ANNUAL REPORT

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

FOR THE YEAR ENDED

DECEMBER 31, 2013

INDEX

	Page
ANNUAL REPORT	1
CERTIFICATE FROM COMPANY SECRETARY	2
INDEPENDENT AUDITORS' REPORT	3 - 4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 29

1. The directors have pleasure in submitting their Annual Report to the members together with the financial statements for the year ended December 31, 2013.

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

Jun 01 2014

Approved by the Board of Directors on ...., and signed on its behalf by:-

)
) DIRECTORS
)

I certify that, to the best of any 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 December 31, 2013.

....
Company Secretary
EXECUTIVE SERVICES LTD
Per Ah Man Wong Too Ya
Date:............................
Jun 0 1 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

Report on the Financial Statements

We have audited the financial statements of African Network Information Centre (AfriNIC) Ltd (the "Company") on pages 5 to 29 which comprise the statement of financial position as at December 31, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements on pages 5 to 29 give a true and fair view of the financial position of the Company as at December 31, 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD (CONTINUED)

Report on the Financial Statements (Continued)

Other matter

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

Report on Other Legal and Regulatory Requirements

Companies Act 2001

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

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

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

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

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

Date: 1 JUN 2014

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

	Notes	2013	2012
		Rs	Rs
ASSETS			
Non-current assets			
Plant and equipment	3	18,748,390	13,061,593
Intangible assets	4	2,001,084	2,266,427
		20,749,474	15,328,020
Current assets			
Trade receivables and other assets	5	16,715,199	18,166,684
Cash and cash equivalents	6	26,765,991	23,992,836
		43,481,190	42,159,520
Total assets		64,230,664	57,487,540
RESERVES AND LIABILITIES			
Revenue reserve		(2,573,474)	(4,653,124)
Other reserve		39,693,750	39,693,750
Net assets attributable to members		37,120,276	35,040,626
Non current liabilities			
Finance lease obligation	7	889,541	1,142,664
Current liabilities			
Finance lease obligation	7	253,129	226,651
Trade and other payables	8	25,967,718	21,077,599
		26,220,847	21,304,250
Total liabilities		27,110,388	22,446,914
Total reserves and liabilities		64,230,664	57,487,540

These financial statements have been approved by the board of directors on Jun 01 2014

Name of directors Signature

(1) BADRU NTEGE

(2) Adiel Akplogan

The notes on pages 9 to 29 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	2013	2012
		Rs	Rs
Income	9	103,857,336	82,738,905
Distribution expenses		(25,704,062)	(31,545,858)
Administrative expenses		(80,854,730)	(63,289,719)
		(106,558,792)	(94,835,577)
Deficit of income over expenditure	10	(2,701,456)	(12,096,672)
Gain on foreign exchange		4,815,845	3,471,851
Finance revenue	11	73,149	757,920
Finance cost	12	(107,888)	(25,824)
Surplus / (Deficit) for the year		2,079,650	(7,892,725)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		2,079,650	(7,892,725)

The notes on pages 9 to 29 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Revenue reserve	Other reserve	Total
	Rs	Rs	Rs
At January 1, 2012	3,239,601	39,693,750	42,933,351
Deficit for the year	(7,892,725)	-	(7,892,725)
At December 31, 2012	(4,653,124)	39,693,750	35,040,626
At January 1, 2013	(4,653,124)	39,693,750	35,040,626
Surplus for the year	2,079,650	-	2,079,650
At December 31, 2013	(2,573,474)	39,693,750	37,120,276

The balance in Other reserve represents transfer made from the Revenue reserve in previous years.

The notes on pages 9 to 29 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	2013	2012
		Rs	Rs
Operating activities			
Surplus / (Deficit) for the year		2,079,650	(7,892,725)
Adjustments to reconcile profit before tax to net cash flows			
Non-cash:			
Depreciation on plant and equipment	3	5,072,418	3,074,686
Amortisation of intangible assets	4	664,207	582,020
Assets written off		45,250	103,753
Other gains and losses:			
Gain on disposal of motor vehicle		-	(521,739)
Interest income	11	(73,149)	(757,920)
		7,788,376	(5,411,925)
Working capital adjustments:			
Trade and other receivables		1,451,485	(7,073,636)
Trade and other payables		4,890,119	10,346,003
Net cash flow generated from/(used in) operating activities		14,129,980	(2,139,558)
Investing activities			
Purchase of plant and equipment	3	(10,804,465)	(4,559,740)
Acquisition of intangible assets	4	(398,864)	(2,780,452)
Deposit matured		-	18,071,440
Interest income	11	73,149	757,920
Net cash flow (used in)/generated from investing activities		(11,130,180)	11,489,168
Financing activities			
Payment of finance lease liabilities		(226,645)	(35,400)
Net movement in cash and cash equivalents		2,773,155	9,314,210
Cash and cash equivalent as at January 01,		23,992,836	14,678,626
Cash and cash equivalent as at December 31,	6	26,765,991	23,992,836

Non-cash transactions

Motor vehicles

Part of the acquisition of plant and equipment in 2012 was financed by finance leases as follows:

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

There were no further plant and equipment acquired under finance lease in 2013.

The notes on pages 9 to 29 form an integral part of these financial statements.
Auditors' report on pages 3 and 4.

1. CORPORATE INFORMATION

African Network Information Centre (AfriNIC) Ltd, (the "Company") is a private company limited by guarantee incorporated in the Republic of Mauritius. Its registered address and place of business is situated at 11th Floor Raffles Tower, Ebène City, Ebène. The principal activity has remained unchanged during the year and consists of managing internet resources in the African Regions. The Company is a not-for-profit organisation.

The financial statements of the Company for the year ended December 31, 2013 were authorised for issue in accordance with a resolution of the directors on ......01 June 2014

2.1 BASIS OF PREPARATION

The financial statements of AfriNIC Limited have been prepared on a historical cost basis. The financial statements are presented in Mauritian rupees ("Rs") and all values are rounded to the nearest Rs except where otherwise indicated.

Statement of compliance

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

2.2 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended IFRS and IFRIC interpretations adopted in the year commencing 1 January 2013:

	Effective for accounting period beginning on or after
NEW OR REVISED STANDARDS	
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 11 Joint Arrangements	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 19 Employee Benefits	1 January 2013
IAS 27 Separate Financial Statements (2011)	1 January 2013
IAS 28 Investments in Associates and Joint Ventures (2011)	1 January 2013
AMENDMENTS	
Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)	1 July 2012
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	1 January 2013
Government Loans (Amendments to IFRS 1)	1 January 2013
Annual Improvements 2009-2011 Cycle	1 January 2013
Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
INTERPRETATIONS	
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

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

The adoption of the standards, amendments and interpretations is described below:

NEW OR REVISED STANDARDS

IFRS 10 Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation - Special Purpose Entities.

The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements.

The Standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e. whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in 'special purpose entities'). Under IFRS 10, control is based on whether an investor has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect the amount of the returns.

IFRS 11 Joint Arrangements

IFRS 11 Joint Arrangements replaces IAS 31 Interests in Joint Ventures. It requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures:

- A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to its interest in a joint operation (including their share of any such items arising jointly);
- A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (joint venturers) have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with IAS 28 Investments in Associates and Joint Ventures (2011). Unlike IAS 31, the use of 'proportionate consolidation' to account for joint ventures is not permitted.

IFRS 12 Disclosure of Interests in Other Entities

This standard requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

In high-level terms, the required disclosures are grouped into the following broad categories:

- **Significant judgements and assumptions** - such as how control, joint control, significant influence has been determined;
- **Interests in subsidiaries** - including details of the structure of the group, risks associated with structured entities, changes in control, and so on;
- **Interests in joint arrangements and associates** - the nature, extent and financial effects of interests in joint arrangements and associates (including names, details and summarised financial information); and

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

NEW OR REVISED STANDARDS (CONT'D)

IFRS 12 Disclosure of Interests in Other Entities (Cont'd)

- **Interests in unconsolidated structured entities** - information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interests in unconsolidated structured entities.

IFRS 12 lists specific examples and additional disclosures which further expand upon each of these disclosure objectives, and includes other guidance on the extensive disclosures required.

IFRS 13 Fair Value Measurement

IFRS 13 Fair Value Measurement replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard.

The IFRS is the result of joint efforts by the IASB and FASB to develop a converged fair value framework. The IFRS defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IFRS 13 applies when another IFRS requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). With some exceptions, the standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

- **Level 1** - quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** - unobservable inputs for the asset or liability.

Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified.

IAS 19 Employee Benefits

This is an amended version of IAS 19 Employee Benefits with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.

The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19).
- Introducing enhanced disclosures about defined benefit plans.
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits.
- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features.
- Incorporating other matters submitted to the IFRS Interpretations Committee.

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

NEW OR REVISED STANDARDS (CONT'D)

IAS 27 Separate Financial Statements (2011)

This is an amended version of IAS 27 which now only deals with the requirements for separate financial statements, which have been carried over largely unchanged from IAS 27 Consolidated and Separate Financial Statements. Requirements for consolidated financial statements are now contained in IFRS 10 Consolidated Financial Statements.

The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments / IAS 39 Financial Instruments: Recognition and Measurement.

The Standard also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements.

IAS 28 Investments in Associates and Joint Ventures (2011)

This Standard supersedes IAS 28 Investments in Associates and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.

The Standard defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment.

AMENDMENTS

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

This standard amends IAS 1 Presentation of Financial Statements to revise the way other comprehensive income is presented.

The amendments:

- Preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income' - rather than requiring a single continuous statement as was proposed in the exposure draft.
- Require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified.
- Require tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax).

Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

This standard amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosures to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

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

AMENDMENTS (CONT'D)

Government Loans (Amendments to IFRS 1)

This relates to amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards to address how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. The amendments mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans.

First-time adopters of IFRSs are permitted to apply the requirements in paragraph 10A of IAS 20 only to new loans entered into after the date of transition to IFRSs. The first-time adopter is required to apply IAS 32 Financial Instruments: Presentation to classify the loan as a financial liability or an equity instrument at the transition date. However, if it did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with IFRS requirements, it would be permitted to apply the previous GAAP carrying amount of the loan at the date of transition as the carrying amount of the loan in the opening IFRS statement of financial position. An entity would then apply IAS 39 or IFRS 9 in measuring the loan after the transition date.

Annual Improvements 2009-2011 Cycle

The following are annual improvements to existing standards:

Makes amendments to the following standards:

- IFRS 1 – Permits the repeated application of IFRS 1, borrowing costs on certain qualifying assets.
- IAS 1 – Clarifies the requirements for comparative information.
- IAS 16 – Clarifies the classification of servicing equipment.
- IAS 32 – Clarifies that tax effect of a distribution to holders of equity instruments should be accounted for in accordance with IAS 12 Income Taxes.
- IAS 34 – Clarify interim reporting of segment information for total assets in order to enhance consistency with the requirements in IFRS 8 Operating Segments.

Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance

It amends IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities to provide additional transition relief in by limiting the requirement to provide adjusted comparative information to only the preceding comparative period. Also, amendments to IFRS 11 and IFRS 12 eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

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

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine clarifies the requirements for accounting for stripping costs associated with waste removal in surface mining, including when production stripping costs should be recognised as an asset, how the asset is initially recognised, and subsequent measurement.

The Interpretation requires stripping activity costs which provide improved access to ore are recognised as a non-current 'stripping activity asset' when certain criteria are met. The stripping activity asset is depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity, using the units of production method unless another method is more appropriate.

The above standards, amendments and interpretations did not have any impact on the financial statements of the Company.

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

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

	Effective for accounting period beginning on or after
New or revised standards and interpretations:	
IFRS 9 Financial Instruments - Classification and measurement of financial assets, Accounting for financial liabilities and derecognition	1 January 2018
IFRS 14 Regulatory Deferral Accounts	1 January 2016
IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	1 January 2014
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	1 January 2014
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	1 January 2014
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)	1 July 2014
Annual Improvements 2010-2012 Cycle	1 July 2014
Annual Improvements 2011-2013 Cycle	1 July 2014
IFRIC 21 Levies	1 January 2014

IFRS 9 Financial Instruments - effective 1 January 2018

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

Amendments in 2009

- Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances).
- Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss.
- All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss.
- The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

Amendments in 2010

- A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.
- The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss - in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Amendments in 2013

- Introduces a new chapter to IFRS 9 on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated as at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in other comprehensive income rather than within profit or loss.

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

Amendments in 2013 (Cont'd)

- Removes the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open pending the finalisation of the impairment and classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application.

The Company will quantify the effect in conjuction with other phases, when the final standard including all phases is issued.

IFRS 14 Regulatory Deferral Accounts - Effective for an entity's first annual IFRS financial statements for periods beginning on or after 1 January 2016

On 30 January 2014, IASB issued IFRS 14 Regulatory Deferral Accounts to ease the adoption of International Financial Reporting Standards (IFRS) for rate-regulated entities. The standard allows an entity to continue applying most of its existing accounting policies for regulatory deferral account balances upon adoption of IFRS.

This interim standard provides first-time adopters of IFRS with relief from derecognising rate regulated assets and liabilities until a comprehensive project on accounting for such assets and liabilities is completed by the IASB.

IFRS 14 will not have any impact on the Company's financial statements.

IAS 32 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities - effective 1 January 2014

This amendment to IAS 32 Financial Instruments: Presentation was made to clarify certain aspects because of diversity in application of the requirements on offsetting thereby focusing on four main areas:

- the meaning of 'currently has a legally enforceable right of set-off;
- the application of simultaneous realisation and settlement;
- the offsetting of collateral amounts;
- the unit of account for applying the offsetting requirements.

The amendment will have no impact on the financial statements of the Company.

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) - effective 1 January 2014

These amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements were made to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries;
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

The amendments will not have any impact on the Company since it is not an investment entity.

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

Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36) - effective 1 January 2014

IAS 36 Impairment of Assets was amended to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39) - effective 1 January 2014

The amendments to IAS 39 Financial Instruments: Recognition and Measurement were made to clarify that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

The amendments will have no impact on the Company since it does not hold any hedging derivative.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) - effective 1 July 2014

This amendment to IAS 19 Employee Benefits clarifies the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

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

Annual Improvements 2010-2012 Cycle - effective 1 July 2014

The annual improvements 2010-2012 Cycle make amendments to the following standards:

- IFRS 2 – Amends the definitions of 'vesting condition' and 'market condition' and adds definitions for 'performance condition' and 'service condition';
- IFRS 3 – Require contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date;
- IFRS 8 – Requires disclosure of the judgements made by management in applying the aggregation criteria to operating segments, clarify reconciliations of segment assets only required if segment assets are reported regularly;
- IFRS 13 – Clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusions only);
- IAS 16 and IAS 38 – Clarify that the gross amount of property, plant and equipment is adjusted in a manner consistent with a revaluation of the carrying amount; and
- IAS 24 – Clarify how payments to entities providing management services are to be disclosed.

These improvements will have no impact on the financial statements of the Company.

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

Annual Improvements 2011-2013 Cycle - effective 1 July 2014

The annual improvements 2011-2013 Cycle make amendments to the following standards:

- IFRS 1 – Clarify which versions of IFRSs can be used on initial adoption (amends basis for conclusions only);
- IFRS 3 – Clarify that IFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself;
- IFRS 13 – Clarify the scope of the portfolio exception in paragraph 52; and
- IAS 40 – Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

These improvements will have no impact on the financial statements of the Company.

IFRIC 21 Levies - effective 1 January 2014

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

The Interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy in accordance with the relevant legislation. It provides the following guidance on recognition of a liability to pay levies:

- The liability is recognised progressively if the obligating event occurs over a period of time; and
- If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

The above guidance will have no impact on the financial statements of the Company.

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in accordance with IFRS requires the Company to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and disclosures of contingent liabilities at the end of the reported period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgement

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

Determination of functional currency

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

2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

Estimation and assumptions

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

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

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

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

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Plant and equipment

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

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

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

All plant and equipment have a nil residual value.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Plant and equipment (Cont'd)

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

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

(b) Intangible Assets

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

Intangible assets of the Company have been assessed as having finite lives and are therefore amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on the intangible assets is recognised in profit or loss in the expense category consistent with the function of the intangible asset. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the asset is derecognised. The estimated useful life of computer software is 5 years. A full year amortisation is charged in the year in which an asset is purchased.

(c) Operational grants

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

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

(d) Financial instruments

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

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

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

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

(i) Trade and other receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated recoverable amounts.

(ii) Trade payables

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

(iii) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank and cash in hand.

(iv) Equity instruments

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

(e) Derecognition of financial assets and liabilities

(i) Financial assets

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transfered asset and the associated liability are measured on a basis that reflects the right and obligations that the Company has retained. Continuing involvement that takes the form of a 'guarantee' over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(ii) Financial liabilities

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

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

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment

(i) Non financial assets

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

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

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

(ii) Financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset is impaired.

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

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of whether payment is being made. Revenue is measured at the fair value of consideration received or receivable, taking into account contracting defined terms of payment and excluding taxes and duty. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue from services is recognised upon providing of services and customer acceptance, net of Value Added Taxes. The Company provides services which spans over more than one year. The consideration received is then deferred over the duration of the contract.

(ii) Interest income

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

(i) Foreign currency translations

The financial statements are presented in Mauritian Rupees, which is the Company's functional and presentation currency. Items included in the financial statements of the Company are measured using the functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Tax charges and credit attributable to exchange difference on those monetary items are also recorded in other comprehensive income. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(j) Leases - As a lessee

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

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

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

(k) Cash and cash equivalents

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

(l) Taxes

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

3. PLANT AND EQUIPMENT

	Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
	Rs	Rs	Rs	Rs	Rs	Rs
COST						
At January 1, 2012	4,542,150	1,625,000	1,755,163	1,273,473	7,658,325	16,854,111
Additions	3,306,206	1,926,454	166,313	509,124	578,097	6,486,194
Disposal	(41,900)	(1,625,000)	-	(139,228)	-	(1,806,128)
At December 31, 2012	7,806,456	1,926,454	1,921,476	1,643,369	8,236,422	21,534,177
Additions	10,424,454	-	334,229	45,782	-	10,804,465
Disposal	(61,450)	-	-	-	-	(61,450)
At December 31, 2013	18,169,460	1,926,454	2,255,705	1,689,151	8,236,422	32,277,192

	Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
	Rs	Rs	Rs	Rs	Rs	Rs
DEPRECIATION						
At January 1, 2012	2,759,984	1,625,000	774,449	412,562	1,528,278	7,100,273
Charge for the year	1,329,185	385,291	358,308	178,260	823,642	3,074,686
Disposal	(8,380)	(1,625,000)	-	(68,995)	-	(1,702,375)
At December 31, 2012	4,080,789	385,291	1,132,757	521,827	2,351,920	8,472,584
Charge for the year	3,255,493	385,291	425,154	182,838	823,642	5,072,418
Disposal	(16,200)	-	-	-	-	(16,200)
At December 31, 2013	7,320,082	770,582	1,557,911	704,665	3,175,562	13,528,802
NET BOOK VALUE						
At December 31, 2013	10,849,378	1,155,872	697,794	984,486	5,060,860	18,748,390
At December 31, 2012	3,725,667	1,541,163	788,719	1,121,542	5,884,502	13,061,593

3. PLANT AND EQUIPMENT (CONTINUED)

Finance leases

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

	2013	2012
	Rs	Rs
Cost	1,926,454	1,926,454
Accummulated depreciation	(770,582)	(385,291)
Net book value	1,155,872	1,541,163

4. INTANGIBLE ASSETS

	Computer Software
	Rs
COST	
At January 1, 2012	353,988
Additions	2,780,452
At December 31, 2012	3,134,440
Additions	398,864
At December 31, 2013	3,533,304
AMORTISATION	
At January 1, 2012	285,993
Charge for the year	582,020
At December 31, 2012	868,013
Charge for the year	664,207
At December 31, 2013	1,532,220
NET BOOK VALUE	
At December 31, 2013	2,001,084
At December 31, 2012	2,266,427

5. TRADE RECEIVABLES AND OTHER ASSETS

	2013	2012
	Rs	Rs
Trade receivables	10,537,532	7,609,812
Other assets	6,177,667	10,556,872
	16,715,199	18,166,684

5. TRADE RECEIVABLES AND OTHER ASSETS (CONT'D)

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

Other assets are non-interest bearing and are generally on 30-60 days' terms and are neither past due nor impaired.

The ageing analysis of trade receivables is as follows:

		Neither past due nor impaired	Past due but not impaired			
	Total		< 30 days	30 - 60 days	61 - 90 days	> 90 days
	Rs	Rs	Rs	Rs	Rs	Rs
2013	10,537,532	327,344	-	48,552	262,362	9,899,274
2012	7,609,812	842,421	-	190,837	330,313	6,246,241

At December 31, 2013, trade receivables amounting to Rs 1,240,277 were impaired and written off (2012: Rs 3,308,523).

6. CASH AND CASH EQUIVALENTS

	2013	2012
	Rs	Rs
Cash at bank and on hand	26,765,991	23,992,836

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

7. FINANCE LEASE OBLIGATION

In 2012, the Company entered into a finance lease agreement for a duration of five years with AXYS Leasing Ltd for the purchase of a motor vehicle.

	2013	2012
	Rs	Rs
Not later than 1 year	367,344	397,956
Later than 1 year and within 5 years	1,040,808	997,183
Total minimum lease payments	1,408,152	1,395,139
Less amounts representing finance charges	(265,488)	(25,824)
Present value of minimum lease payments	1,142,664	1,369,315

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

	Interest rate	Maturity	2013	2012
			Rs	Rs
Within one year	11.1% p.a	2014	253,129	226,651
After one year but not more than five years	11.1% p.a	2015-2017	889,535	1,142,664
			1,142,664	1,369,315

8. TRADE AND OTHER PAYABLES

	2013	2012
	Rs	Rs
Trade payables	3,771,242	6,980,654
Other payables	6,776,576	6,216,050
Deferred income	1,650,563	531,615
Advance receipts from members	13,769,337	7,349,280
	25,967,718	21,077,599

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normaly settled on 30-day terms.
- Other payables are non-interest bearing and have an average term of six months.

9. INCOME

	2013	2012
	Rs	Rs
Members fees	93,880,045	79,080,963
Grants	3,360,958	2,619,066
Other Income	6,616,333	1,038,876
	103,857,336	82,738,905

10. DEFICIT OF INCOME OVER EXPENDITURE

	2013	2012
	Rs	Rs
The surplus /(deficit) is arrived at after :		
crediting:		
Grants received	3,360,957	2,619,066
and charging :		
Depreciation on property, plant and equipment	5,072,418	3,074,686
Amortisation of intangible assets	664,207	582,020
Staff cost	59,329,160	43,271,208
Staff cost is analysed as follows:		
Salaries	41,073,625	33,609,270
Social security costs and other benefits	18,255,535	9,661,938

11. FINANCE REVENUE

	2013	2012
	Rs	Rs
Bank interest receivable	73,149	757,920

12. FINANCE COST

	2013	2012
	Rs	Rs
Finance charges payable under finance lease	**107,888**	25,824

13. RELATED PARTY DISCLOSURES

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

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

	2013	2012
	Rs	Rs
Total remuneration paid to key management personnel	**5,910,503**	5,864,598

14. FINANCIAL INSTRUMENTS

Fair value of instruments

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

	Carrying amount		Fair value	
	2013	2012	2013	2012
	Rs	Rs	Rs	Rs
Financial assets:-				
Cash and cash equivalents	**26,765,991**	23,992,836	**26,765,991**	23,992,836
Trade and other receivables	**14,233,562**	15,160,724	**14,233,562**	15,160,724

	Carrying amount		Fair value	
	2013	2012	2013	2012
	Rs	Rs	Rs	Rs
Financial liabilities:-				
Finance lease obligation	**1,142,670**	1,369,315	**1,142,670**	1,369,315
Trade and other payables	**5,794,512**	9,926,174	**5,794,512**	9,926,174

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

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

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

Risk Management (Cont'd)

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

Foreign currency risk

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

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

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

	Foreign currency denomination	Change in exchange rate	Effect on profit before tax
		%	Rs
2013	USD	+10	3,156,047
	EUR	+10	282,731
	USD	-10	(3,156,047)
	EUR	-10	(282,731)
2012	USD	+10	3,195,903
	EUR	+10	174,828
	USD	-10	(3,195,903)
	EUR	-10	(174,828)

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.

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

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

Risk Management (Cont'd)

Liquidity risk

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

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

	Less than	3 to 12	More than 1	Total
	Rs	Rs	Rs	Rs
December 31, 2013				
Finance lease obligation	91,836	275,508	1,040,808	1,408,152
Trade and other payables	4,706,363	1,088,149	-	5,794,512
December 31, 2012				
Finance lease obligation	91,836	275,508	1,408,152	1,775,496
Trade and other payables	8,547,736	1,378,438	-	9,926,174

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize net assets attributable to 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, 2013. The Company manages the following as its capital:

	2013	2012
	Rs	Rs
Reserve revenue	(2,573,474)	(4,653,124)
Other reserve	39,693,750	39,693,750
	37,120,276	35,040,626
Finance lease obligation	1,142,670	1,369,315
Trade and other payables	25,967,718	21,077,599