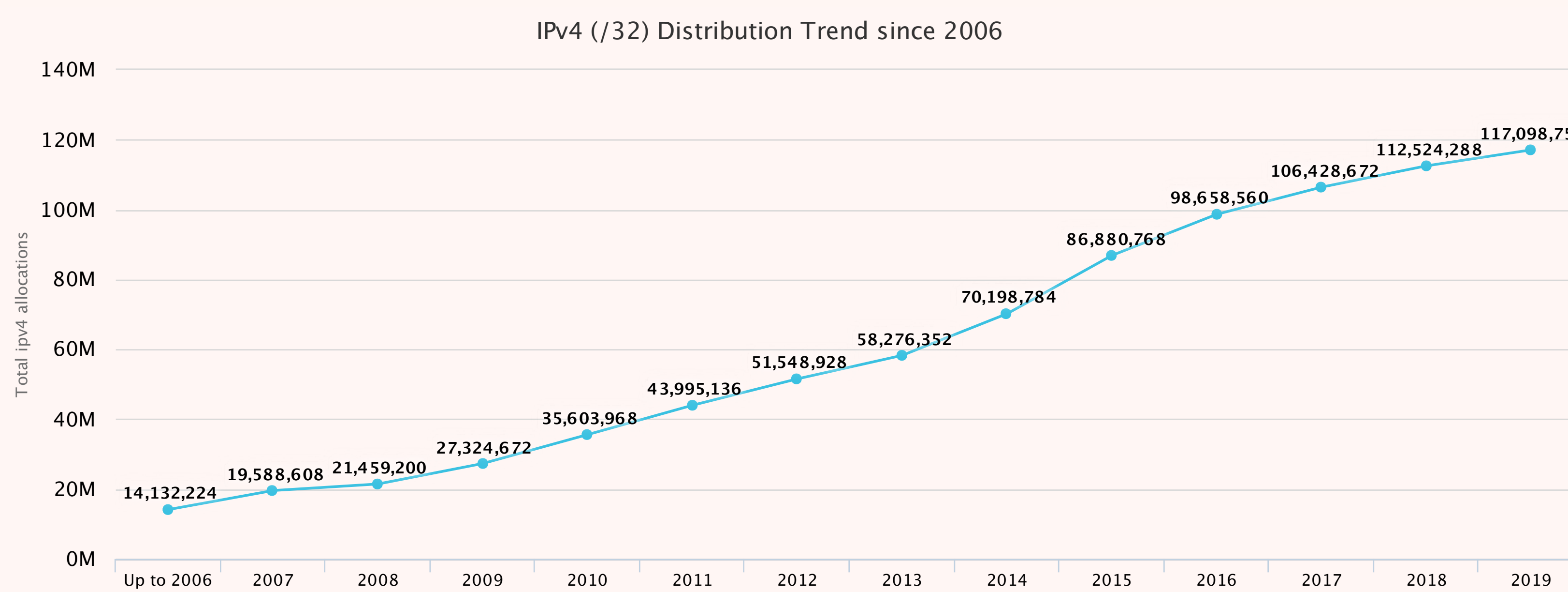
Member Services staff participated in outreach activities during NGNOG in Nigeria, UbuntuConnect 2019 in Madagascar and AFRINIC-31 meeting in Angola.

UbuntuNet CONNECT 2019
Antananarivo, Madagascar

ngNOG



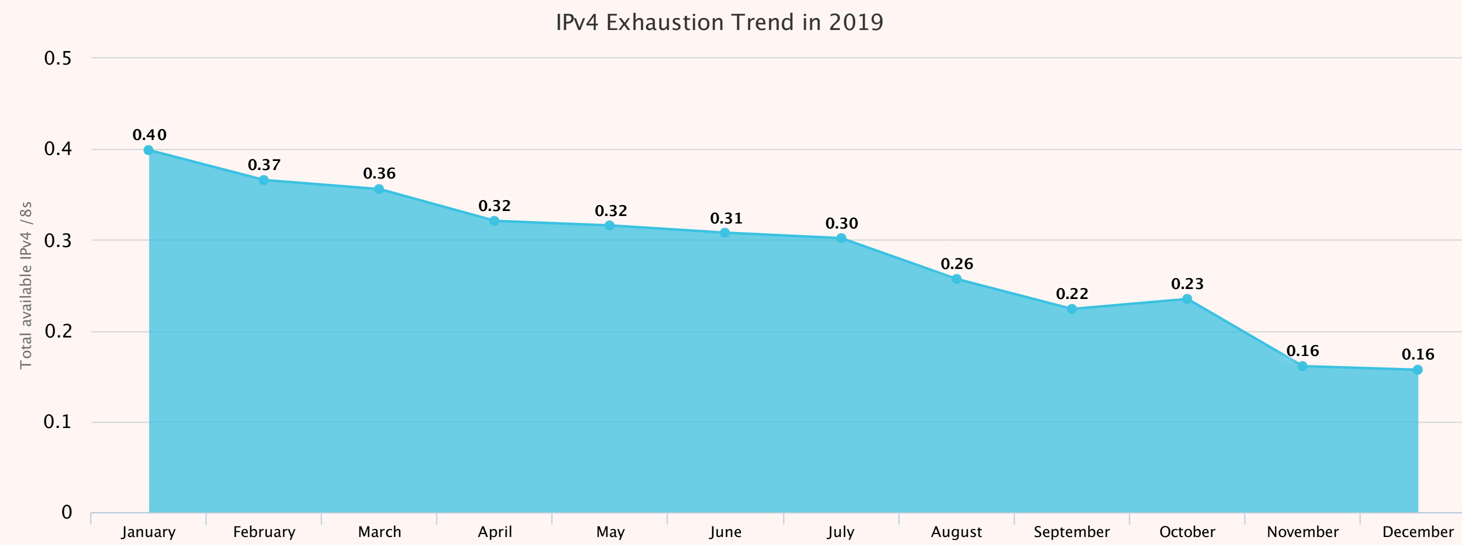
A total of 4,574,464 /32s IPv4 were issued in AFRINIC's service region in 2019.



Since its inception, AFRINIC has distributed 117,098,752 IPv4 addresses.

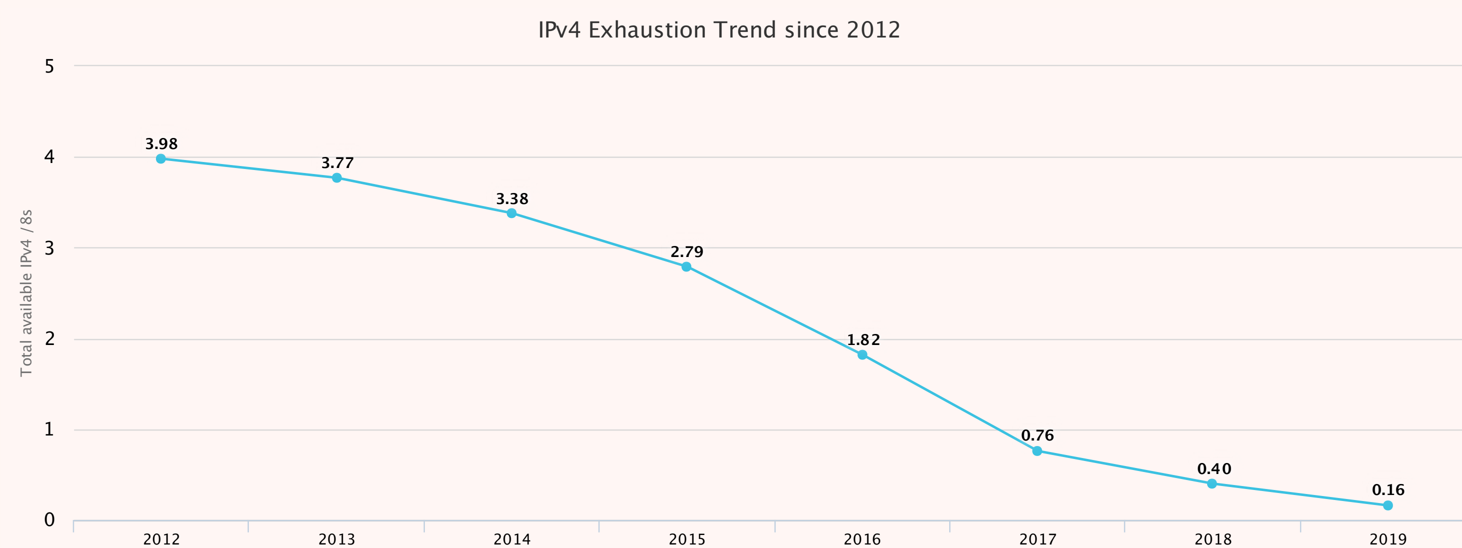
IPv4 Pool Availability as of December 2019

The available inventory in /8s is depicted in the table below. As can be observed, the IPv4 pool is gradually decreasing. Once it reaches the /11 reserved for soft landing phase 2, AFRINIC shall implement the new conditions of Soft landing Phase 2.

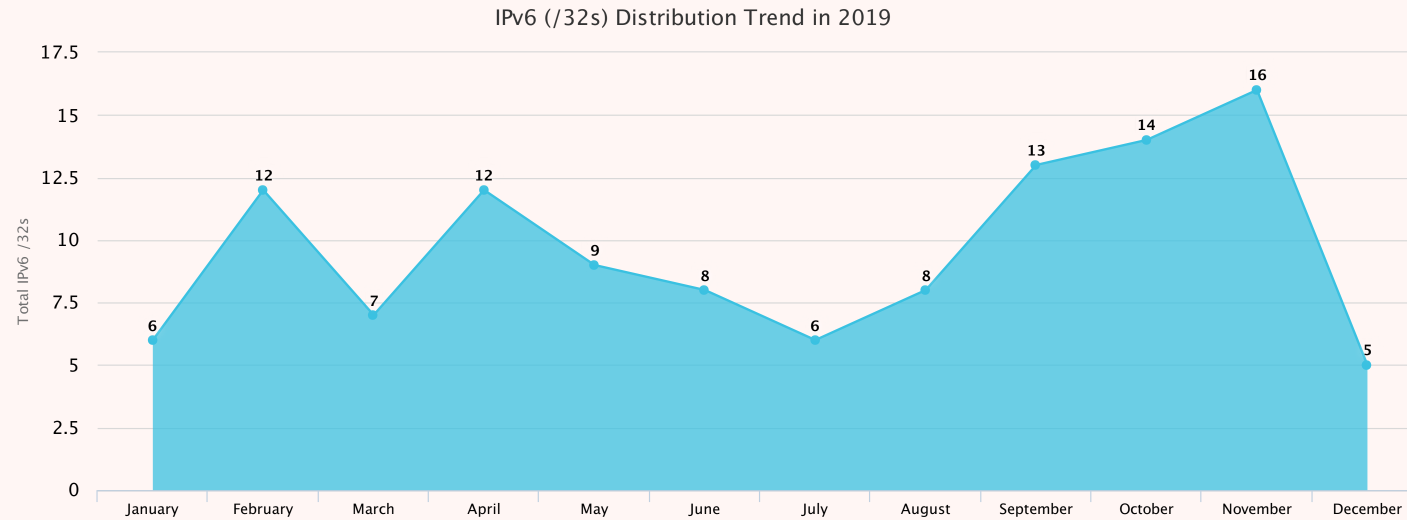


Prefix Size	Total Free
/11	1
/17	1
/18	8
/19	21
/20	23
/21	13
/22	70
/23	4
/24	43

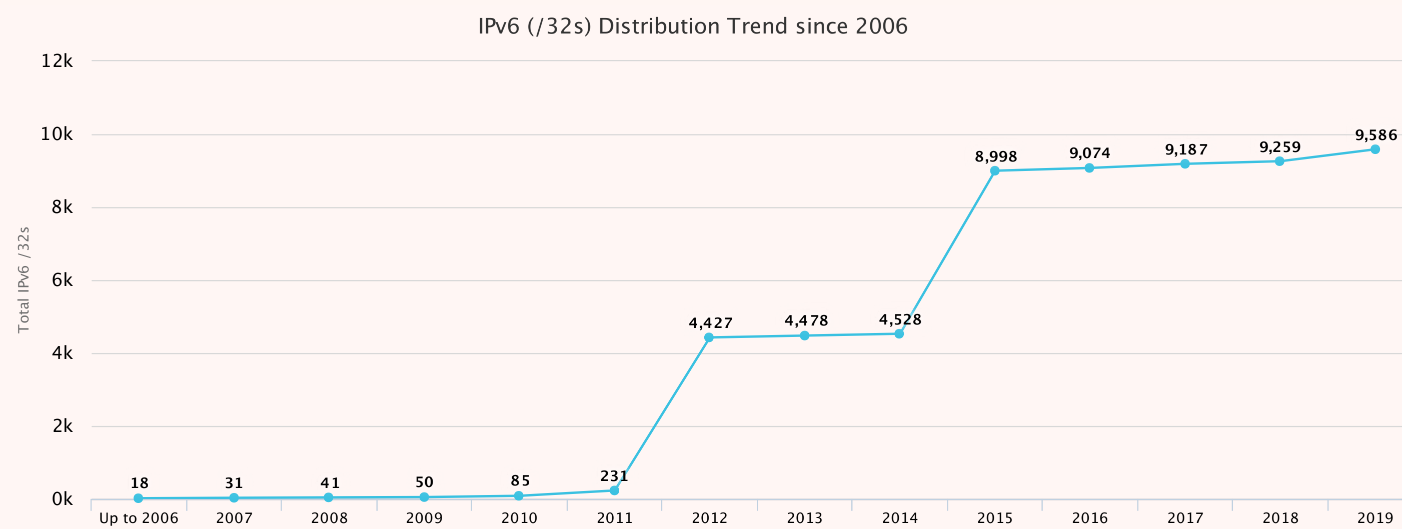
The above includes the /11 reserved for soft-landing Phase 2
AFRINIC shall trigger the soft landing Phase 2 when only the /11 IPv4 prefix is available in its inventory.



A total of 116 IPv6 prefixes were distributed in AFRINIC's service region representing a total of 364 /32s.



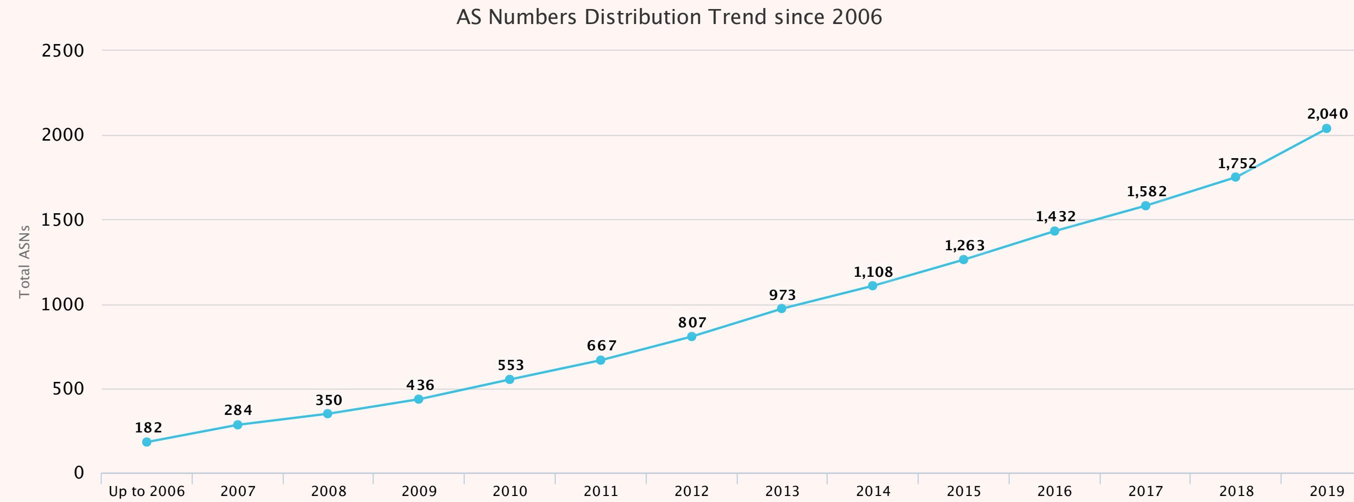
Since 2004, AFRINIC has distributed 9,586 /32s to its membership. 47.4% of AFRINIC member organisations have been allocated IPv6 space so far.



ASN DISTRIBUTED

A total of 188 ASNs were issued during the year.

Since inception, AFRINIC has issued a total of 2,040 ASNs.



Internet Routing Registry

There was steady increase in the number of route objects on the AFRINIC IRR during 2019. The Member Services department encourages members to use the AFRINIC IRR. In 2019, the AFRINIC IRR had 36,484 route objects which also include 667 Route6 objects. 55% of AFRINIC Resources Members were using the AFRINIC IRR in 2019.

IP Resource Transfer

23 transfers were completed during 2019.

Legacy resources

IPv4 resources that have legacy status : 8,303,104 /32s

COMMUNITY AND POLICY DEVELOPMENT

AFRINIC provides several platforms for the discussions of Internet number resource management policies and relevant Internet-related topics. Such activities are conducted through workshops, conferences and business events that include the AFRINIC public policy meetings. As part of its secretariat role, AFRINIC facilitates the Policy Development Process for the AFRINIC community to ensure that the unique needs of the region are catered for.

THE AFRINIC COMMUNITY

AFRINIC Meetings

AFRINIC-31

AFRINIC holds two open public policy meetings every year in various locations throughout its service region. The meetings provide an opportunity for local, regional and global Internet-related individuals and organisations to gather to discuss and develop the policies governing Internet number resource distribution in the African region and beyond, to share technical knowledge and best practices, and to attend relevant courses, workshops and tutorials. AFRINIC-31 took place in Luanda, Angola, from 2-6 December 2019. Over 230 people from 38 countries took part in training sessions, workshops, tutorials, parallel meetings, policy development discussions, plenary sessions, elections and networking events. The meeting was organised by AFRINIC and hosted by the Ministry of Telecommunications and Information Technology of Angola (MTTI) in collaboration with Angolan Internet Service Providers Association (AAPSI).

Read our meeting report here.

LUANDA
ANGOLA
AFRINIC 31
2 - 6 DECEMBER 2019

Africa Internet Summit 2019 (AIS'19) and AFRINIC-30

The Africa Internet Summit (AIS) is an annual, regional, multi-stakeholder ICT conference co-organised by AFRINIC and the African Network Operators' Group. It is the pinnacle educational and business ICT event in Africa enabling key players in the Internet industry to come together to interact with the global Internet community.

The AIS'19 and the AFRINIC-30 Meeting took place from 29 April to 11 May in Kampala, Uganda. It was attended by 742 people. It was sponsored by Networktheworld.org, ICANN, MTN, Google, Internet Society, Ministry of National Guidance and ICT Angola, WACREN, Larus Foundation, SEACOM, UIXP, Next Communications, NSRC, Raxio, Roke, International Trade Centre, C squared, TMC, Ghana dotcom, Infinity Computers and Communication Company, and DotAfrica.

The Meeting Report can be read here.

Meeting Fellowship Programme

The AFRINIC Fellowship Programme enables individuals from African countries who have an interest in Internet operations and governance to participate in AFRINIC Meetings. The fellowship provides financial assistance to the selected applicants who fulfil the eligibility criteria and who are subsequently selected by the Fellowship Committee. In 2019, 24 people were assisted with meeting attendance:

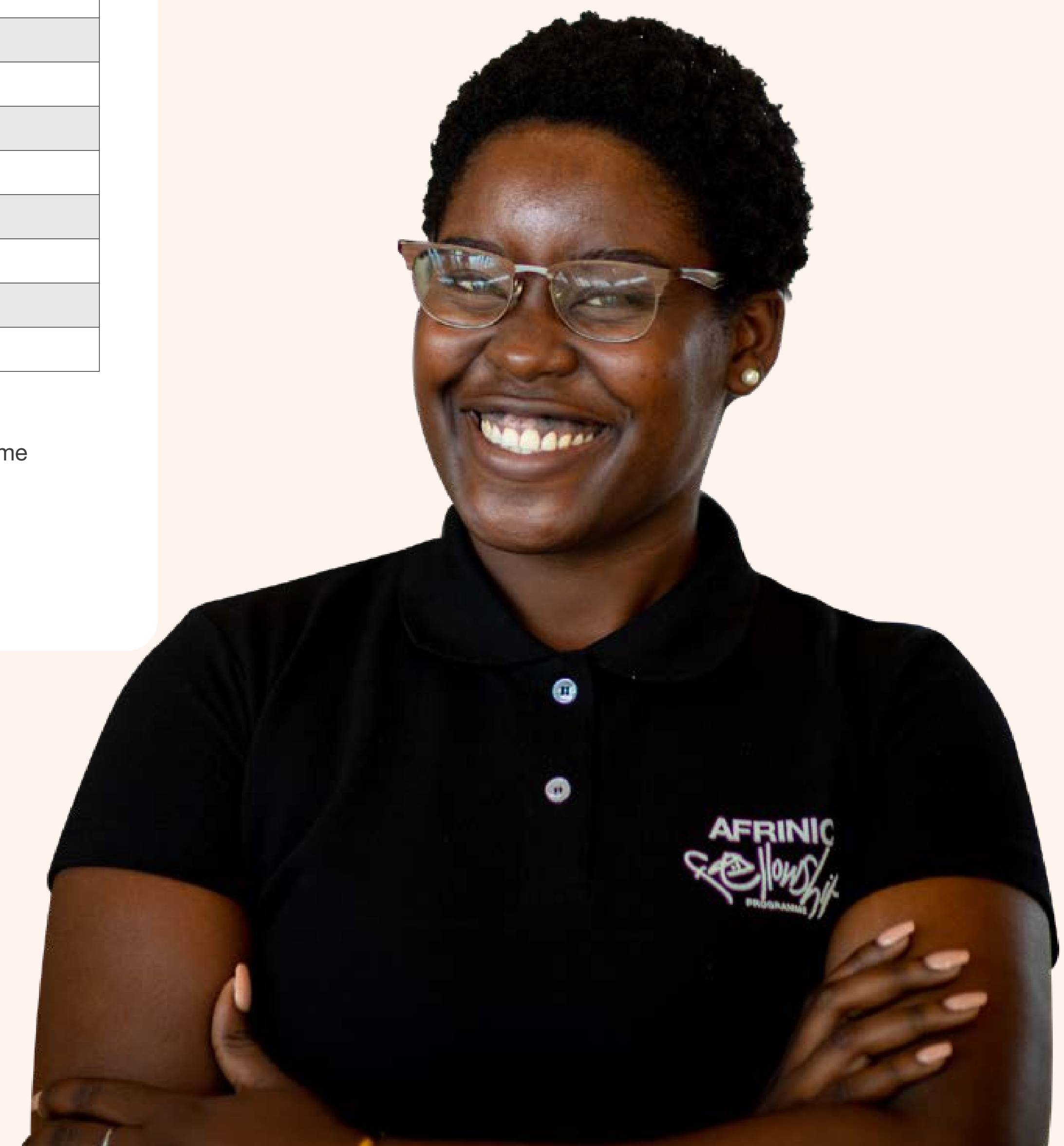
AFRINIC-30 Fellows

Mbara Nkoussou	Republic of the Congo
Yazid Akanho	Benin
N'cho Eva Nadège	Côte d'Ivoire
Arnaud Gahimbare	Tanzania
Hellen Kariuki	Kenya
Mohammed Bakheet	Sudan
Lamiaa Chnayti	Morocco
Norman Ncube	Zimbabwe
Oleva Chipendo	Malawi
Afi Edoh	Togo

AFRINIC-31 Fellows

Mubay Pamimbo Alpha	Democratic Republic of Congo
Mirabel Ngong	Cameroon
Avit Ndayiziga	Burundi
Vallarie Yiega	Kenya
Happy Ayomirwoth Ongi	Uganda
Daniel Khauka Nanghaka	Uganda
Mohamed Salah	Mauritania
Harimino Rakotondrainibe	Madagascar
Arthur Davies Sikopo	Zambia
Herman Angelo Miguel Ramos	Mozambique
Luyana Fernando	Angola
Mavis Nduchwa	Botswana
Shadrach Ankrah	Ghana
Rodrick Moyo	Zimbabwe

Find out more about the Fellowship Programme at https://www.afrinic.net/events/fellowship



KEEPING THE COMMUNITY INFORMED

AFRINIC BLOG

The AFRINIC Blog publishes relevant and interesting articles, news, research and statistics. This provides not only information but also facilitates community discussions and engagements on Internet-related topics in Africa and beyond. Forty blog posts were published.

MAILING LISTS

AFRINIC has several mailing lists through which it informs the community on AFRINIC related issues on relevant topics. Find out more about AFRINIC's mailing lists, most of which are open to all, at https://www.afrinic.net/email

OUTAGES AND INCIDENTS

Five incident outages were reported in 2019. AFRINIC ensures that the community is kept up to date on any incidents and outages through its dedicated webpage. The community can also make sure they are informed by following the @ AFRINIC_IT twitter feed, which updates the community in real-time of any planned or unscheduled maintenance.

AFRINIC

SOCIAL MEDIA

AFRINIC actively uses social media. In 2019, the Communications Team significantly ramped up its social media activities as the statistics below show.

Popular campaings included: AIS 19, AFRINIC 31, AFRINIC Fellowship, IPv6 Webinars and e-learning

7,472 Likes	8,684 Followers
+935	**+ 1,202**
381 Subscribers	375 Foloowers
+120	**+259**
2,275 Followers	
+720	

POLICY DEVELOPMENT

Policies that govern how AFRINIC manages the distribution of IPv4, IPv6, ASNs and related resources are developed by the community through the Policy Development Working Group - PDWG.This is a transparent, open and bottom-up policy development process. Most policy development activity happens through the rpd@afrinic.net mailing list and at the bi-annual AFRINIC public policy meetings where open policy proposals go through consensus-building process. Policy proposals under discussion are listed on the policy web page https://www.afrinic.net/policy/proposals.

Adewole Ajao from Nigeria and Sami Salih from Sudan diligently served and steered the PDWG community as co-chairs until June 2019. Abdulkarim Oloyede from Nigeria and Moses Serugo from Uganda were elected to serve from June 2019 - June 2020 and June 2019 - June 2021 respectively.

A lot of policy development activity took place in 2019 with strong participation of community members from within and outside the AFRINIC region.

Two public policy meetings were held during the AFRINIC-30 in Kampala, Uganda, and AFRINIC-31 in Luanda, Angola. At these meetings, the following policy proposals were discussed, with the current status of each respective proposal as indicated below:

Chairs Election Process - AFPUB-2019-GEN-007-DRAFT01

Proposed: 2 November 2019

The proposal provides a complete process for the PDWG chairs candidate requirements, in order to be integrated in the AFRINIC Policy Development Process(PDP)

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Under discussion

Impact Analysis is Mandatory - AFPUB-2019-GEN-005-DRAFT0

Proposed: 4 November 2019

The proposal provides a strict deadline for the impact analysis of policy proposals.

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Under discussion

RPKI ROAs for Unallocated and Unassigned AFRINIC Address space - AFPUB-2019-GEN-006-DRAFT01

Proposed: 4 November 2019

The proposal instructs AFRINIC to create ROAs for all unallocated and unassigned address space under its control. This will enable networks performing RPKI-based BGP Origin Validation to easily reject all the bogon announcements covering resources managed by AFRINIC.

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:

Last Call

M&A Resource Transfers - AFPUB-2019-GEN-004-DRAFT01

Proposed: 2 November 2019

The proposal establishes such mechanism to allow intra-RIR transfers of any kind of resources exclusively for those M&A cases.

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

Adjusting IPv6 PA Policy - AFPUB-2019-IPv6-002-DRAFT01

Proposed: 3 November 2019

The proposal addresses a discrepancy related to the need to announce (or justify otherwise), the aggregated addressing space within 12 months.

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Last Call

Resource Transfer Policy - AFPUB-2019-V4-003-DRAFT01

Proposed: 30 October 2019

The proposal outlines a no-needs basis model in which number resources (IPv4 addresses and AS numbers) can be freely transferred to/from other regions: RIPE NCC, APNIC, ARIN and LACNIC.

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

AFRINIC Number Resources Transfer Policy - AFPUB-2019-GEN-002-DRAFT02

Proposed: 22 September 2019

The policy defines a set of rules to allow inter-RIR and intra-RIR transfer of IPv4 addresses and ASNs, by specifying what categories of resources are eligible for transfer, the location of parties (sources and recipients) and the conditions to be met. The policy segregates resources in different categories and defines which transfer rules apply to each category. Only Legacy resources and resources transferred in from other regions will be transferable out of the AFRINIC service region

Presented at:

- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

Provisions for Resource Hijacking - AFPUB-2019-GEN-001-DRAFT012

Proposed: 17 May 2019

The proposal aims to clarify that deliberate resource hijacking is not acceptable as normal practice within AFRINIC service region, primarily because it negates the core purpose of running a (Regional Internet) Registry.

Presented at:

- AFRINIC-30 (June 2019
- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

IPv4 Inter-RIR Resource Transfers (Comprehensive Scope) - AFPUB-2019-v4-002-DRAFT03

Proposed: 26 November 2019

The proposal allows establishing the mechanism to allow inter-RIR and intra-RIR transfers of legacy and non-legacy IPv4 resources and ASN to/from other regions.

Presented at:

- AFRINIC-30 (June 2019
- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

IPv6 PI Clarification - AFPUB-2019-v6-001-DRAFT02

Proposed: 14 May 2019

The proposal amends Section 6.8 of the CPM to allow IPv6 prefixes issued to IXP peering networks and private networks to not be announced. Other IPv4 PI assignments will have to be deployed within 12 months and the announcements be aggregated

Presented at:

- AFRINIC-30 (June 2019)

Status at end of 2019:
Ratified in August 2019 - Pending Implementation

Multihoming not required for ASN - AFPUB-2019-ASN-001-DRAF

Proposed: 27 February 2019

The proposal amends the eligibility requirement for an Autonomous System Number(ASN). In addition to multihoming, planning to be multihomed and having a unique routing policy, an organisation that demonstrates a technical need for a globally ASN is eligible to receive one.

Presented at:

- AFRINIC-30 (June 2019)
- AFRINIC-31 (December 2019)

Status at end of 2019:
Last Call

Internet Number Resources Review by AFRINIC - AFPUB-2016-GEN-001-DRAFT-08

Proposed: 18 May 2016

The proposal puts in place a policy provision for AFRINIC to conduct routine (or whistle-blower triggered) number resource audits on members. It also provides for revocation of resources (and closure of members) that fail such audits (reviews).

Presented at:

- AFRINIC-25 (November 2016)
- AFRINIC-26 (May 2017)
- AFRINIC-27 (November 2017)
- AFRINIC-28 (May 2018)
- AFRINIC-29 (November 2018)
- AFRINIC-30 (June 2019)
- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

Abuse Contact Policy Update - AFPUB-2018-GEN-001-DRAFT05

Proposed: 12 August 2018

The proposal introduces a mandatory "abuse-c" attribute for specifying abuse email address(es) for a given directly issued resource. it further introduces a mechanism for AFRINIC to validate the given abuse email address, and punitive measures (such as blocking of my.afrinic.net access, including access to voting) if contacts remain invalid.

Presented at:

- AFRINIC-29 (November 2018)
- AFRINIC-30 (June 2019)
- AFRINIC-31 (December 2019)

Status:

Under Discussion (Version 5)

IAFRINIC Policy Development Process – bis - AFPUB-2017-GEN-002-DRAFT-05

Proposed: 28 April 2017

The proposal is a major revision of the current Policy Development Process. Major highlights include:

- A clearer mechanism for appeals and disputes.
- Introduction of distinct phases in the policy proposal life cycle.
- More transparency around consensus-gauging.

Presented at:

- AFRINIC-26 (May 2017)
- AFRINIC-27 (November 2017)
- AFRINIC-28 (May 2018)
- AFRINIC-29 (November 2018)
- AFRINIC-30 (June 2019)
- AFRINIC-31 (December 2019)

Status at end of 2019:
Under Discussion

Public Policy Meeting Reports from the two meetings held during 2019 can be found at the following URLs:

AFRINIC-30
https://www.afrinic.net/policy/development-working-group/ppm-afrinic-30

Uganda
KAMPALA
AFRINIC 30
15 - 21 JUNE 2019

AFRINIC-31
https://www.afrinic.net/policy/development-working-group/ppm-afrinic-31

LUANDA
ANGOLA
AFRINIC 31
2 - 6 DECEMBER 2019

IMPLEMENTED POLICIES

All implemented policies appear in the Consolidated Policy Manual: https://www.afrinic.net/policy/manual

A list of all policies implemented within 2019 is as follows:

Policy Proposal

SL Update - AFPUB-2018-v4-001

Policy Manual Section(s)

Ratified in August 2019

CPM 5.4.7.2

Clarification on IPv6 sub-assignments - AFPUB-2018-V6-002-DRAFT02

Proposed: 14 March 2018

The proposal clarifies the issue around the usage of IPv6 PI space by third parties (other than the AFRINIC registered holder) of the PI space, setting out the following conditions:

- It is allowed to use the assigned addresses for:
  - the assignment holder network
  - third-party devices operating within that infrastructure
  - interconnections
- It is not allowed to use the assigned addresses for providing services to customers (such an ISP), data-centre or similar cases.

Presented at:

- AFRINIC-28 (May 2018)
- AFRINIC-29 (November 2018)

Policy Manual Section(s)

Ratified in May 2019
CPM 6.8

A list of policies withdrawn within 2019 is as follows:

Policy Proposal

Clarification on temporary resource usage - AFPUB-2018-GEN-004-DRAFT02

Policy Manual Section(s)

Withdrawn in June 2019

Policy Proposal

Inter-RIR Resource Transfers - AFPUB-2018-GEN-003-DRAFT01

Policy Manual Section(s)

Withdrawn in Dec 2019

GLOBAL POLICY DEVELOPMENT / NRO-NC UPDATE

The representatives from the AFRINIC region to the NRO-NC for the year 2019 are:

- Noah Maina (Tanzania) – January 2018 - December 2020
- Omo Oaiya (Nigeria) – January 2017 - December 2019
- Wafah Dahmani (Tunisia) - January 2019 - December 2019.

No global policy proposals were received or approved during 2019. However, the following notable activity was conducted by the NRO-NC within the year 2019:

- On 27 December 2019, the Number Resource Organization (NRO), submitted an inspection request to ICANN regarding the Internet Society's proposed transfer of ownership of PIR, the .org registry, to Ethos Capital.
- Two appointments were made during 2019:
    - ICANN Multistakeholder Ethos Award Committee: Kevin Blumberg.
    - ICANN Nominating Committee (NomCom): Pankaj Chaturvedi.
- Implementing the recommendations in the ASO Review Report.

Other NRO related activities included:

- IGF 2019 in Berlin, Germany
- Bylaws amendments regardng the IANA naming function review composition
- Signature of Revised MoU between ASO and ICANN
- Statement on Role and Responsibilities of the NRO NC / ASO AC
- Publication of RIR Statistics Report on RPKI Adoption
- Akinor Maemura Selected to Serve in Seat 10 of the ICANN Board of Directors
- 2018 IANA Numbering Services Review Committee Report Published

Elections held in 2019 in the AFRINIC service region saw Mike Silber from South Africa elected for three years from January 2020 to December 2022 replacing Omo Oaiya. Wafa Dahmani reappointed by the board for one year.

- Wafa Dahmani will continue to represent PPFT
- Noah Maina and Mike Silber are on IANA RC

STAKEHOLDERS ENGAGEMENT

Cooperation and MoU

AFRINIC has signed Memoranda of Understanding with the following organisations.

- Asteroid International B.V for the setup of a copy of a DNS Root Server as part of the AFRINIC Root Server copy Project (AfRSCP).
- Internet Solution Data Centre for Hosting and Colocation Services
- Angolan Association of Internet Service Providers for the organisation of AFRINIC-31
- Africa Network Operators Group and Internet Service Providers Association (ISPA-DRC) for the organisation of AIS'19
- Africa Top Level Domains Organization (AFTLD) for cooperation Internet Policy related to ccTLDs, DNS Industry, security, and the promotion of Internet research and development

Government Engagement

The AFRINIC CEO and the Head of Stakeholder Engagement paid a courtesy call to Mr Darsanand Balgobin, the new Minister of Technology, Communication and Innovation of Mauritius.

The purpose of this meeting was to introduce AFRINIC and its mission to the staff of the Ministry of Technology, Communication and Innovation and to explore opportunities for collaboration between the AFRINIC and the Ministry with regards to Internet development and IPv6 deployment in Mauritius.

AFGWG Meetings

The 20th AFRINIC Government Working Group (AFGWG) meeting was held on 17 June 2019 at the Sheraton Kampala Hotel in Kampala, Uganda. This meeting was attended by 40 delegates from 16 African countries.

The 21st AFGWG meeting was held at Talatona Convention Hotel (HCTA) in Luanda, Angola, on 2 December 2019. The meeting was organised together with the Ministry of Telecommunication and Information Technology of Angola and the Angolan Association of Internet Services Providers (AAPSI) on the sidelines of the 31st Public Policy Meeting. Over 30 delegates from 12 African countries attended the meeting.

Both AFGWG meetings focused on the roles of government in Africa digital economy transformation, cybersecurity and data protection in Africa, ICT development in Angola, and AFRINIC's engagement with governments. Government officials shared best practices and success stories on ICT development from around Africa.

OUTREACH

AFRINIC sends its staff to local, regional and global events to facilitate partnerships and outreach efforts. In 2019, staff represented the interests of the AFRINIC membership, from regional and global Internet Governance Forums (IGF), ICANN Meetings, sister RIR Meetings, IETF Meetings, and other ICT events.

*Events AFRINIC sponsored in 2019

List of events AFRINIC attended or supported in 2019:

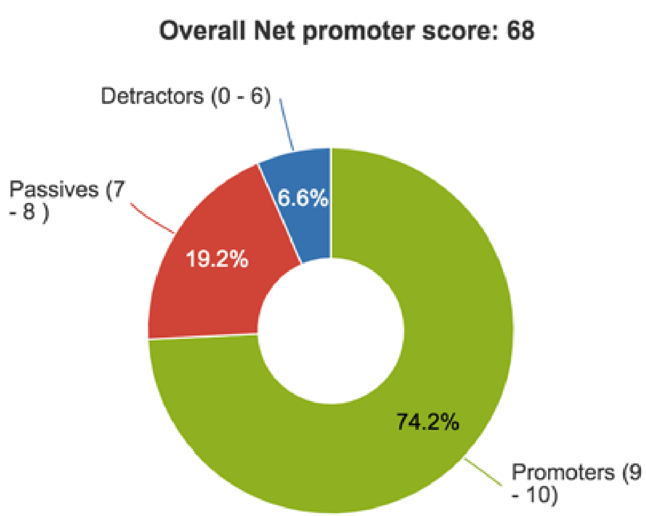
APNIC / APRICOT 2019	Daejeon , South Korea
ICANN 64	Kobe, Japan
IETF104	Prague
Members outreach	Burkina Faso
WACREN	Accra, Ghana
KZNNOG	Durban, South Africa
Conference IoT & Big Data	Douala, Cameroon
OSIANE 2019*	Brazzaville, Rep. of Congo
Transform Africa	Kigali, Rwanda
RIPE 78	Iceland
ARIN 43	Barbados
ICANN65	Marrakech, Morocco
ACM Compass	Accra
IETF105	Montreal, Canada
Africa DNS Forum	Gaborone, Bostwana
WAIGF 2019*	Gambia
SAFNOG/IWEEK	Johannesburg, South Africa
AFPIF-10*	Mauritius
FFGI 2019*	Ouagadougou, Burkina Faso
Atelier de Validation du Plan National Numerique	Kinshasa, DRC
AFRICA IGF*	Ndjamena, Chad
LACNIC 32	Panama City, Panama
RIPE 79	Netherlands
UbuntuNet 2019	Madagascar
NgNOG 2019*	Lagos, Nigeria
ARIN 44	Austin, USA
ICANN 66	Montreal, Canada
SADC Workshop	Harare, Zimbabwe
IETF 106	Singapore
Mauritius IGF*	Mauritius
IGF 2019	Berlin, Germany
SdNOG*	Sudan

CAPACITY BUILDING

AFRINIC plays a leading role in education and capacity building. The Capacity Building department has embarked on a strategy focusing on IPv6 deployment support and e-learning capability.

AFRINIC offers comprehensive online support through webinars, e-learning courses and online IPv6 deployment helpdesk. This is in addition to IPv6 certification programmes and IPv6 deployathons conducted throughout Africa and the Indian Ocean in French and English languages.

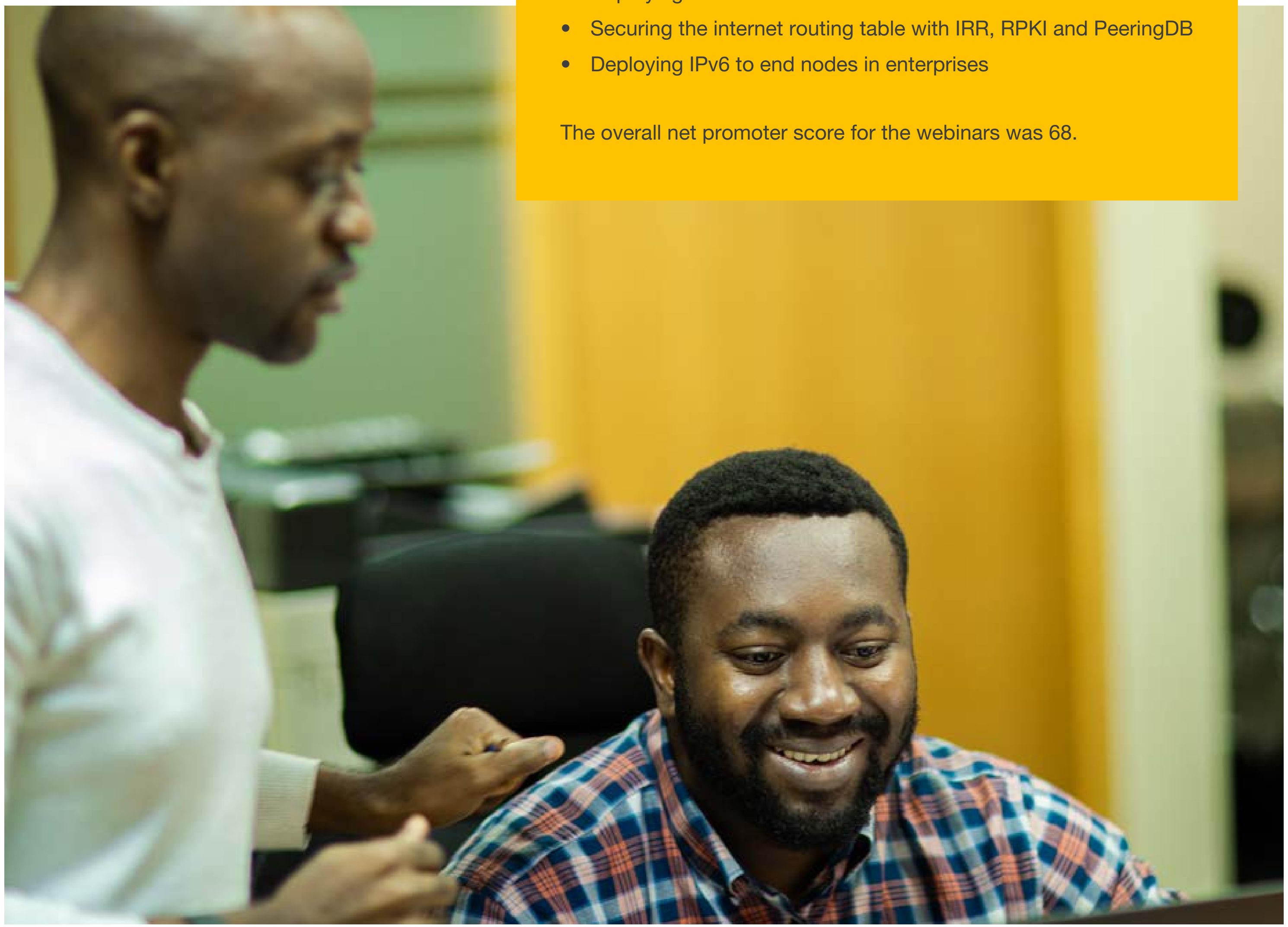
The department conducted five IPv6 deployathons in Kenya, Malawi, Nigeria and South Africa recording 83 participants. 1,196 professionals participated in 16 webinars.



The webinars covered:

- How to perform an IPv6 infrastructure audit
- Transitioning to IPv6-only with IPv4aaS in broadband and cellular networks
- Creating an IPv6 Deployment Project Plan
- Implementing Dual-stack DNS infrastructure
- How to run an effective self-sustaining IXP
- Deploying IPv6 to ISP customers
- Securing the internet routing table with IRR, RPKI and PeeringDB
- Deploying IPv6 to end nodes in enterprises

The overall net promoter score for the webinars was 68.

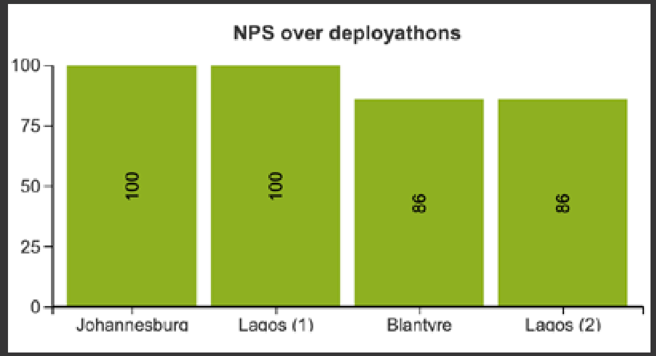


The Deployathons were highly rated with an average NPS score of 93.

The IPv6 deployment helpdesk attended to 146 requests in its second year of operation from 39 countries, among which 66 were valid requests from either AFRINIC members or those who received a block of public IPv6 space.

AFRINIC also runs certi::6, a multi-tiered programme of written exams under the IPv6 Forum certification program. The programme validates the knowledge and skills required to plan, design, configure, manage and troubleshoot multi-vendor IPv6 networks. Ninety-nine candidates took part in these examinations.

Nine MoUs were signed with partners to conduct examinations in Nigeria, Egypt, Tunisia, Morocco, Kenya, Central African Republic, Mali, Senegal and Colombia.



@afrinictraining
learn.afrinic.net

certi6.io/en

Helpdesk

Deployathon

e-learning

TECHNICAL SERVICES

Throughout 2019, the AFRINIC IT and Engineering department continued to improve internal and external systems and services.

NetSuite Integration

The technical team integrated Oracle NetSuite with existing systems, adding enhanced tools and dashboards to effectively manage resource requests end-to-end and a "Sales Order Automation" to process the Annual Billing were added.

Community support initiatives

Several IXPs have expressed interest in our Anycast program and Root Server Copy program. Mauritania was been a new addition to the domain secondary program (AfDSP) in 2019 bringing the numbers to 54 TLD supported over 28 countries.

Infrastructure improvement

AFRINIC deployed a new set of technical equipment for its infrastructure located in Johannesburg, South Africa. This will allow AFRINIC to run its services with greater efficiency, support partners, and serve its community with top-notch technology.

DNS Flag day

AFRINIC successfully tested the 15 domains it manages for readiness and compliance for the DNS Flag Day that took place in 2019.

AFRINIC Meetings

The team also contributed to improving the usability of the AIS'19 and AFRINIC 31 Meeting tools by adding several features that help with the organisation of these events. These include improving on several aspects of these Meetings such as the badging, agenda and registration components of the meeting websites.

With the support of connectivity sponsors, AfNOG and technical partners, the team also ensured that connectivity during our 2019 meetings was adequate.

MYAFRINIC

Member Contact Verification

Every year, MyAFRINIC reminds a member contact whether the contact information they are responsible for is up-to-date. The "reminder" service in MyAFRINIC has been updated with new features.

- The "last updated date" can be seen after the "last verification date".
- A summary of the information verification status has been added.

Transfer Execution Tool

The Transfer Execution Tool allows Member Service staff to quickly execute transfers according to AFRINIC's Transfer Policy as well as traditional transfers resulting from mergers and acquisitions. The tool also caters for partial transfers. All these features were integrated into the Transfer Execution Tool.

PROJECTS AND RESEARCH

As part of the work of the Research and Innovation Department, AFRINIC offers or contributes to several initiatives for the benefit of the African and global Internet community.

PUBLICATIONS

The following articles on Internet Measurement were published on the AFRINIC blog:

- The Internet Measurements Workshop at Africa Internet Summit 2019
- The More the Merrier - AFRINIC's RIPE Atlas Anchor Distribution in 2018
- Assessing the current status of Internet Measurement in Africa
- Internet Measurement in Africa - Where are we?
- Internet Measurement for Regulators
- AFRINIC's Measurement Working Group: An avenue for sharing and learning

AFRINIC participated and presented in the following workshops and conferences:

- An Internet Measurement Workshop at AIS 2019
- Presented paper on "Characterizing RIPE Atlas Deployment in Africa" during ACM COMPASS 2019 Ghana
- ITU Get19 Meeting, in Mauritius
- Global IGF in Berlin, Germany

AFRICAN INTERNET MEASUREMENT PROGRAMME (AIM)

The first "Africa Internet Measurement Survey" was launched and received over 100 responses. Results have been published here. The Research and Innovation Department also launched the "Internet Measurement for Regulators" project at the AFGWG session during AIS'19.

AFRINIC RESEARCH COLLABORATIONS (ARC)

A call for expression of interest for collaboration on research activities was made. Twenty-nine proposals were received. Collaboration also included internships for nine projects. Fifteen interns from different African universities were hired to work on Internet Measurements, BPKI Enrolment Interface, DNSSEC, EDNS Compliance and DNS Open Resolvers and Detection of NAT-CGNAT.

RIPE ATLAS ANCHOR DISTRIBUTION

RIPE Atlas is the RIPE NCC's main Internet data collection system. It is a global network of devices, called probes and anchors, that actively measure Internet connectivity. RIPE Atlas anchors are RIPE Atlas probes with enhanced measurement capacity that serve as reliable measurement targets within the greater RIPE Atlas network.

AFRINIC supported the deployment of a new anchor deployed at GABIX, the Gabon Internet Exchange Point. Twenty RIPE Atlas probes were distributed at the AIS 2019.

FIRE AFRICA

The FIRE Africa initiative helps ideas develop or grow by providing small grants and awards for Internet development and digital innovation on the African continent.

FIRE
www.fireafrica.org

A total of $39,348.13 was allocated through grants and awards to support and help scale projects throughout Africa. These activities included:

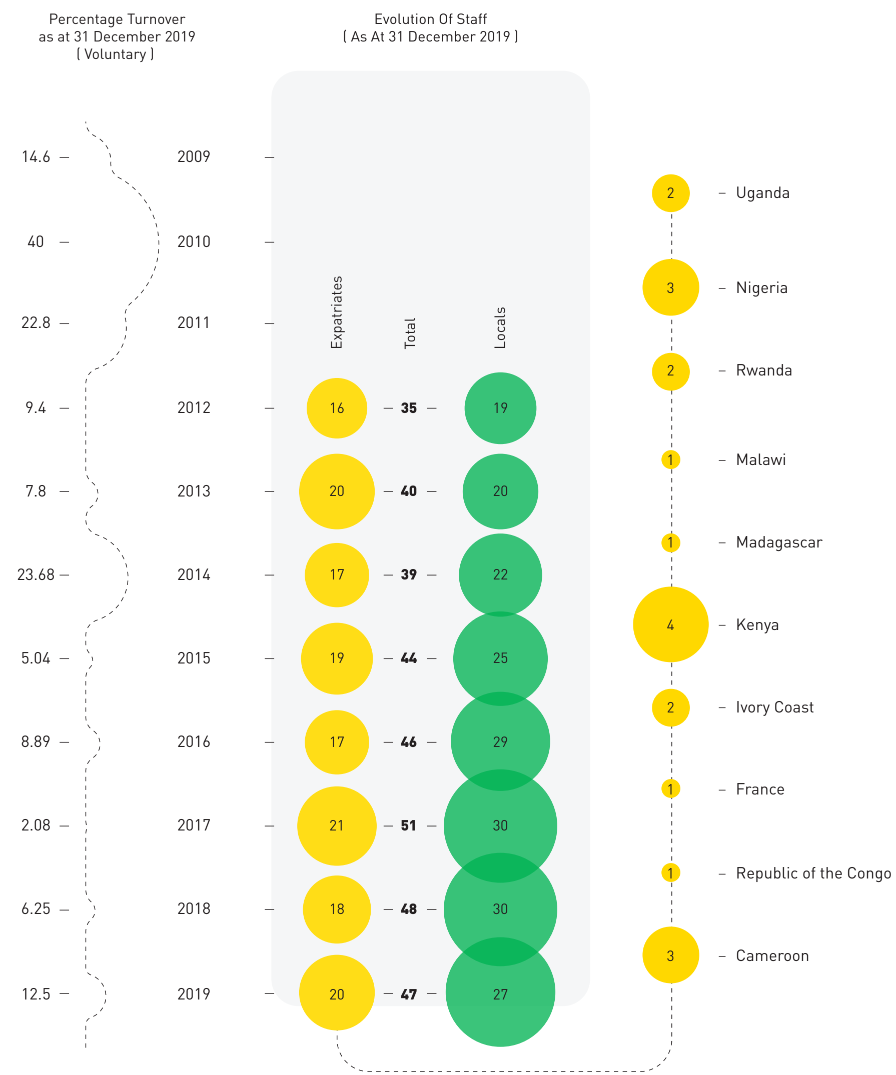
- A call for FIRE Awards ($3,000 cash prize), 26 April 2019
- The payment of second instalment of funds to the 5 FIRE grant recipients
- Four-phase screening and selection for FIRE Awards of the 54 proposals from 16 African countries (June 2019 -August 2019)
- Payment of final instalment of funds to the five FIRE grant recipients
- Final selection of FIRE Award recipient for 2019. The Award was given to Maxim Nyansa IT Solutions of Accra, Ghana, for their Introducing a scalable proof of concept for digital skills training in African schools.

Mashinani Hub (DR Congo) [ISOC Funds]	NetPointSky Ltd (Nigeria) [ISOC Funds]	Shule Direct (Tanzania) [IDRC Funds]	Empower Youth with Technology (Uganda) (IDRC Funds)	Rosalia Health (Tanzania) [IDRC Funds]
Mobile Solar Lab	***Solar Powered Kiosk***	***Ndoto App***	***Stimulating Innovation and Entrepreneurshipamong Women in ICTSector***	***Linking Gender-based Violence Victims to the Special Services using Mobile Phone Applications***
Impact A total of 378 girls were provided/ exposed to computer skills and taking up off-line courses regularly, benefiting from the very limited free internet and equipped with business guide templates. Regular meetings and practice sessions on computer skills, and Internet access. The impact was demonstrated by the fact that the youthful female beneficiaries saved around $300 of the cost incurred in travelling to urban towns for basic computer training. See final report here.	*Impact* The main impact of the project was the fact that community members do not have to travel long distances in search of a cybercafé or internet access. People in Ishioyibe and surrounding areas can now visit a solar powered Internet kiosk and access the internet for a small fee. See final report here.	*Impact* The Ndoto Mobile Application is available on Google Play Store. It can be accessed on any smartphone with an Android operating system. In addition, the entrepreneurship curriculum has been developed and structured into the Mobile Application for delivery to the user. The next phase is content development and testing. The final report is available here.	*Impact* Through business mentorship and entrepreneurship skills trainings, business workshops, the entrepreneurial and innovative potential of ICT graduates especially women was stimulated. This has made ICT graduates focus on creating start-up businesses for self-employment instead of seeking employment. Of the 14 innovative ideas registered during the project implementation, at least two have reached the pilot stage. These are LetsFarm and FolloApp. Four are at the final prototyping stage. These include: yoCare, myLand, iMonitor and SpeakApp. See final report here.	*Impact* The first step was to train (Gender-Based Violence) GBV desk staff on the system use. Nineteen staff members were trained between 19 August and 23 August 2019 on the system use. The aim was to gather feedback on the usability of the system and areas that need to change as per GBV processes and requirements. The feedback received was incorporated/ implemented and the next seminar will be planned to share on the progress and further training. The final report is available here.
1st Installment (Nov 2018) ***$7,500.00***	1st Installment (Nov 2018) ***$7,500.00***	1st Installment (Nov 2018) ***$5,500.00***	1st Installment (Nov 2018) ***$5,500.00***	1st Installment (Nov 2018) ***$5,500.00***
2nd Installment (April 2019) ***$5,250.00***	2nd Installment (April 2019) ***$5,250.00***	2nd Installment (April 2019) ***$5,250.00***	2nd Installment (April 2019) ***$3,850.00***	2nd Installment (April 2019) ***$3,850.00***
3rd Installment (October 2019) ***$2,250.00***	3rd Installment (October 2019) ***$2,250.00***	3rd Installment (October 2019) ***$1,650.00***	3rd Installment (October 2019) ***$1,650.00***	3rd Installment (October 2019) ***$1,650.00***

The complete report is available here.

HUMAN RESOURCES AND ADMINISTRATION

AFRINIC Staff serve its Members and the African Internet community. AFRINIC has 47 staff of 11 nationalities.



AFRINIC is a culturally diverse organisation employing talents from 11 different countries, mainly across Africa. AFRINIC celebrates the diversity of culture, background, experience and thought and recognise these as key to delivering effective services to our members and the community.

ORGANISATIONAL PROFILE

Six new employees joined AFRINIC during the course of 2019.

Internal Auditor CEO's Office Rwanda	*Deployment Operationalisation Engineer* Capacity Building Cameroon	*Head of Communications & PR* Communications & PR Kenya
Legal Officer CEO's Office Mauritius	*CEO* CEO's Office Rwanda	*Software Engineer* IT & Engineering - Applications Unit Uganda

ACTIVITIES

AFRINIC Performance Management

AFRINIC conducted its performance appraisal exercise for all employees on JIRA Upraise.

Assessment of Individual goals as well as a 360 Degree feedback exercise on the Values of AFRINIC and the Behaviours of Trust were organised.

Learning & Development

- AFRINIC's corporate and departmental training plan was submitted and is being followed by respective departments.
- A new training evaluation form based on the Kirk Patrick Model was been designed to follow-up on the efficacy of training.

ISO 9001: 2015 Surveillance Audit

AFRINIC passed the surveillance audit conducted by our ISO Auditors, SGS. Regular follow-up meetings were organised with all the departments to follow up on the audit observations and improve on the maturity levels of processes.

Staff Activities and Culture Building

- A staff welfare committee, comprising of representative volunteers from all departments meet regularly and work together around the following areas: organisation of staff activities, staff benefits, staff communication, and projects
- A staff party was organised at Casela
- A cook, bring and share events were organised at the office
- An award-giving ceremony was organised to recognise staff members who have served the organisation for five years or more. Twenty eight employees received an award.
- All staff were trained in the 7 Habits of Highly Effective People and 13 Behaviours of Trust
- Staff birthdays are celebrated every month

Occupational Safety and Health

Fire fighting/drill training and air quality checks were carried out in the year.

FINANCIAL REPORT

2019 FINANCIAL RESULTS

OVERVIEW

Our financial results show a very healthy balance sheet demonstrated by a net surplus, record cash holdings, increased total reserves and improved liquidity ratio.

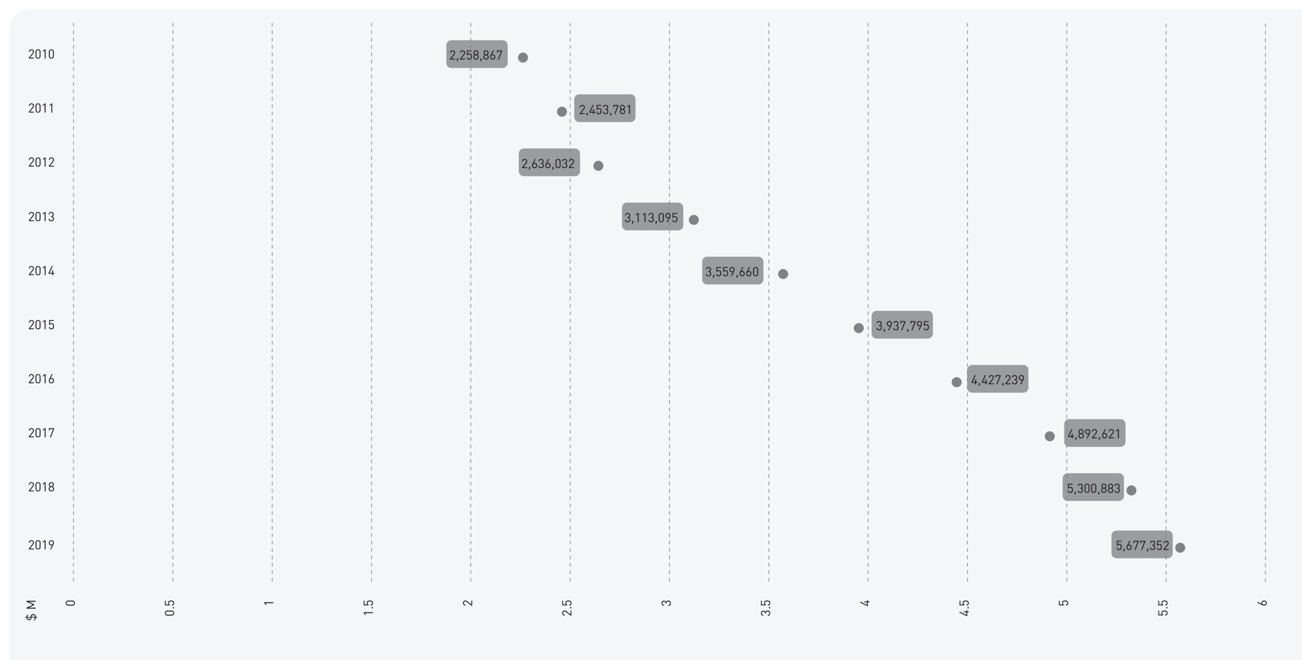
The year 2019 recorded yet another good operational financial performance closing on a net surplus of $1,225K (2018: $1,286K). Total revenue continues to record positive growth, equivalent to an increase of 7.3% over the previous year. Closing total cash position reflected an improvement, with an increase of 14.23% of the total holding as at the last audited balance sheet.

REVENUE - Membership Fee Income

Membership fees and services related fees from members remain the primary source of revenue. The Soft landing Phase I has had no impact on the financial results for the year to December 2019. The financial period under review saw the transition into Soft landing Phase II.

Total Membership fee income grew by 7.1% (2018: 8.4%) from $5,301K in 2018 to $5,677K in 2019. This was marginally lower than the growth of 8.4% achieved in 2018. Revenue from Allocation and Assignment fees continued to increase as a direct result of new members' intake and additional resources requests approved during the 2019. Late Payment Penalties amounted to $221K (2018: $181K) while AFRINIC support to Research and Educational Institutions and Critical Infrastructures in the region, via discounted fees, amounted to $206K (2018: $222K) . Sponsorships from regional and international partners for AFRINIC events recorded a slight increase from $65K in 2018 to $82K in 2019.

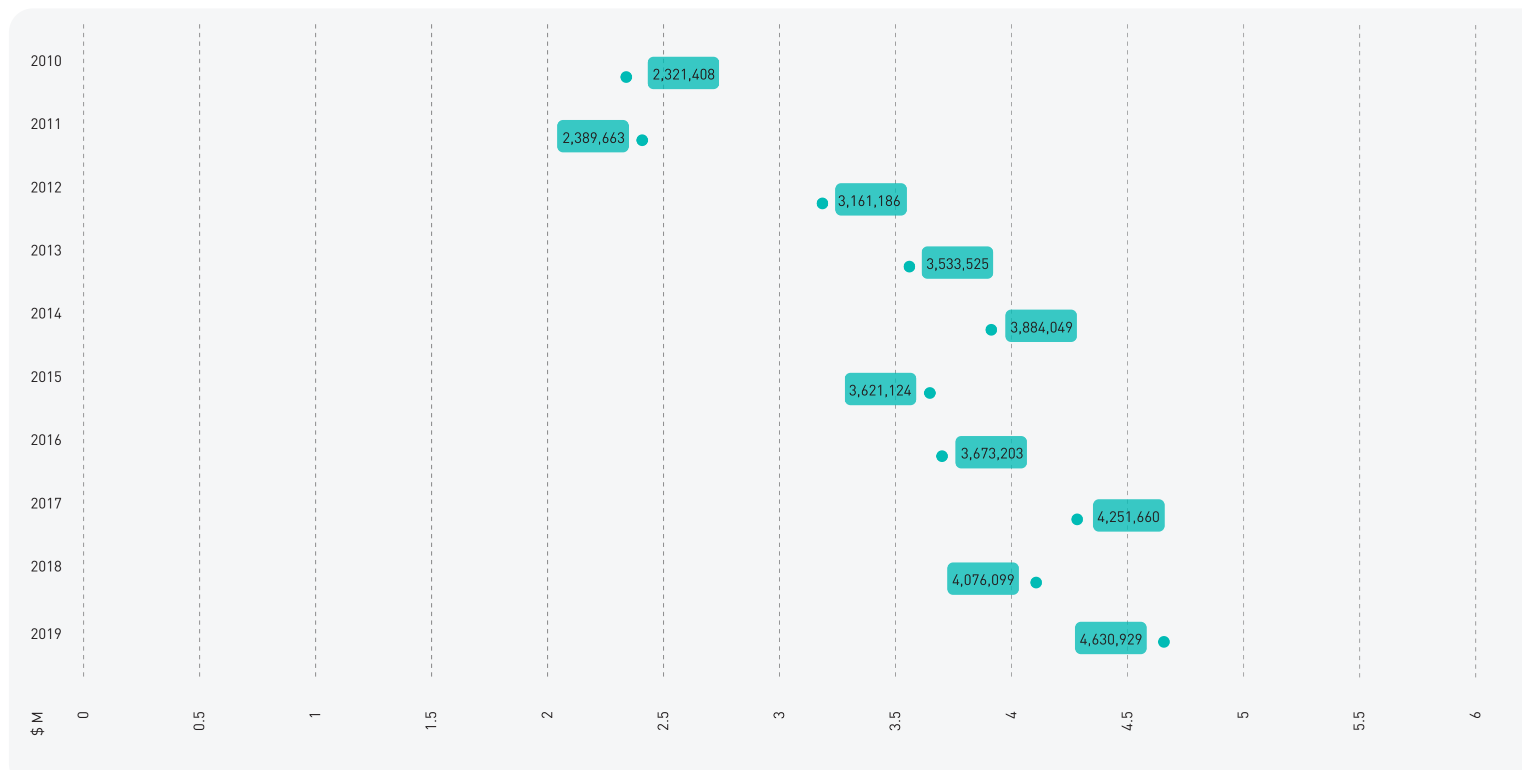
FEE REVENUE LEVELS



COSTS – Operating Costs

Total operating costs for the financial year was $4,631K as compared to $4,076K for 2018. HR costs continued to dominate total operating costs, accounting for 51% (2018: 56.9%) of Total Operating Costs. Bank charges rose due to an increasing number of fee settlements via credit card. This increased the overall Fee Revenue although the ratio against Income remained consistent at 1.5%. Part of the 2019 approved contingency budget was used to cater for certain unforeseeable expenditure relating to CEO replacement. There were some unplanned travel during the year which resulted in the costs exceeding the budget by 9%. Bad debts written off recorded an increase over previous year. This was mainly due to a provision made on 2019 debtors based on an assessment made as per International Financial Reporting Standards (IFRS 9). The US Dollar/Mauritian Rupee exchange rate was stable for most of the year.

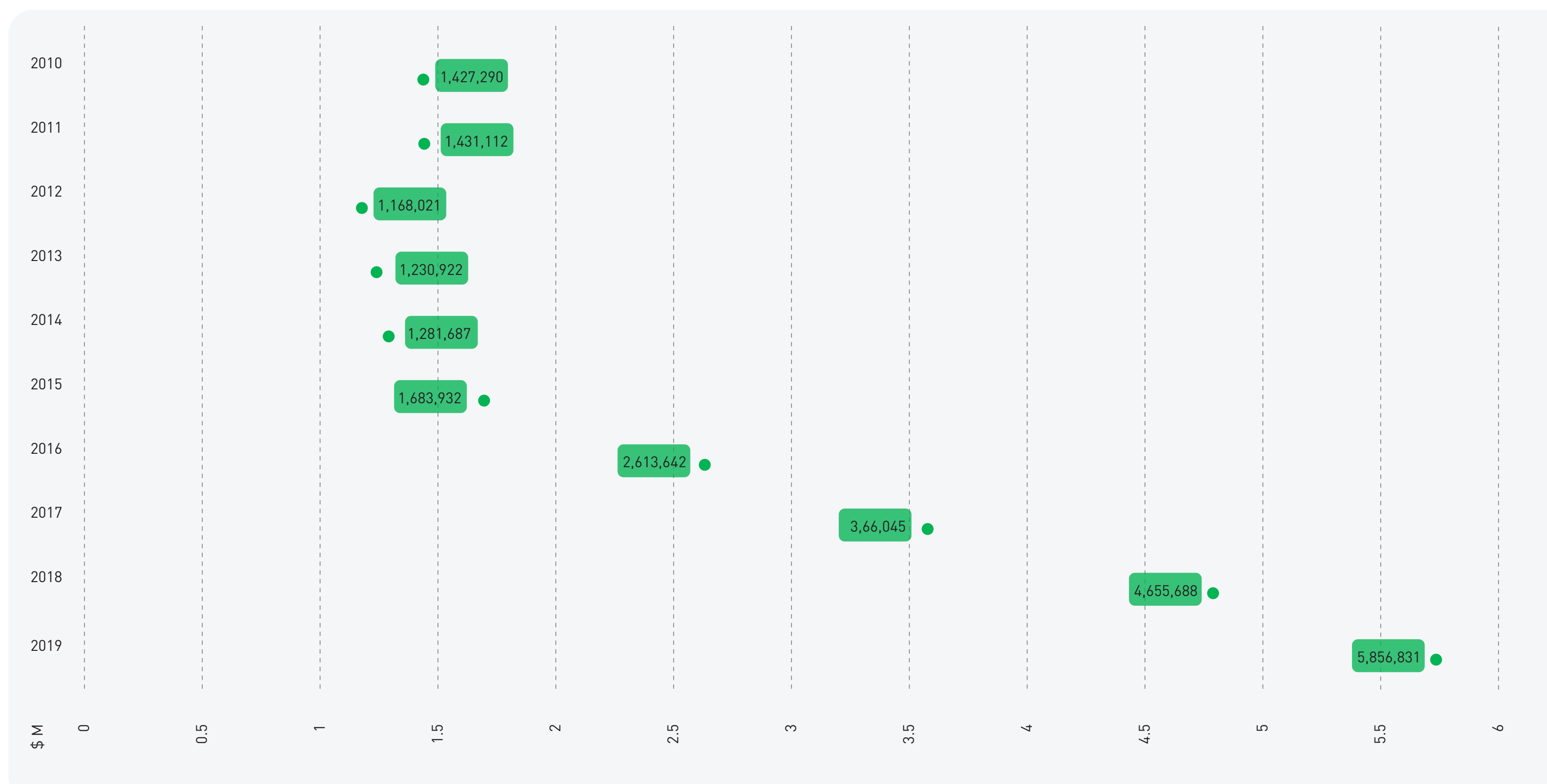
OPERATING COSTS



Adoption of International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS)

Several new International Reporting Standards became effective from 2019 and were adopted where applicable. IFRS 16 relates to Accounting for Lease and the Statement of Financial Position reflected the adjustments under Non-Current Assets and also included under Non-Current Liabilities. IAS 19 (Employee Benefits) relates to Pension benefits. The effect is reflected in the financials and amounted to a provision $140K. Details of all applicable and adopted Standards are provided in the AFS.

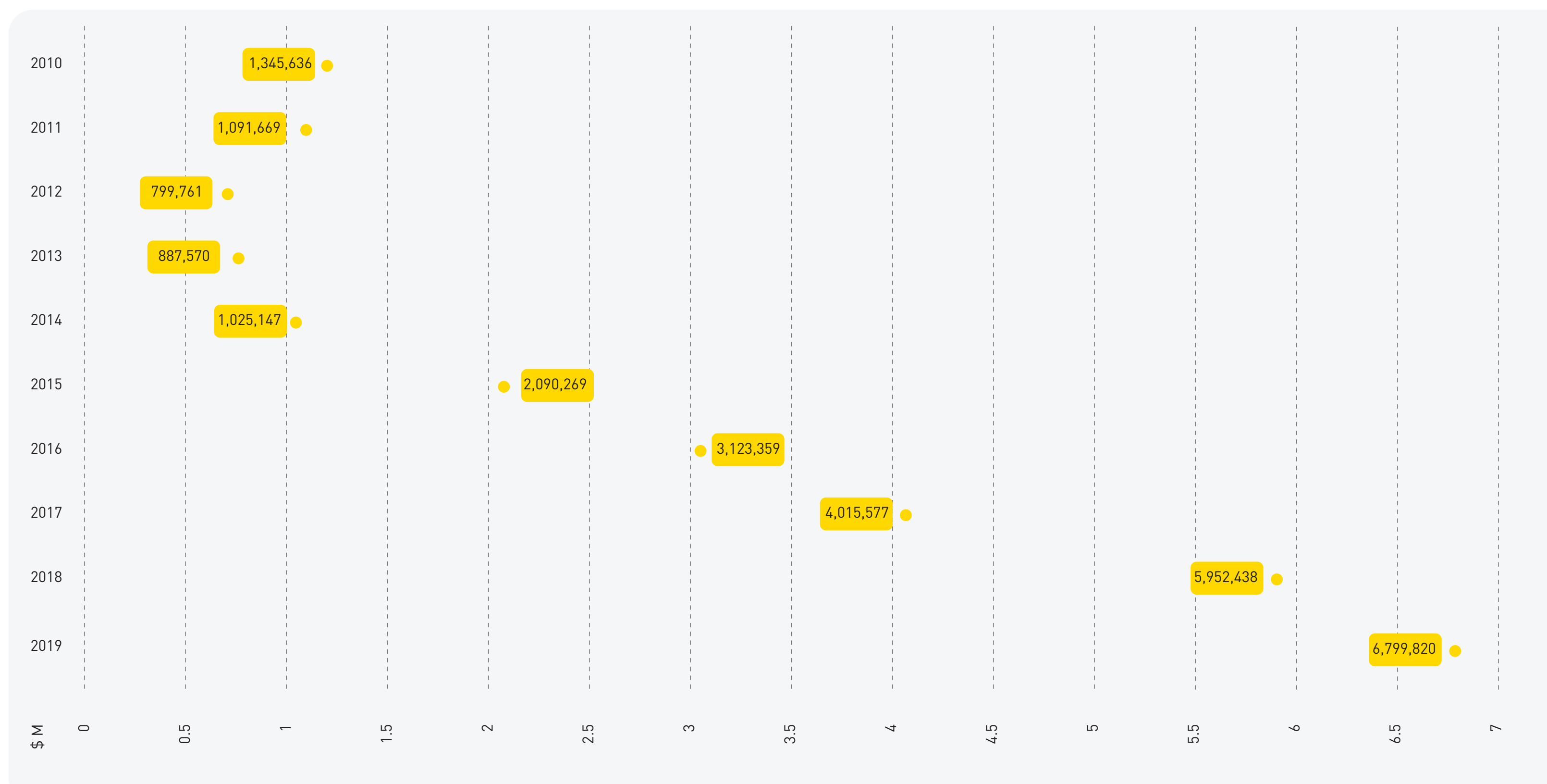
HISTORICAL RESERVE



The Bottom line

A net Surplus of $1,225K (2018: $1,286K) was recorded for the financial year 2019. Consequently, total Reserves reflected a growth of 25.8% (2018: 38.3%), increasing to $5,857K from $4,656K in 2018. An additional amount of $1,300K was placed on Fixed Deposit, increasing the Strategic Cash Reserves to $3,263K. The Liquidity Ratio continues to improve in light of the increased closing total cash holdings of $6,799K from $5,952K in 2018. The Liquidity Ratio stood at 4.1:1 (2018: 3.7:1).

HISTORICAL CASH HOLDINGS



AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FINANCIAL STATEMENTS - YEAR ENDED

31 DECEMBER 2019

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

TABLE OF CONTENTS - 31 DECEMBER 2019

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
ANNUAL REPORT - YEAR ENDED 31 DECEMBER 2019

The directors are pleased to present the annual report and audited financial statements of AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) Ltd (the "Company") for the year ended 31 December 2019.

Principal activity
The Company is the Regional Registry for Internet Number Resources for Africa and the Indian Ocean. The Company is a not for profit organisation.

Results
The results for the year are shown on page 6.

Office bearers and resignations
Directors holding office at 31 December 2019 are listed below:

- Dr Christian Domilongo BOPE
- Subramanian MOONESAMY
- Serge Kabwika ILUNGA
- Ojedeji OLUWASEUN
- Dr Ousmane Ly (resigned on 20th June 2019)
- Alan Peter BARRETT (resigned on 26th July 2019)
- Robert Ford Nkusi (resigned on 13th October 2019)
- Vika William MPISANE
- Habib YOUSSEF
- Adewale Emmanuel ADEDOKUN
- Eddy Mabano KAYIHURA (appointed on 4th November 2019)

Statement of directors' responsibility in respect of the financial statements
The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.
Company law requires the directors to prepare the Financial Statements in accordance with International Financial reporting Standards ('IFRS') for each financial year, which present fairly the financial position, financial performance and cash flows of the Company.

The Directors confirm that, in preparing the Financial Statements, they have to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- State that IFRS have been adhered to, subject to any material departures being disclosed and explained in the Financial Statements
- Prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the Financial Statements comply with the Mauritius Companies Act 2001, IFRS and the Financial Reporting Act 2004. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' service contracts
Mr Eddy Kayihura has service contracts with the Company commencing on 4th November 2019 for a period of 36 months which is renewable. The contract can be terminated by either party with 3 months' notice.

Remuneration and benefits
Total emoluments and other benefits given to directors by the Company during the year were as follows:

	2019	2018
	USD	USD
Mr Alan Barrett	**167,912**	161,174
Mr Eddy Kayihura	**33,604**	-
	201,516	161,174

In 2019, emoluments and other benefits for Mr Alan Barrett included termination benefits of USD 27,455. Mr Alan Barrett has resigned on 26th July 2019 and Mr Eddy Kayihura has been appointed on 4th November 2019.

Community Support and Engagement
During 2019, AFRINIC provided support to related regional and global organisations and community members amounting to USD **137,116** (2018: USD 165,367).

Auditors
BDO & Co were appointed as the auditors of the Company for the year 2019. PricewaterhouseCoopers resigned as auditors during the year. The fees paid to the auditors were as follows:

	2019	2018
	USD	USD
Audit	**15,000**	10,500

The auditors did not receive any fees for other services.

By order of the Board

………………………	Kayihura M. Eddy ………………………
Director	**Director**
Dr. Christian D. Bope	Eddy M. Kayihura
Date: 24-06-2020	Date: 24-06-2020

AfriNIC Ltd.

I certify that, to the best of my knowledge and belief, African Network Information Centre (AfriNIC) Ltd (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 31 December 2019.

EXECUTIVE SERVICES LIMITED
Per Christian ANGSEESING
Company Secretary

Date: 2 4 JUN 2020

BDO

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Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

INDEPENDENT AUDITOR'S REPORT

To the Registered Members of African Network Information Centre (AfriNIC) Ltd

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of African Network Information Centre (AfriNIC) Ltd (the Company), on pages 5 to 40 which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 5 to 40 give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of African Network Information Centre (AfriNIC) Ltd for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on May 21, 2019.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Secretary's Certificate, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

To the Registered Members of African Network Information Centre (AfriNIC) Ltd

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

BDO

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

INDEPENDENT AUDITOR'S REPORT (Continued)

To the Registered Members of African Network Information Centre (AfriNIC) Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Other Matter

This report is made solely to the Registered Members of African Network Information Centre (AfriNIC) Ltd (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO & Co

BDO & Co
Chartered Accountants

Didier Dabydin, FCA
Licensed by FRC

Port Louis,
Mauritius.

24 JUN 2020

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2019

	Notes	2019	2018 Restated	2017 Restated
		USD	USD	USD
ASSETS				
Non-current assets				
Plant and equipment	4	**189,001**	118,435	163,883
Right-of-use assets	5	**776,446**	-	-
Intangible assets	6	**55,975**	57,517	64,769
		1,021,422	175,952	228,652
Current assets				
Trade receivables	7	**475,738**	217,688	325,920
Prepayments and other receivables	8	**110,112**	82,504	389,060
Financial assets at amortised cost	9	**3,262,769**	1,878,291	1,056,860
Cash and cash equivalents	16(b)	**3,537,051**	4,074,147	2,958,717
		7,385,670	6,252,630	4,730,557
Total assets	USD	**8,407,092**	6,428,582	4,959,209
RESERVES AND LIABILITIES				
Reserves				
Revenue reserve	10	**5,877,085**	4,652,178	3,366,045
Actuarial reserve	17	**(20,254)**	3,510	-
Net assets attributable to members		**5,856,831**	4,655,688	3,366,045
Non-current liabilities				
Lease liabilities	5	**629,322**	-	-
Contract liabilities	11(b)	**800**	1,200	1,600
Retirement benefit obligations	13	**140,013**	99,886	86,928
		770,135	101,086	88,528
Current liabilities				
Lease liabilities	5	**115,482**	-	-
Trade and other payables	12	**483,780**	506,141	395,731
Contract liabilities	11(b)	**1,180,864**	1,165,667	1,108,905
		1,780,126	1,671,808	1,504,636
Total liabilities		**2,550,261**	1,772,894	1,593,164
Total equity and liabilities	USD	**8,407,092**	6,428,582	4,959,209

The financial statements have been approved for issue by the Board of Directors on 24 JUNE 2020

Dr. Christian D. Bope) DIRECTORS

Eddy M. Kayihura Kayihura M. Eddy)

The notes on pages 9 to 40 form an integral part of the financial statements.

Auditors' report on pages 4 to 4(b).

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED 31 DECEMBER 2019

	Notes	2019 USD	Restated 2018 USD
Income	11	**5,771,358**	5,378,700
Distribution expenses	15	**(1,148,425)**	(965,528)
Administrative expenses	15	**(3,171,286)**	(3,019,853)
Net impairment losses on financial assets and bad debts	7	**(276,303)**	(69,645)
Surplus of income over expenditure		**1,175,344**	1,323,674
Finance income	14	**142,851**	126,332
Finance costs	14	**(93,288)**	(163,873)
Surplus before taxation		**1,224,907**	1,286,133
Taxation	18	**-**	-
Surplus for the year		**1,224,907**	1,286,133
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations	13/17	**(23,764)**	3,510
Other comprehensive income for the year		**(23,764)**	3,510
Total comprehensive income for the year	USD	**1,201,143**	1,289,643

The notes on pages 9 to 41 form an integral part of the financial statements.
Auditors' report on pages 4 to 4(b).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2019

	Notes	Revenue reserve USD	Actuarial reserve USD	Total USD
At 01 January 2019				
- as previously stated		4,755,574	-	4,755,574
- prior year adjustment	24	(103,396)	3,510	(99,886)
- as restated		4,652,178	3,510	4,655,688
Surplus for the year		1,224,907	-	1,224,907
Other comprehensive income for the year	17	-	(23,764)	(23,764)
Total comprehensive income for the year		1,224,907	(23,764)	1,201,143
At 31 December 2019	USD	**5,877,085**	**(20,254)**	**5,856,831**
At 01 January 2018				
- as previously stated		3,452,973	-	3,452,973
- prior year adjustment	24	(86,928)	-	(86,928)
- as restated		3,366,045	-	3,366,045
Surplus for the year - restated		1,286,133	-	1,286,133
Other comprehensive income for the year	17	-	3,510	3,510
Total comprehensive income for the year		1,286,133	3,510	1,289,643
At 31 December 2018	USD	**4,652,178**	**3,510**	**4,655,688**

The notes on pages 9 to 40 form an integral part of the financial statements.
Auditors' report on pages 4 to 4(b).

STATEMENT OF CASH FLOWS - YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		USD	USD
Cash flows from operating activities			
Cash generated from operations	16(a)	1,155,146	1,983,214
Interest received		57,131	22,674
Net cash generated from operating activities		1,212,277	2,005,888
Cash flows from investing activities			
Purchase of plant and equipment	4	(158,016)	(40,677)
Purchase of intangible assets	6	(7,138)	-
New deposits		(3,235,422)	(1,878,291)
Proceeds from maturity of deposits		1,878,291	1,056,860
Proceeds from sale of plant and equipment		453	2,438
Net cash used in investing activities		(1,521,832)	(859,670)
Cash flows from financing activities			
Interest paid on lease liabilities	5	(61,213)	-
Principal paid on lease liabilities	5	(134,253)	-
Net cash used in financing activities		(195,466)	-
(Decrease)/increase in cash and cash equivalents		(505,021)	1,146,218
Movement in cash and cash equivalents:-			
At 1 January		4,074,147	2,958,717
Effects of exchange rate changes		(32,075)	(30,788)
(Decrease)/increase		(505,021)	1,146,218
At 31 December	16(b)	3,537,051	4,074,147

The notes on pages 9 to 40 form an integral part of the financial statements.
Auditors' report on pages 4 to 4(b).

1. GENERAL 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, Standard Chartered Tower, Cybercity, Ebène, Republic of Mauritius.

The principal activity has remained unchanged during the year and consists of being the Regional Registry for Internet Number Resources for Africa and the Indian Ocean. The Company is a not-for-profit organisation.

In January 2008, the AfriNIC Board passed the following Resolution Reference 200801.60 " AfriNIC should endeavour to build a reserve fund sufficient to cover two years of operational expenses."

The financial statements of the Company for the year ended December 31, 2019 were authorised for issue in accordance with a resolution of the directors on ....

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared in accordance with and comply with International Financial Reporting Standards ("IFRS") and comply with the Mauritian Companies Act 2001.

These financial statements are those of an individual entity. The financial statements are presented in United States dollars ("USD").

Where necessary, comparative figures have been amended to conform with change in presentation in the current year. The financial statements are prepared under the historical cost convention, except that relevant financial assets and financial liabilities are carried at amortised cost.

Standards, Amendments to published Standards and Interpretations effective in the reporting period

IFRS 16 Leases results in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. The Company has adopted IFRS 16 from January 1, 2019, but has not restated comparatives for 2018, as permitted under the specific transition provisions. The reclassifications and adjustments arising from the new leasing rules are recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in note 2.9.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 7.25%.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

For leases previously classified as finance leases, the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of IFRS 16 are only applied after that date. This has not resulted in any measurement adjustments.

IFRIC 23 Uncertainty over Income Tax Treatments explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. There are no new disclosure requirements but requirement to provide information about judgements and estimates made in preparing the financial statements. The interpretation has no impact on the Company's financial statements.

Prepayment Features with negative compensation (Amendments to IFRS 9) enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model. The amendments have no impact on the Company's financial statements.

Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28) clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 before applying the loss allocation and impairment requirements in IAS 28. The amendments have no impact on the Company's financial statements.

Annual Improvements to IFRSs 2015-2017 Cycle

- IFRS 3 - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.
- IFRS 11 - clarified that party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.
- IAS 12 - clarified that income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- IAS 23 - clarified that, if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

The amendments have no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations effective in the reporting period (cont'd)

Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) clarify that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the
- recognise any reduction in a surplus immediately in profit or loss, either as part of past service cost or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset
- separately recognise any changes in the asset ceiling through other comprehensive income.

The amendments have no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after January 1, 2020 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 17 Insurance Contracts
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.2 Plant and equipment

(i) *Recognition and measurement*

Items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Plant and equipment (cont'd)

(i) *Recognition and measurement (cont'd)*
Historical cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment are determined by comparing the net proceeds from disposal with the carrying amount of the item, and are recognised in profit or loss.

(ii) *Subsequent expenditure*
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) *Depreciation*
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 was 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 & fittings	10
Building Improvements	10

Items of plant and equipment are depreciated for the full year in the year of purchase and ready for use and no depreciation is charged in the year of disposal. All plant and equipment have a nil residual value. Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.3 Intangible assets

(i) *Recognition and measurement*
Intangible assets acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Intangible assets (cont'd)

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in the profit or loss.

The estimated useful lives for the current and comparative years are as follows:

Computer software: 3 - 5 Years

2.4 Financial assets

(a) *Categories of financial assets*

The Company classifies its financial assets in the following categories:

(i) *At amortised cost*

These assets arise principally from the provision of services to customers (eg trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Company elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Company's financial assets measured at amortised cost comprise trade receivables, financial assets at amortised cost and cash and cash equivalents in the statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

(i) *At amortised cost (cont'd)*
Cash and cash equivalents include cash in hand and – for the purpose of the statement of cash flows - bank overdrafts.

2.5 Financial liabilities

The Company classifies its financial liabilities as follows, depending on the purpose for which the liability was acquired.

(i) *Other financial liabilities*
Trade payables and other short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 Income tax

The Company is exempted from income tax by the Mauritian tax authority.

2.8 Foreign currencies

(i) *Functional and presentation currency*
Items included in the financial statements are measured using United States dollars ("USD"), the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in United States dollars ("USD"), which is the Company's functional and presentation currency.

The Company has obtained the approval of the Registrar of Companies to present its financial statements in United States dollars ("USD"). The average exchange rate for USD to MUR as at 31 December 2019 as provided by the State Bank of Mauritius is MUR 36.65 (2018: MUR 34.40).

(ii) *Transactions and balances*
Transactions in foreign currencies are translated to the USD at exchange rates at the dates of the transactions. Foreign exchnage gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases

In 2018, leases were classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

Finance leases were capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment was allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were charged to profit or loss.

Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Identifying Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:
(a) There is an identified asset;
(b) The Company obtains substantially all the economic benefits from use of the asset; and
(c) The Company has the right to direct use of the asset.

The Company considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Company obtains substantially all the economic benefits from use of the asset, the Company considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Company has the right to direct use of the asset, the Company considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Company considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Company applies other applicable IFRSs rather than IFRS 16.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases (cont'd)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases (cont'd)

When the Company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.

- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.10 Retirement benefit obligations

Defined contribution plans

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company operates a defined contribution retirement benefit plan for certain employees. Payments to defined contribution plans are recognised as an expense when employees have rendered service that entitles them to the contributions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Retirement benefit obligations (cont'd)

Gratuity on retirement

For certain employees where the statutory gratuity is insufficiently covered by the above pension plans, the net present value of retirement gratuity payable under the Workers' Rights Act (2018 - Employment Rights Act 2008) is calculated by a qualified actuary and provided for. The obligations arising under this item are not funded.

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.12 Revenue recognition

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled for those services.

Revenue consists principally of membership fees charged for the use of Internet Number Resources. The Company recognises revenue over the time of the contract through which these resources are provided to the customers.

Determining the transaction price

Most of the revenue is derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices.

Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each service sold, with reductions given for early settlement. Therefore, there is no judgement involved in allocating the contract price to each service in such contracts.

(b) Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 Revenue recognition (cont'd)

(c) Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.13 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) **Pension benefits**

The present value of the pension obligations depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on past and current market conditions. Additional information is disclosed in Note 13.

(b) **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 industry in which the Company operates in order to best determine the useful lives and residual values of plant and equipment.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical accounting estimates and assumptions (cont'd)

(c) **Impairment of financial assets**

The loss allowances for financial assets are based on judgements about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) **Leases**

In determining the lease term for the property being rented, management considers the broader economics of its arrangement with the lessor, including the economic penalties for both the lessor and the Company if the Company were to vacate the leased premises.

(e) **Limitation of sensitivity analysis**

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

4. PLANT AND EQUIPMENT

		Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
		USD	USD	USD	USD	USD	USD
(a) COST							
At 1 January 2019		777,183	71,988	92,343	59,247	274,482	1,275,243
Additions		130,896	-	21,991	5,129	-	158,016
Disposals		(1,441)	-	-	-	-	(1,441)
At 31 December 2019		**906,638**	**71,988**	**114,334**	**64,376**	**274,482**	**1,431,818**
DEPRECIATION							
At 1 January 2019		713,189	71,988	82,304	46,825	242,502	1,156,808
Charge for the year		47,757	-	7,667	4,719	27,019	87,162
Disposals adjustment		(1,153)	-	-	-	-	(1,153)
At 31 December 2019		**759,793**	**71,988**	**89,971**	**51,544**	**269,521**	**1,242,817**
NET BOOK VALUES							
At 31 December 2019	USD	**146,845**	-	**24,363**	**12,832**	**4,961**	**189,001**

4. **PLANT AND EQUIPMENT (CONT'D)**

		Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
(b) **COST**		USD	USD	USD	USD	USD	USD
At 1 January 2018		750,261	63,882	90,601	59,247	274,482	1,238,473
Additions		30,829	8,106	1,742	-	-	40,677
Disposal		(3,907)	-	-	-	-	(3,907)
At 31 December 2018		**777,183**	**71,988**	**92,343**	**59,247**	**274,482**	**1,275,243**
DEPRECIATION							
At 1 January 2018		674,228	63,882	79,065	42,234	215,181	1,074,590
Charge for the year		42,868	8,106	3,239	4,591	27,321	86,125
Disposal adjustment		(3,907)	-	-	-	-	(3,907)
At 31 December 2018		**713,189**	**71,988**	**82,304**	**46,825**	**242,502**	**1,156,808**
NET BOOK VALUES							
At 31 December 2018	USD	**63,994**	-	**10,039**	**12,422**	**31,980**	**118,435**

(c) Depreciation charge of USD 87,162 (2018: USD 86,125) has been charged to administrative expenses.

5. RIGHT-OF-USE-ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

		Building and parking
		USD
At 1 January 2019		929,190
Amortisation		(152,744)
At 31 December 2019	USD	**776,446**

LEASE LIABILITIES

		Building and parking
		USD
At 1 January 2019		929,190
Interest expense		61,213
Lease and interest payments		(195,466)
Exchange differences		(50,133)
At 31 December 2019	USD	**744,804**
Current		115,482
Non current		629,322
	USD	**744,804**

(a) **Nature of leasing activities (in the capacity as lessee)**

The Company leases property for its office and parking, with payments to increase by 5% p.a from February 2022 and 8% p.a respectively.

(b) **Lease term**

In determining the period over which the lease remains enforceable, the Company has considered the broader economics of the arrangement with the lessor including the economic penalties for both the Company and the lessor if the Company were to vacate the premises. The lease is for a period of 5 years from 1/02/2020 to 1/01/2025. Either party shall have the right to terminate the lease by giving 6 months notice after the first 3 years. Management considers that the lease is for a period of 5 years, mainly given that the Company is undergoing major refurbishment in 2020, hence will incur significant penalty if they terminate the lease before 5 years.

(c)

	2019
	USD
Interest expense (included in finance cost)	**61,213**
Expense relating to short-term lease (included in administrative expenses)	**9,752**

The total cash outflow for leases in 2019 was USD 195,466.

6. INTANGIBLE ASSETS

		2019	2018
		USD	USD
Computer software:			
COST			
At 1 January		**167,404**	167,404
Additions		**7,138**	-
At 31 December		**174,542**	167,404
AMORTISATION			
At 1 January		**109,887**	102,635
Charge for the year		**8,680**	7,252
At 31 December		**118,567**	109,887
NET BOOK VALUES	USD	**55,975**	57,517

(a) Amortisation charge of USD 8,680 (2018: USD 7,252) for the Company has been charged to administrative expenses.

7. TRADE RECEIVABLES

		2019	2018
		USD	USD
Trade receivables		**678,381**	217,688
Less: provision for impairment		**(202,643)**	-
Trade receivables - net	USD	**475,738**	217,688

(i) *Impairment of trade receivables*

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2019 or January 1, 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Specific circumstances for some debtors are also taken into consideration in arriving at specific impairment.

7. **TRADE RECEIVABLES (CONT'D)**

On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for trade receivables:

At December 31, 2019	1 - 30 days	31 -60 days	61 - 90 days	More than 90 days	Total
	USD	USD	USD	USD	USD
Expected loss rate	5%	10%	20%	31%	30%
Gross carrying amount - trade receivable	7,426	31,910	6,400	632,645	678,381
Loss allowance	(371)	(3,191)	(1,280)	(197,801)	(202,643)

At December 31, 2018	1 - 30 days	31 -60 days	61 - 90 days	More than 90 days	Total
	USD	USD	USD	USD	USD
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount - trade receivable	15,090	7,720	4,700	190,178	217,688
Loss allowance	-	-	-	-	-

The closing loss allowances for trade receivables as at December 31, 2019 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2019	2018
	USD	USD
At January 1,	-	-
Loss allowance recognised in profit or loss during the year	**276,303**	69,645
Receivables written off during the year as uncollectible	**(73,660)**	(69,645)
At December 31,	**202,643**	-

(ii) The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	2019	2018
	USD	USD
United States dollars	**475,538**	217,688
Euro	**200**	-
	475,738	217,688

(iii) The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

8. **PREPAYMENTS AND OTHER RECEIVABLES**

	2019	2018
	USD	USD
Prepayments	**12,278**	8,000
Deposits	**35,797**	39,094
Other receivables	**62,037**	35,410
USD	**110,112**	82,504

The carrying amounts of other receivables are denominated in United States dollar and approximate their fair value. Other receivables do not include any overdue balances, hence no loss allowance is recorded.

9. FINANCIAL ASSETS AT AMORTISED COST

(a)		2019		2018	
		USD	USD	USD	USD
		Current	Non-current	Current	Non-current
Fixed deposits	USD	**3,262,769**	-	1,878,291	-

A Board Resolution dated 27 November 2015, authorised the creation of a strategic Cash Reserve from AFRINIC's own cash holdings with the following rules:
(a) that a suitable interest-bearing bank account be created for the Strategic Cash Reserve;
(b) that any expenditure or transfers out of the Strategic Cash Reserve bank account shall require three signatories, comprising the CEO, the Financial Director and either the Chairman or the Vice-chairman of the Board; and
(c) that any expenditure or transfers out of the Strategic Cash Reserves shall be authorised by the Board.

As at 31 December 2019, the Strategic Cash Reserve consists of a total of USD 3,262,769 (2018: USD 1,878,291) which is held in fixed deposits accounts bearing interest rates varying from 2.45% to 3% per annum with a maturity of twelve months from December 2019, except for two which are in July 2020 and September 2020 respectively.

(b) Impairment and risk exposure
(i) The loss allowance for financial assets at amortised cost as at December 31, 2019 and December 31, 2018 amounts to Nil.
(ii) The carrying amounts of the financial assets at amortised cost are denominated in Mauritian Rupees. There is no exposure to price risk as the investments will be held to maturity.

10. REVENUE RESERVE

The Company does not have a share capital.
Funding for the running of the Company shall be realised from the following:
(i) membership fees from members;
(ii) setup fees for bulk registration services;
(iii) assignment/allocation fees for individual address space assignments / allocation;
(iv) maintenance fees for non-contiguous, non ISP address space;
(v) registration fees for individual address space transfers;
(vi) setup fees for autonomous system number ("ASN") assignments;
(vii) grants and/or voluntary donations; and
(viii) such other sources as may be deemed appropriate from time to time by the Board.

The fees mentioned above shall be subject to review from time to time by the Board.

Revenue reserve
Revenue reserve refers to the undistributed and accumulated surpluses over the years the Company has been in existence.

In January 2008, the AFRINIC Board passed the following Resolution Reference 200801.60 " AfriNIC should endeavour to build a reserve fund sufficient to cover two years of operational expenses."

11. INCOME

The following is an analysis of the Company's income for the year:

		2019	2018
		USD	USD
Revenue from rendering of services:			
Membership renewal fees		**5,004,352**	4,683,083
Allocation or assignment fees		**673,000**	617,800
Revenue from contracts with customers (note (a))		**5,677,352**	5,300,883
Sponsorship for Afrinic events		**82,483**	64,973
Other income (note (d))		**11,523**	12,844
	USD	**5,771,358**	5,378,700

Note on discounts

		2019	2018
		USD	USD
Early settlement		**49,032**	46,425
Educational & critical Infrastructure		**157,163**	175,687
	USD	**206,195**	222,112

(a) Disaggregation of revenue from contracts with customers

		2019	2018
		USD	USD
Product type			
Membership renewal fees		**5,004,352**	4,683,083
Allocation or assignment fees		**673,000**	617,800
	USD	**5,677,352**	5,300,883

		2019	2018
Timing of revenue recognition		USD	USD
At a point in time		-	-
Over time		**5,677,352**	5,300,883
	USD	**5,677,352**	5,300,883

(b) Liabilities related to contracts with customers

		Contract Liabilities	
		2019	2018
		USD	USD
At 1 January		**(1,166,867)**	(2,350)
Cash received in advance of performance and not recognised as revenue during the period		**(1,088,642)**	(1,165,267)
Amounts included in contract liabilities that were recognised as revenue during the period		**1,073,845**	750
At 31 December	USD	**(1,181,664)**	(1,166,867)
Analysed as follows:			
Current		**(1,180,864)**	(1,165,667)
Non current		**(800)**	(1,200)
	USD	**(1,181,664)**	(1,166,867)

Contract liabilities arise from fees received in one period relating to future membership years.

11. INCOME (CONT'D)

(c) *Remaining performance Obligations*

The amount of revenue that will be recognised in future periods on these contracts when those remaining performance obligations will be satisfied is analysed as follows:

At 31 December 2019	**2020**	**2021**	**2022**	**Total**
	USD	**USD**	**USD**	**Rs.**
Membership renewal fees	**994,353**	**400**	**400**	**995,153**
Allocation or assignment fees	**6,029**	**-**	**-**	**6,029**
Others	**180,482**	**-**	**-**	**180,482**
	1,180,864	**400**	**400**	**1,181,664**

At 31 December 2018	2019	2020	2021-2022	Total
	USD	USD	USD	Rs.
Membership renewal fees	1,028,966	400	800	1,030,166
Allocation or assignment fees	-	-	-	-
Others	136,701	-	-	136,701
	1,165,667	400	800	1,166,867

(d) Other income

		2019	2018
		USD	USD
Certification income		**3,615**	12,844
Bad debts recovered		**7,908**	-
	USD	**11,523**	12,844

12. TRADE AND OTHER PAYABLES

		2019	2018
		USD	USD
Trade payables		**115,348**	100,040
Other payables		**368,432**	406,101
	USD	**483,780**	506,141

The carrying amount of trade and other payables approximates their fair value.

Trade payables represent amount owed to trade creditors as well as suppliers of goods and services.

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

13. RETIREMENT BENEFIT OBLIGATIONS

The liability relates to retirement gratuities payable under the Workers' Rights Act (2018- Employment Rights Act). The latter provides for a lump sum at retirement based on final salary and years of service. Half of any lumpsum and 5 years pension (relating to the employer's share of contribution only) payable from the funds have been offset from the retirement gratuities.

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(i) The amounts recognised in the statement of financial position are as follows:

		2019	2018
		USD	USD
Other post employment benefits			
Present value of unfunded defined benefit obligations	USD	140,013	99,886

(ii) Movement in liability recognised in statement of financial position:

		2019	2018
		USD	USD
At 1 January,			
- as previously stated		-	-
- Prior year adjustment (note 24)		99,886	86,928
- as restated		99,886	86,928
Charged to profit or loss		23,586	18,000
Actuarial losses/(gains) recognised in other comprehensive income		23,764	(3,510)
Exchange gain		(7,223)	(1,532)
At 31 December,	USD	140,013	99,886

(iii) The movement in the present value of defined benefit obligation over the year is as follows:

		2019	2018
		USD	USD
At 1 January,			
- as previously stated		-	-
- Prior year adjustment (note 24)		99,886	86,928
- as restated		99,886	86,928
Current service cost		17,420	13,283
Interest cost		6,166	4,717
Actuarial losses/(gains)		23,764	(3,510)
Exchange gain		(7,223)	(1,532)
At 31 December,	USD	140,013	99,886

(iv) The amounts recognised in profit or loss are as follows:

		2019	2018
		USD	USD
Current service cost		17,420	13,283
Net interest cost		6,166	4,717
Total included in employee benefit expense (Note 15)	USD	23,586	18,000

(v) The amounts recognised in other comprehensive income are as follows:

		2019	2018
		USD	USD
Experience gains/(losses) on the liabilities		11,868	(6,431)
Changes in assumptions underlying the present value of the scheme		(35,632)	9,941
	USD	(23,764)	3,510

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date:

	2019	2018
	Increase/ (Decrease)	Increase/ (Decrease)
December 31,	USD	USD
Increase of 1% in Discount rate	(29,549)	(21,565)
Decrease of 1% in Discount rate	36,906	26,835
Increase of 1% in Future long-term salary assumption	36,595	26,948
Decrease of 1% in Future long-term salary assumption	(29,853)	(22,010)

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date: (Cont'd)

An increase/decrease of 1% in other principal actuarial assumptions would not have a material impact on defined benefit obligations at the end of the reporting period.

(vii) The sensitivity above have been determined based on sensibly possible changes of the discount rate or salary increase rate occurring at the end of the reporting period if all other assumptions remained unchanged.

The sensitivity analysis may not be representative of the actual change in the unfunded obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(viii) The average remaining working life of the employees at 31 December 2019 is 16 years (2018: 14 years).

(ix) The principal actuarial assumptions used for accounting purposes were:

	2019	2018
	%	%
Discount rate	**5.20**	6.40
Future long-term salary increase	**5.00**	5.00

14. NET FINANCE COSTS

		2019	2018
		USD	USD
Finance income			
Bank interest income		**84,478**	22,674
Realised gain on exchange		**1,017**	5,325
Unrealised gain on exchange		**57,356**	98,333
		142,851	126,332
Finance cost			
Interest expense:			
- Leases		**(61,213)**	-
Unrealised loss on exchange		**(32,075)**	(159,638)
Realised loss on exchange		**-**	(4,235)
	USD	**(93,288)**	(163,873)
Net finance costs	USD	**49,563**	(37,541)

15. EXPENSES BY NATURE

		2019	2018
		USD	USD
Depreciation (note 4)		**87,162**	86,125
Depreciation on right-of-use assets (note 5)		**152,744**	-
Amortisation (note 6)		**8,680**	7,252
Meeting expenses		**276,295**	147,802
Office expenses		**247,387**	241,867
Travelling expenses		**538,282**	450,475
Employee benefit expense (note (a))		**2,135,870**	2,206,046
Net impairment losses on financial assets/bad debts		**276,303**	69,645
Other expenses		**873,291**	845,814
	USD	**4,596,014**	4,055,026
Analysed into:			
Distribution expenses		**1,148,425**	965,528
Administrative expenses		**3,171,286**	3,019,853
Net impairment losses on financial assets		**276,303**	69,645
	USD	**4,596,014**	4,055,026

(a) EMPLOYEE BENEFIT EXPENSE

		2019	2018
		USD	USD
Salaries		**1,647,056**	1,639,914
Pension costs:			
- Other post employment benefits (Note 13)		**23,586**	18,000
Social security costs and other benefits		**465,228**	548,132
	USD	**2,135,870**	2,206,046

16. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2019	Restated 2018
		USD	USD
(a) Cash generated from operations			
Surplus before taxation		**1,224,907**	1,286,133
Adjustments for:			
Depreciation of plant and equipment	4	**87,162**	86,125
Amortisation of right-of-use assets	5	**152,744**	-
Amortisation of intangible assets	6	**8,680**	7,252
Bad debts written off on trade receivables	7	**73,660**	69,645
Net impairment losses on financial assets	7	**202,643**	-
Unrealised foreign exchange (gain) / loss		**(25,281)**	61,305
Retirement benefit obligations		**23,586**	16,468
Profit on disposal of plant and equipment		**(165)**	(2,438)
Interest expense	14	**61,213**	-
Interest income	14	**(84,478)**	(22,674)
		1,724,671	1,501,816
Changes in working capital			
- trade receivables		**(534,353)**	262,639
- prepayments and other receivables		**(27,608)**	82,504
- trade and other payables and contract liabilities		**(7,564)**	136,255
Cash generated from operations	USD	**1,155,146**	1,983,214

16. NOTES TO THE STATEMENT OF CASH FLOWS (CONT'D)

(b) Cash and cash equivalents

		2019	2018
		USD	USD
Bank balance		3,532,512	4,073,607
Cash in hand		4,539	540
	USD	3,537,051	4,074,147

Bank balance is analysed as follows:		2019	2018
		USD	USD
Own Cash Holdings		2,339,130	2,895,124
Fees received in advance		1,181,664	1,166,867
Cash Held - Project/Other FIRE		16,257	12,156
	USD	3,537,051	4,074,147

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment was immaterial.

Cash for FIRE (Fund for Internet Research and Education) represents funding received from IDRC, ISOC and Google earmarked for FIRE initiatives.

17. ACTUARIAL RESERVE

		2019	2018
		USD	USD
At 01 January,			
- as previously stated		-	-
- prior year adjustment (Note 24)		3,510	-
- as restated		3,510	-
Actuarial (loss)/ gain recognised in other comprehensive income		(23,764)	3,510
At 31 December,	USD	(20,254)	3,510

Actuarial loss reserve represents the cumulative remeasurement of defined benefit obligation

18. TAXATION

The Company has been granted exemption from payment of tax by the Ministry of Finance of the Republic of Mauritius on 16 November 2005.

19. RELATED PARTY DISCLOSURES

	2019	2018
	USD	USD
(a) Transaction with members.		
Membership fees	5,677,352	5,300,883

(b) Transactions of key management personnel (CEO) of the Company:	2019	2018
	USD	USD
Short term employee benefit	174,061	161,174
Termination benefit	27,455	-
	201,516	161,174

20. 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 arm's-length transaction, other than in a forced or liquidation sale. The fair values of the Company's financial instruments, which principally comprise cash and cash equivalents, trade receivables, financial assets at amortised cost and trade and other payables approximate their carrying values as stated in the statement of financial position.

	Carrying value		Fair value	
	2019	2018	**2019**	2018
	USD	USD	**USD**	USD
Financial assets:-				
Trade receivables	**475,738**	217,688	**475,738**	217,688
Financial assets at amortised cost	**3,262,769**	1,878,291	**3,262,769**	1,878,291
Cash and cash equivalents	**3,537,051**	4,074,147	**3,537,051**	4,074,147
	7,275,558	6,170,126	**7,275,558**	6,170,126

	Carrying value		Fair value	
	2019	2018	**2019**	2018
	USD	USD	**USD**	USD
Financial liabilities:-				
Trade and other payables	**483,780**	506,141	**483,780**	506,141
	483,780	506,141	**483,780**	506,141

Prepayments and other receivables are not financial assets, and advance payments from members are not financial liabilities.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The Company's principal financial liabilities comprise trade and other payables and lease liabilities. The Company has various financial assets such as trade receivables and cash and cash equivalents which arise directly from its operations.

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

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivery of cash or another financial asset.

Prudent liquidity risk management implies maintaining sufficient cash, 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.

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

Risk Management

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	USD	USD	USD	USD
December 31, 2019				
Non-derivative financial liabilities				
Trade and other payables	**483,780**	-	-	-
Lease liabilities	**165,622**	**165,221**	**567,525**	-
	649,402	**165,221**	**567,525**	-
December 31, 2018				
Non-derivative financial liabilities				
Trade and other payables	506,141	-	-	-
	506,141	-	-	-

Fair value of instruments

At 31 December 2019, if the USD had strengthened/weakened by 1% against the MUR and Euro with all other variables held constant, surplus for the year would have been lower/higher by USD 8,240 (2018 : surplus would be lower/higher by USD 1,490) mainly as a result of foreign exchange differences on translation of MUR and Euro denominated bank balances, trade receivables and trade and other payables.

Interest rate risk

The Company has interest bearing deposits with fixed rates. It could be exposed to fair value interest rate risk arising from changes in market interest rates. However, the deposits are short term.

Financial assets and liabilities by category	**2019**	2018
	USD	USD
Financial assets at amortised cost	**7,275,558**	6,209,607
Financial liabilities at amortised cost	**1,228,584**	506,141

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

Foreign exchange risk

Foreign exchange 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 but is exposed to foreign exchange risks arising primarily with respect to Mauritian rupees ("MUR") and Euro.

Financial assets
2019

	Trade receivables 2019	**Cash and cash equivalent 2019**	**Financial assets at amortised cost 2019**	**Total 2019**
	USD	**USD**	**USD**	**USD**
MUR	**-**	**24,253**	**-**	**24,253**
EURO	**200**	**129,427**	**-**	**129,627**
USD	**475,538**	**3,383,371**	**3,262,769**	**7,121,678**
	475,738	**3,537,051**	**3,262,769**	**7,275,558**

2018	Trade and other receivables 2018	Cash and cash equivalents 2018	Financial assets at amortised cost 2018	Total 2018
	USD	USD	USD	USD
MUR	-	142,200	-	142,200
EURO	-	42,923	-	42,923
USD	257,169	3,889,024	1,878,291	6,024,484
	257,169	4,074,147	1,878,291	6,209,607

Financial liabilities
2019

	Lease liabilities 2019	**Trade and other payables 2019**	**Total 2019**
	USD	**USD**	**USD**
MUR	**744,804**	**230,727**	**975,531**
RAND	**-**	**2,368**	**2,368**
USD	**-**	**250,685**	**250,685**
	744,804	**483,780**	**1,228,584**

2018	Trade and other payables 2018	Total 2018
	USD	USD
USD	171,972	171,972
MUR	334,169	334,169
	506,141	506,141

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (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 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.

Cash and cash equivalents

The Company only deposits cash surpluses with major banks of high quality credit standing (MCB: BBB and SBM: Baa1-Baa3).

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 maximise net assets attributable to its members.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended December 31, 2019. The gearing ratio is nil.

	2019	2018
	USD	USD
Total debt	**744,804**	-
Less: cash and bank balances (Note 16(b))	**(3,537,051)**	(4,074,147)
Net debt	**(2,792,247)**	(4,074,147)
Net assets attributable to members	**5,856,831**	4,655,688
Gearing ratio	**N/A**	N/A

22. CONTINGENT LIABILITIES

(a) As at 31 December 2019, there were contingent liabilities in respect of guarantees for which no provisions have been made in the financial statements. The guarantees are denominated in Mauritian rupees ("MUR"), and are follows:

	2019		2018	
	USD	**Rs.**	USD	Rs.
Bank guarantee	**274**	**10,000**	291	10,000

22. CONTINGENT LIABILITIES (CONT'D)

(b) In 2015, Afrinic Board agreed to participate in The Joint Regional Internet Registry Stability Fund. This is a fund which will be established through voluntary pledges of funds, publicly documented, from individual RIRs. The Fund is to be used in case of need, to guarantee the continuity of registry operations and related support activities, the latter prominently including regional and global policy development processes. Any use of funds will be contingent upon having public reporting of audited financial statements. Afrinic has pledged USD 50,000 towards the Funds.

23. CHANGES IN ACCOUNTING POLICIES

(a) Impact on the financial statements - IFRS 16

The Company adopted IFRS 16 with a transition date of 1 January 2019. The Company has chosen not to restate comparatives on adoption of the standard, and therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. 1 January 2019) and recognised in the opening equity balances.

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Company does not have significant leasing activities acting as a lessor.

Transition Method and Practical Expedients Utilised

The Company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures. The Company elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The optional practical expedients were not relevant for the Company.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Company recognizes right-of-use assets and lease liabilities for all its leases.

23. CHANGES IN ACCOUNTING POLICIES (CONT'D)

On adoption of IFRS 16, the Company recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
Operating leases	Office and parking space: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.	Measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 January 2019. The Company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 7.25 %.

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 January 2019:

	31 December 2018 As originally presented	IFRS 16	Prior year adjustment (Note 24)	1 January 2019
Assets	USD	USD	USD	USD
Right-of-use assets	-	929,190	-	929,190
Liabilities				
Lease liabilities	-	929,190	-	929,190
Reserves				
Revenue reserve	4,755,574	-	(103,396)	4,652,178

Leases were previously classified as operating leases.

(a) The following table reconciles the minimum lease commitments disclosed in the Company's 31 December 2018 annual financial statements to the amount of lease liabilities recognised on 1 January 2019:

	1 January 2019
	USD
Minimum operating lease commitment at 31 December 2018	96,153
Plus: effect of extension options reasonably certain to be exercised	1,078,484
	1,174,637
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(245,447)
Lease liabilities for leases classified as operating type under IAS 17	929,190
Plus: leases previously classified as finance type under IAS 17	-
Lease liability as at 1 January 2019	929,190
Of which are:	
Current lease liabilities	195,466
Non-current lease liabilities	733,724
	929,190

24. PRIOR YEAR ADJUSTMENT

The Company did not record the retirement benefit obligations in prior years and as such, a prior year adjustment has been made to record the liability in the earliest period. The retirement benefit obligations were computed by Swan Life. The liability relates to employees who were entitled to Retirement Gratuities payable under the Employment Rights Act.

Statement of comprehensive income:

The effect of the above adjustment on the statement of comprehensive income for the year ended 31 December 2018 is as follows:

	Other comprehensiv income	Administrative expenses	Surplus for the year
2018	USD	USD	USD
As previously stated	-	3,003,385	1,302,601
Effect of prior year adjustment	3,510	16,468	(16,468)
As restated	3,510	3,019,853	1,286,133

Statement of financial position:

The effect of the above adjustment on the statement of financial position is as follows:

	Retirement benefit obligations	Actuarial reserve	Revenue reserve
2018		USD	USD
As previously stated	-	-	4,755,574
Effect of prior year adjustment	99,886	3,510	(103,396)
As restated	99,886	3,510	4,652,178
2017			
As previously stated	-	-	3,452,973
Effect of prior year adjustment	86,928	-	(86,928)
As restated	86,928	-	3,366,045

25. EVENTS AFTER REPORTING PERIOD

The outbreak of Coronavirus Disease ("COVID-19 outbreak") in early 2020 has had significant impact on the global and local economy. It may have an impact on the Company. With the global lockdown in many countries, our members may find it difficult to pay their amount due. This may lead to an increased risk of bad debts. There may be a reduction in resources requests (new and additional) which will have an impact on additional revenue for the forthcoming year. There may be a huge decline in the amount of funds we receive from supporters during our meetings but the converse is that we will save on amounts spent in physical events/meetings.

But there is also the huge social capital that we generate from meetings and other physical interactions. We may not monetise this, or indeed measure it. But it will nevertheless be unavailable this year although it is understandable because this is a global crisis.

It is difficult to predict the overall outcome and impact of COVID-19 on the financial statements of the Company at this stage. This is considered to be a non-adjusting event after the reporting period. The Company will continue to remain alert to the situation and monitor the situation.

MESSAGE OF THANKS

AFRINIC wishes to sincerely thank organisations which contributed, as sponsors and local hosts, to the success of its 2019 meetings. Their contribution is not only beneficial to AFRINIC but goes a long way in promoting Internet development in the African and Indian Ocean region. We also thank the sponsors of the FIRE Programme.

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