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CHAIRMAN’S MESSAGE

I have the honour of presenting AFRINIC’s Annual Report and Financial Statements for the year 2017. It has been another year of positive growth, indicating that we have the right strategy and direction to deliver our mandate of growing the Internet in Africa.

I am happy to report that AFRINIC’s position and influence in the Internet ecosystem continues to grow day by day. On behalf of the AFRINIC Board I wish to thank our members and the community for the immense support that enabled us effectively discharge our duties in the year under review. During this period we actively participated in over 20 meetings globally where key discussions on Internet governance, expansion and access took place. Our contributions were essential in advancing the various conversations.

It is important to note that business and macroeconomic governance reforms are taking root in Africa with the continent making commendable progress in terms of good governance. Further, The continent’s average growth was expected to rebound to 3.4% in 2017. This conducive environment has given us more impetus to forge ahead with our quest for connecting all corners of the continent with efficient and affordable Internet. Our continued engagements with key stakeholders such as governments, ISPs, Telecoms and others were focused on addressing pertinent issues such as security, content, privacy, infrastructure and affordability.

Our efforts are clearly bearing fruits. In 2017, AFRINIC entered the IPv4 Exhaustion Phase 1 as defined in the Soft Landing Policy. This means that we must keep engaging with and providing support to the community for a post IPv4 era. We continued to conduct capacity building and outreach activities across the continent to champion IPv6 preparedness and eventual deployment.

It is also imperative for us to respond to emerging forces operating in the IP market. We are currently allocating IPv4 resources from the final /8 IPv4 address block. The Board has subsequently adopted a new fees schedule

for members with the objective of ensuring the sustainability of AFRINIC.

We have always recognized Financial stability as the foundation for our long-term sustainability. We have been building our financial reserve and I can comfortably say that we are on the right path towards achieving this goal. We achieved a surplus of \$839,331 for the year 2017 putting us on a firm course to having reserves equivalent to two years operating costs.

Our strategic focus remains having a clear and consistent effort towards financial stability, efficiency in service delivery as well as continued engagement with members and the community at large. This has enabled AFRINIC grow as an institution from number resource management only to the implementation of other projects and initiatives that champion the growth of the Internet in the continent. With over 100 million addresses issued, we have played a significant role in ensuring Internet penetration levels in Africa has moved very close to 30%.

The Board would also like to recognize the efforts by AFRINIC staff, led by the CEO, who have ensured that we remain on course with our goals. We have substantially strengthened our foundations and we remain confident on our future plans and projects.

We are very committed to ensuring that AFRINIC adheres to best practices in terms of corporate governance. The Board and its working committees met throughout the year to discuss governance matters. The minutes and resolution of all Board meetings are published on our website.

Finally I would like to take this opportunity to thank our esteemed members and all other stakeholders for continuously giving us feedback on how we can improve AFRINIC. We look forward to their continued support and hope to see you soon at the next AFRINIC event.

Sunday Adekunle Folayan
Chair, AFRINIC Board



MESSAGE FROM THE CEO

It is my pleasure to introduce this report on AFRINIC’s 2017 activities. AFRINIC membership continues to grow, with 144 new members joining, and we ended the year with 1,554 members. Our Membership Services team dealt with over 30,000 request tickets, and 95% of tickets received were responded to within 48 hours.

We reached our “final /8” of IPv4 space in the month of April 2017, and started allocating IPv4 resources according to Phase 1 of the soft landing policy. Each member can request a maximum /13 (about half a million IP addresses) upon justification of 90% resources usage until Phase 1 of IPv4 exhaustion expires. We are expecting to reach Phase 2 towards the end of 2018 when we shall be left with only 0.11 /8 from our IPv4 address pool; at that point our members will then be able to request no more than a /22, or 1024 IPv4 addresses at a time.

We allocated about 7.5 million IPv4 addresses (nearly half of a /8), 113 IPv6 /32 prefixes and 150 ASNs during 2017, and at the end of the year we had the equivalent of 0.73 /8s remaining in our IPv4 address pool. A new transfer policy was passed by the community and came into effect in 2017. This policy makes it possible for transfers of address space within the AFRINIC region, but inter-regional transfers are not allowed. We expect that a market for IPv4 addresses will emerge in our region, allowing addresses to move from where they are under-utilised to where they are perceived as more valuable. The total number of IPv4 addresses remains fixed, and remains much lower than the population.

We therefore continue to call for v6 adoption throughout the African region. Around 44% of AFRINIC member organisations have been allocated IPv6 space, but many of them are not using the allocated space. Research shows that 18% of our networks in Africa are announcing an IPv6 prefix but only 0.25% of Africa’s population is able to use IPv6. Our technical training team was busy this year, imparting knowledge to over 639 engineers in 19 countries through our free, hands-on technical IPv6 deployment training courses.

On the technical operations side, we remained stable throughout the year. We deployed a new version the software behind the WHOIS database, and a new RPKI trust anchor as part of collaborative work with other RIRs. We report technical problems on a web page, and in 2017 we moved that to an externally hosted service, so that the status.afrinic.net page should keep working even if other AFRINIC services fail. I am pleased to say that we persuaded the hosting provider to make the status page accessible over IPv6.

Our efforts to contain costs and increase membership resulted in a healthy surplus of more than \$800,000. This surplus takes us a little closer to the goal set by the Board in 2008 of having sufficient reserve funds to cover two years of operations, but we are not even half way there.

Finally we organised two successful AIS and AFRINIC Meetings in 2017, with over 600 participants between the two meetings. Our Annual General Members Meeting was held in May 2017 in Nairobi, Kenya, as part of the larger AIS meeting which AFRINIC co-organises. Our AFRINIC-29 meeting was held in November 2017 in Lagos, Nigeria. For the first time at the AFRINIC-29 meeting, we provided live transcription. I take this opportunity to thank everyone including our meeting sponsors and our community who provided us with constructive feedback and insights on ways we could improve our services.

I invite you to go through the pages of this report to see our achievements for this year. I wish you a pleasant read.

Alan Barrett
CEO AFRINIC



MEMBERS

144
New Members in 2017.

1,554
Total Members.

IPV4

7,492,608
/32s of IPv4 address space
distributed in 2017.

101,258,752
/32s of IPv4 address space
distributed since 2004.

IPV6

113
/32s of IPv6 address space
distributed in 2017.

9187
/32s of IPv6 address space
distributed since 2004.

ASNs

150
ASNs assigned in 2017.

1,570
ASNs assigned since 2004.

TRAINING AND CAPACITY
BUILDING

639
people trained on IPv6 and INRM in 19
countries throughout Africa.

FIRE AFRICA

+US\$ 250,000
of funding allocated to 12 projects
through the FIRE Africa Grants and
Award Program.

FELLOWSHIP

23
AFRINIC Fellows provided with
assistance to attend AFRINIC Meetings

BLOG AND SOCIAL MEDIA

60
blog posts published.

5,874
Facebook Page Likes,
+700
more than at the start of 2017.

6,566
Twitter Followers,

+2,000
more than at the start of 2017.

OUTREACH

33
events attended by staff to
represent the interests of the AFRINIC
membership.

13
Member outreach meetings held
in 13 countries

HIGHLIGHTS

JANUARY

- AFRINIC announces to the community it is approaching IPv4 exhaustion.
- AFRINIC and Nigerian Internet Registration Association (NiRA) Academy Sign MoU
- AFRINIC Team Attends Capacity Building Workshop for the Africa Government Advisory Committee (GAC) in Kenya

FEBRUARY

- AFRINIC appoints Nominations Committee (NomCom) members
- AFRINIC announces the selected countries for hosting an AFRINIC Training
- AFRINIC appoints Chair and Vice Chair on the AFRINIC Governance Committee

MARCH

- AFRINIC appoints NomCom Chair
- AFRINIC announces Board nominations for candidates running for elections
- AFRINIC-26 Fellowship winners announced

APRIL

- AFRINIC Enters IPv4 Exhaustion Phase 1
- AFRINIC publishes Annual Financial Statements 2016
- The AFRINIC Board issues a statement on

keeping the Internet open to everyone

- AFRINIC Board ratifies Policy Proposal AFPUB-2016-V4-003-DRAFT03: IPv4 Resources transfer within the AFRINIC Region

MAY

- AFRINIC publishes final candidate slate for Board, Policy Development Working Group, Governance committee and ASO AC elections

JUNE

- Over 640 delegates gather in Kenya for the Africa Internet Summit 2017 (AIS’17) and the AFRINIC-26 Meeting.
- Results of the AGMM Elections is published
- Common Statement By AF* on Internet Shutdowns in Africa
- AFRINIC Board and Committees Reconstituted

JULY

- The AFRINIC Annual Report is published
- The AFRINIC Board expresses intent to set up a Policy Development Appeal Committee

AUGUST

- The FIRE Program receives 190 applications for its Grants Program
- AFRINIC releases new version of WHOIS 2.3

SEPTEMBER

- Deployment of ‘all resource’ RPKI Trust Anchor
- AFRINIC-27 fellowship winners announced
- Call for Comments on the amendments in the Registration Services Agreement Opens
- Global Consultation on Identifier Technical Health Indicators (ITHI) Project

OCTOBER

- FIRE Africa announces four Award winners for 2017

NOVEMBER

- Over 246 people from 33 countries attend AFRINIC-27 in Lagos, Nigeria.
- The Board proposes a procedure, for removal of an NRO NC/ASO AC member from office, to be considered for addition to the election guidelines

DECEMBER

- FIRE Africa Award Winners travel to Switzerland, to attend the 2017 Internet Governance Forum (IGF) and to receive their prizes at the Seed Alliance Award Ceremony.
- Policy Proposals IPv4 Soft Landing - bis (AFPUB-2016-V4-001-DRAFT07) and Lame Delegations in the AFRINIC rDNS (AFPUB-2017-DNS-001-DRAFT-02) moves to last call.

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 (afrinic.net/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 (afrinic.net/rpki) and the management of the Reverse DNS (afrinic.net/dns-support) zones for the Internet number resources it allocates and assigns.

In addition to its core function, AFRINIC:

- Provides training and education services to its members, governments and the wider community to support capacity building and infrastructure development throughout the region.
- Promotes and supports an open, stable, secure and resilient Internet through technologies and projects including RPKI, DNSSEC (afrinic.net/dnssec), local Internet Exchange Point (IXP) set up and deployment of root server copies (afrinic.net/rsc) throughout Africa.
- Acts as the secretariat for the AFRINIC community (afrinic.net/participate).
- Manages the small Grants and Awards programme, FIRE Africa (fireafrica.org), to fund and mentor entrepreneurial Internet-related projects in Africa.

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

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 2017, AFRINIC had **1,554** active members. More details about membership can be found on the Membership section.

Service Region

There are **56** economies in AFRINIC’s service region, which includes several island nations located in the Atlantic Ocean and in the Indian Ocean.

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 a set of Bylaws developed and approved by the community.

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 (afrinic.net/bylaws#directors) of the Bylaws (afrinic.net/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; and
- Appoint such committees for such reasons and with such terms of reference as they shall consider necessary or desirable.

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 10 times during the period under review.

2017 Board Resolutions

During 2017, 65 resolutions were discussed and resolved. A detailed overview of these resolutions can be found at: afrinic.net/board-meeting-2017

Board Composition: January 2017 to December 2017

REGION	BOARD MEMBERS	15 Feb	19 April	04 May	28 May	21 June	23 June	13 Sep	27 Sep	26 Nov	28 Nov
EAST	Abibu Ntagihiye	✓	x	✓	✓	✓	✓	✓	x	✓	✓
SOUTH	Lucky Masilela	x	✓	✓	✓	✓		✓	x	✓	✓
WEST	Sunday Folayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CENTRAL	Christian Bope**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
NORTH	Haitham El-Nakhal	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
INDIAN OCEAN	Kris Seeburn	✓	✓	✓	✓						
INDIAN OCEAN	Subramanian Moonesamy*					✓	✓	✓	✓	✓	✓
NON-GEO	Andrew Alston		✓	✓	✓						
NON-GEO	Serge Ilunga***					✓	✓	✓	✓	✓	✓
NON-GEO	Seun Ojedeji	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CEO	Alan Barrett	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Conflicts of Interest

All members of the Board of Directors are expected to be enlightened individuals from the region served by AFRINIC, who, by their wisdom and knowledge of Internet Technology and business, endeavour to advance the interests of the community and the Internet Infrastructure in the region. In terms of Article 15.5 of the Bylaws a Director must disclose actual or potential conflict of interest and must recuse himself or herself from voting where a conflict of interest exists. Directors are encouraged to disclose any possible conflict at the beginning of their term on the Board of Directors.

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 of Directors. 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.

The Board Seat 3 - Indian Ocean, Seat 4 – Central Africa and Seat 8 - Non Geographical were subject for election under the Annual General Members Meetings in June 2017 in Nairobi, Kenya.

- *Subramanian Moonesamy was elected for Seat 3 - Indian Ocean in replacement of Krishna Seeburn, for a 3 year term, 1 July 2017 to 30 June 2020
- ** Christian D. Bope was re-elected for Seat 4 – Central Africa for a 3-year term from1 July 2017 to 30 June 2020
- ***Serge Ilunga was elected for Seat 8 - Non Geographical in replacement of Andrew Alston, for a three-year term, 1 July 2017 to 30 June 2020

Board Committees

Committees are set up by the Chair of the Board and assist the Board of Directors in the course of its work as per Article 15.3 ([afrinic.net/bylaws#directorspower](#)) of the Bylaws ([afrinic.net/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 chairman and each committee has Terms of Reference (ToR) which the Board reviews at least once a year. The committees are re-formed as and when a new Board is elected and are also constituted with a defined lifetime. Ad-hoc committees are created as and when necessary to support short-term projects or activities.

The following Committees were active in 2017:

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.

Audit committee Charter:
[\(afrinic.net/board-committee#audit\)](#)

Committee members:

Andrew Alston	
Christian Bope	(January 2017 - June 2017)
Seun Ojedeji	(July 2017 - December 2017)
Abibu Ntahigiye	

Finance Committee

The Finance Committee monitors AFRINIC’s significant 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 BoD [\(afrinic.net/board-committee#finance\)](#).

Committee members:

Haitham El-Nakhal	
Christian Bope	(January 2017 - June 2017)
Krishna Seeburn	(January 2017 - June 2017)
Subramanian Moonesamy	(July 2017 - December 2017)
Alan Barrett	(CEO)

Remuneration Committee

The Remuneration Committee work on behalf of the Board and 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. [\(afrinic.net/board-committee#remuneration\)](#)

Committee members:

Lucky Masilela	
Sunday Folayan	
Serge Ilunga	(July 2017 - December 2017)
Alan Barrett	(CEO)

Fees Review Committee

The Board constituted the Fees Review Committee in February 2017 to consider and make recommendations and inputs to the AFRINIC current fees structure. The Committee reports to the Finance Committee. The ToR is published at afrinic.net/board-committee#fees

The Composition of the Committee is as follows:

Duncan Greaves	(TENET, Academia)
Adesiyan Omololu	(MainOne, Medium LIR)
Mohamed Hamdy	(TEDATA, Extra Large LIR)
Viv Padayatchy	(Council of Elders)
Krisna Seeburn	(January 2017 - June 2017)
Subramanian Moonesamy	(July 2017 - December 2017)
Alan Barrett	(CEO)
Patrisse Deesse	(Finance Director)

AFRINIC Governance Committee

The Governance Committee’s role is to advise the AFRINIC Board, AFRINIC Membership, and the community, on matters of governance.

The Composition of the Committee is as follows:

Isatou Jah	Elected by AFRINIC Membership
Wafa Dahmani	Elected by AFRINIC Membership
Abdalla Omari*	Elected by AFRINIC Membership
Mike Silber	Appointed by the AFRINIC Board
Zeimm Auladin-Suhootoorah	Appointed by the AFRINIC Board
Seun Ojedeji	Appointed by the AFRINIC Board as a Liaison
Ashok Radhakisson	Appointed by the AFRINIC Board as Legal Adviser
Guylaine Laiyra	Appointed by the AFRINIC Board as Secretary

The Council of Elders

Article 16 (afrinic.net/bylaws#coe) of the bylaws enables the BoD to appoint up to six former AFRINIC BoD 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 2017 Council of Elders are:

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

During the election in June 2017, Abdalla Omari was elected by the AFRINIC Membership to the Governance Committee for a three-year term, starting January 2018 to December 2020.

The Governance Committee held its first meeting on 16 February 2017 and a communiqué was sent to the Community to request advice on areas and issues that the GC need to address as a matter of priority. The Letter to the Community can be viewed here (afrinic.net/governance-committee#announcements). The GC held four meetings for the year 2017 and all the minutes are published on the AFRINIC website (afrinic.net/govcommin).

The Governance Committee published its Guidelines in November 2017 (afrinic.net/govcomdoc)

Find out more about the Governance Committee, the Governance Committee members and the ToR at : afrinic.net/govcom

PDWG Appeal Committee

AFRINIC constituted an Interim Policy Development Appeal Committee in December 2017 as per Section 3.5 of the AFRINIC Policy Development Policy.

The AFRINIC Policy Development Appeal Committee, or the Appeal Committee, is a committee 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: afrinic.net/pac-tor

Composition of the Appeal Committee

Adam Nelson	
Ayitey Bulley	
Lala Andriamampianina	
Paulos Nyirenda	
Wafa Dahmani Zaafouri	

Nomination Committee

According to Section 9 of the 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 and three others selected from the community.

NomCom 2017

John Walubengo	KE
Mustapha Ben Jemaa	TN
Wale Adedokun	NG (Chairman)
Lucky Masilela	ZA (Board)

Annual General Members Meeting (AGMM)

The AGMM is held once a year, usually during an AFRINIC Open Policy Meeting. The AGMMs enable the membership 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. In 2017, the AGMM took place on the 1 June 2017 at during the AFRINIC-26 meeting at the Boma Hotel, Nairobi, Kenya.

During the meeting AFRINIC Members elected three new Board Members:

- Seat 3 - Indian Ocean: Subramanian Moonesamy (Mauritius)
- Seat 4 - Central Africa: Christian Bope (Dem. Rep. of Congo)
- Seat 8 - Non Geographical: Serge Ilunga (Dem. Rep. of Congo)

The new Board members will serve for a term of three years from 1 July 2017 to 30 June 2020.

The minutes, video recording and presentation materials from this meeting are available on the AFRINIC website (afrinic.net/agmm-archive).

2017 Board Retreat

A Board Retreat was held in Johannesburg from 21 - 23 June 2017. During the Board Retreat, the Board conducted an induction programme for the newly elected directors, reviewed and brainstormed on the status of the Strategic Plan 2015-2020 and also met with the ICANN Board of Directors during the ongoing ICANN meeting.

As a result, the Board decided to enhance its Board-community engagement process and the Board decided to introduce an open microphone session at all subsequent AFRINIC meetings. The first Open Microphone was held during the AFRINIC-27 meeting in November 2017 in Lagos, Nigeria.

AFRINIC members are mostly Internet Service Providers (ISPs), governments, educational institutions and end-users located within its service region. At year-end 2017, AFRINIC had **1,554** 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 available:

- Resource Members: Local Internet Registries (LIRs) or End Users (EUs)
 - 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: Organisations or individuals who do not use Internet Number Resources but have a substantial interest in the management of Internet Number resources in Africa.

Benefits of Membership

- Obtain IPv4 and IPv6 address space and Autonomous System Numbers (ASNs).
 - Get reverse DNS and RPKI for their resources,
 - Take advantage of priority places on AFRINIC’s FREE hands-on IPv6 and Internet Number Resource Management (INRM) Training Courses.
 - Use an IPv6 test-bed to test their IPv6 deployments.
- Make user of cost-free transfer of resources to another AFRINIC member.
 - Attend the Annual General Members’ Meetings (AGMM) either in person or remotely and take part in elections for Board and Governance Committee positions.
 - Get preferential access to various AFRINIC initiatives and activities.

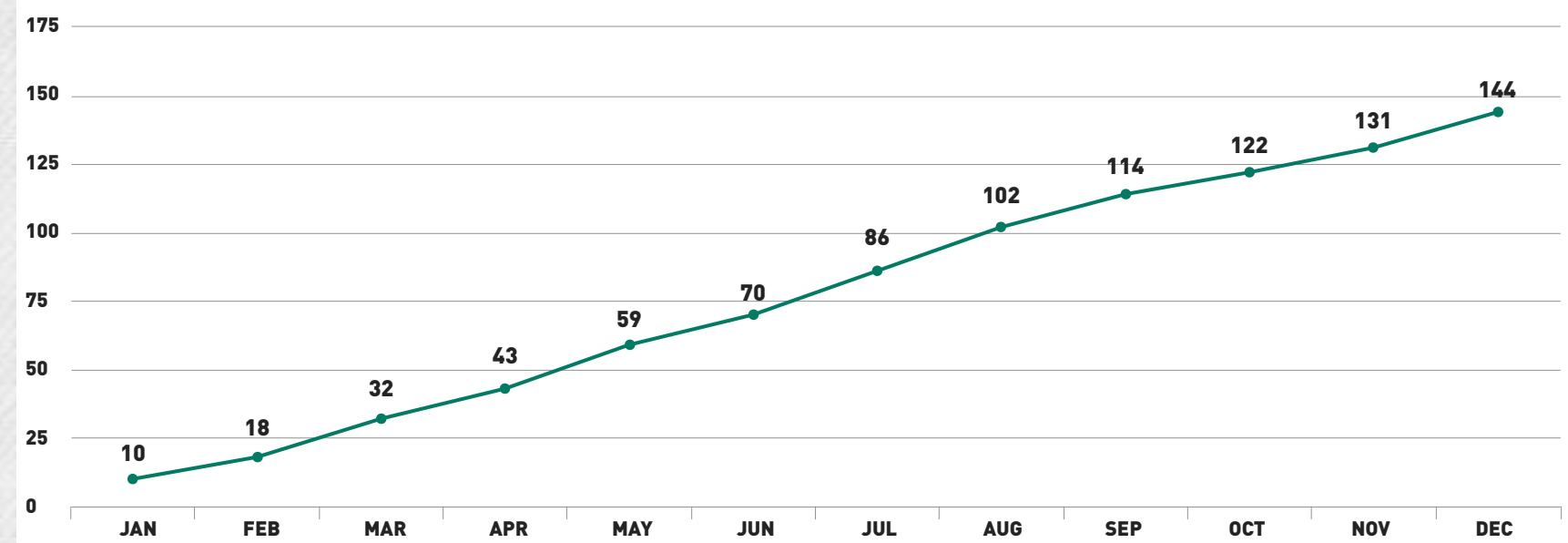
Find out more how you can become a member at:

www.afrinic.net/membership-resource.

Fees

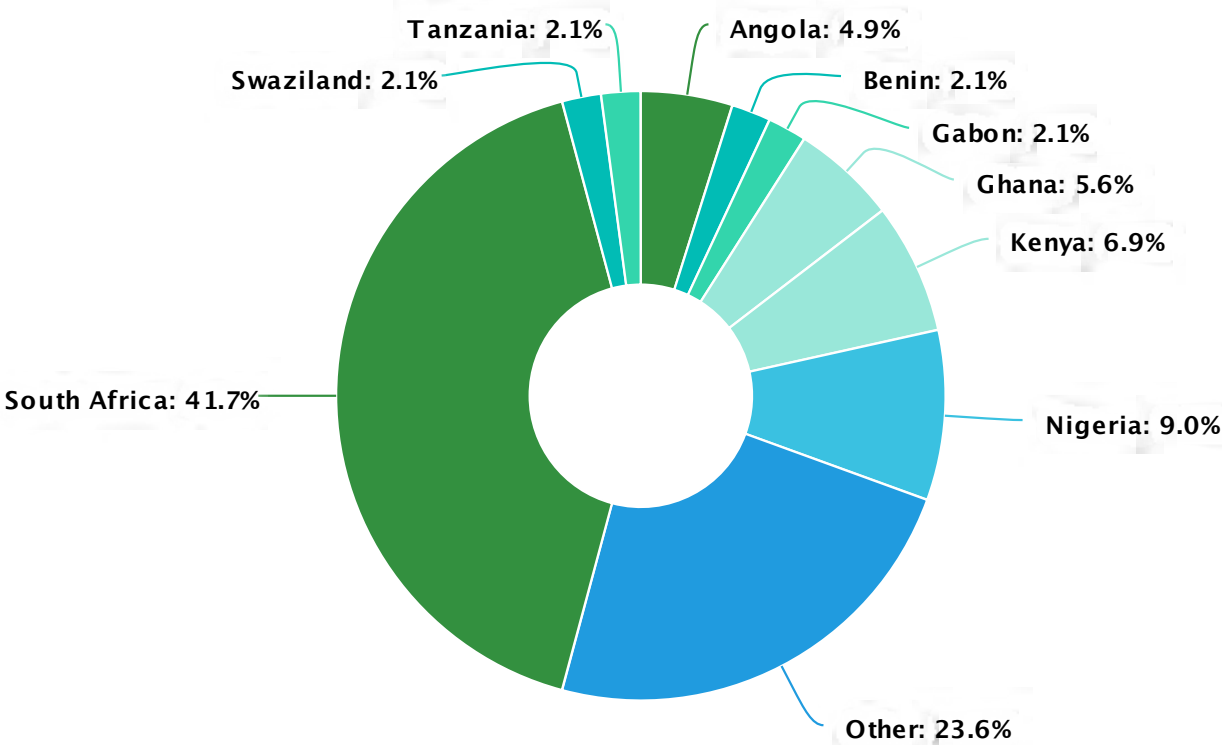
Yearly membership fees (afrinic.net/fees) are calculated based on the amount of Internet number resources an organisation may request per year.

New Members per Month 2017



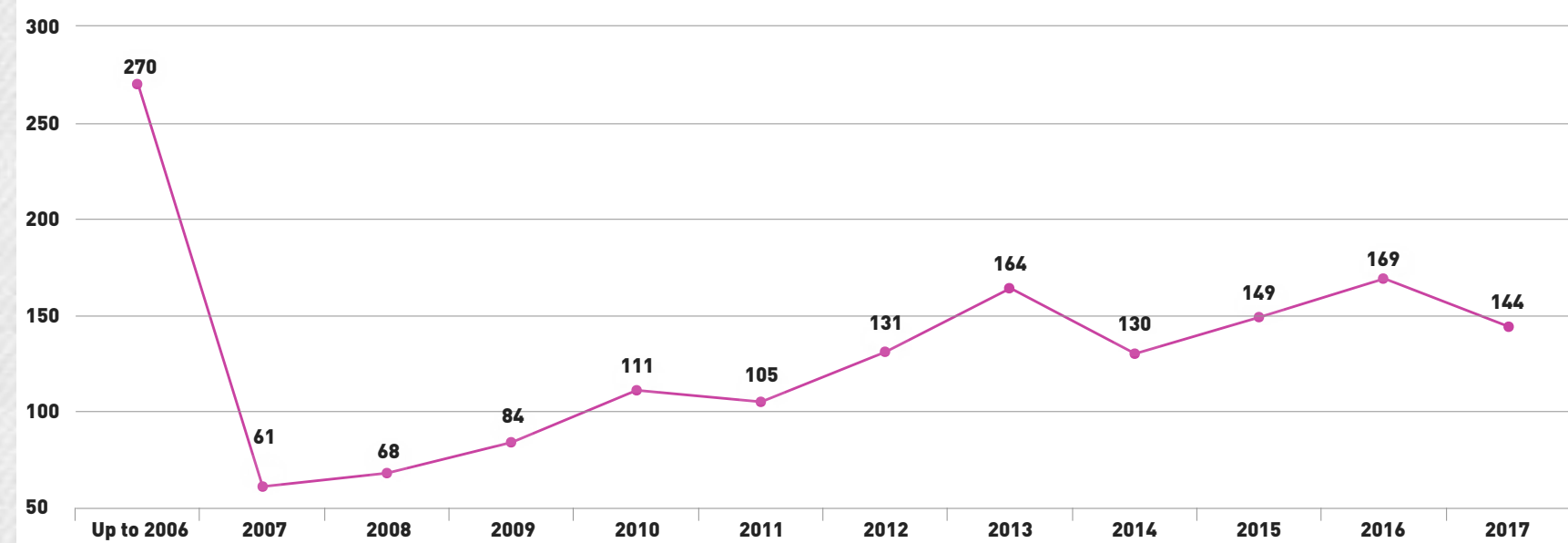
Source: AFRINIC

New Members 2017 per country



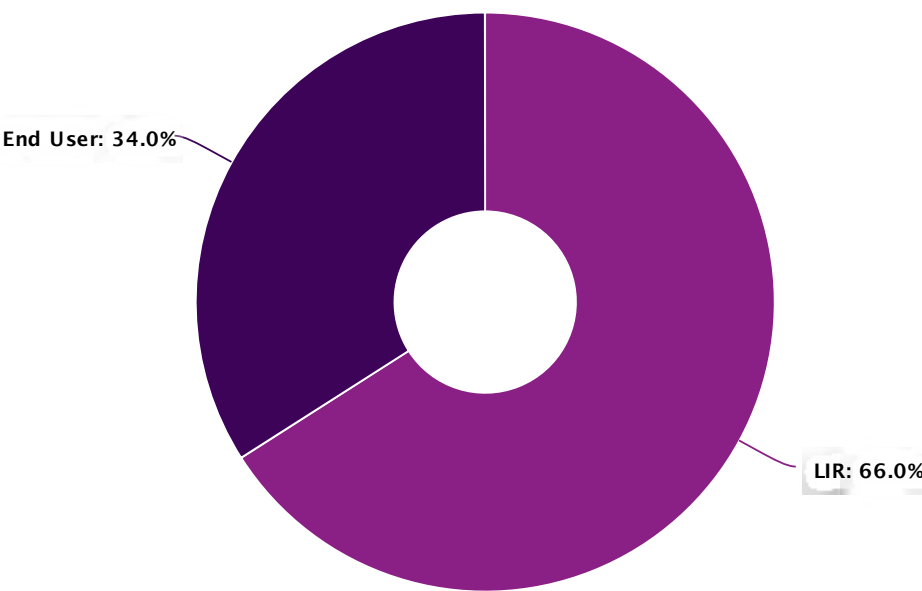
Source: AFRINIC

New Members per Year 2006 - 2017



Source: AFRINIC

New Members 2017 by Membership Category



Source: AFRINIC

MEMBER SERVICES

Aside from their core duties, the MS team’s objectives in 2017 were to improve customer satisfaction and quality management as well as increasing outreach activities. The team was also instrumental in the implementation of several key AFRINIC projects throughout the year, including the deployment of WHOIS v2, New Member Registration Portal (NMRP) enhancement, procedure updating, services documentation, policy implementation, Internet Routing Registry (IRR) maintenance, member contacts updates and billing automation.



Member Services Team

Outreach

Throughout the year, MS scaled up its targeted member outreach by attending events, meetings and Network Operators’ Groups (NOGs) throughout the service region to talk directly with local members and recruit new members. Staff members conducted outreach activities in 13 economies reaching to over 300 members and prospects. Feedback from members has so far been good and the team will continue outreach efforts throughout 2017.



Members Meeting in Burundi



Requests, Queries and Tickets

Over 30,000 tickets were dealt with by the team in 2017. MS strives to comply with the AFRINIC Service Level Commitment (afrinic.net/slc) by responding to at least 95% of tickets logged within 48 working hours. Throughout the year, the team was also testing an auto-monitoring device that, when implemented, will improve ticket response times. Real-time ticket statistics can be found at: afrinic.net/rt-stats

Survey

As part of AFRINIC’s ongoing efforts to improve the quality of service delivered to members, service requestors are asked to complete a Customer Satisfaction survey. The survey responses showed that, 64% of members who responded would recommend AFRINIC Services to someone else (NPS).

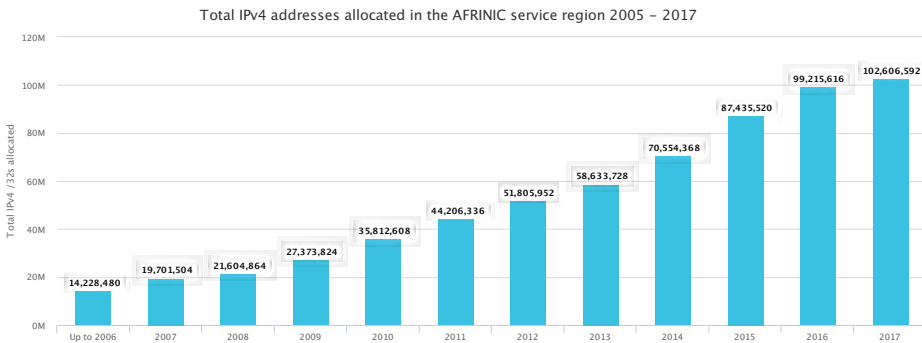
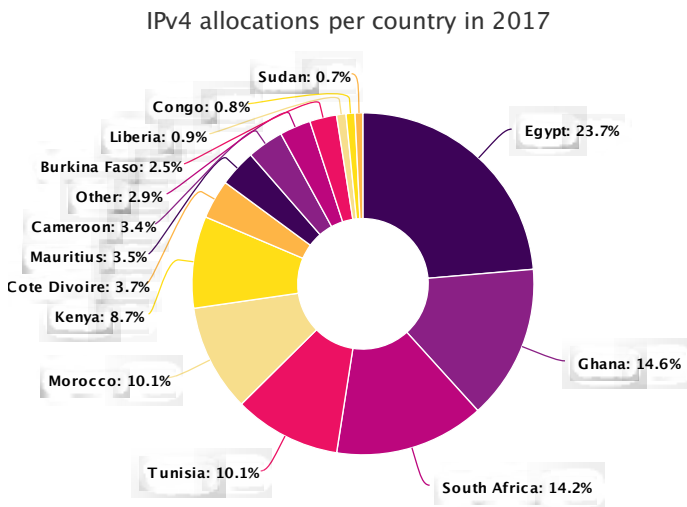
As the RIR for Africa, AFRINIC’s core activity is to allocate IPv4 and IPv6 address space and assign Autonomous System Numbers (ASNs) to its members.

IPv4

In 2017 a total of **7,492,608** IPv4 addresses were allocated to AFRINIC members, a decrease of **36%** compared to 2016, when **16,883,712** IPv4 addresses were allocated. At year-end 2017, a total of **101,258,752** IPv4 addresses (an equivalent of approximately **6.04** /8s) had been allocated to AFRINIC’s members since 2004.

Five Year Overview

	2013	2014	2015	2016	2017
New Resources Members	163	128	148	168	144
IPv4 Addresses Allocated	6,827,776	11,924,736	16,881,152	11,780,096	7,492,608
IPv6 /48 prefixes allocated	3,342,422	3,276,816	292,945,962	4,981,028	7,405,629
ASNs assigned	166	135	155	169	150

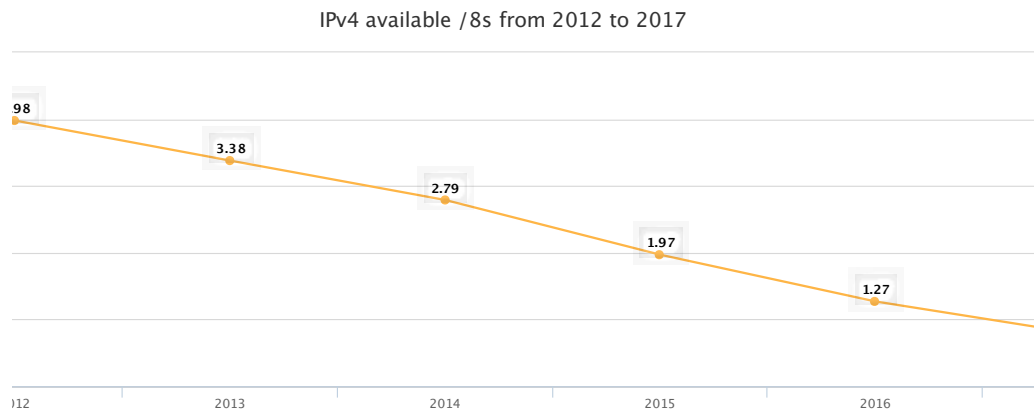
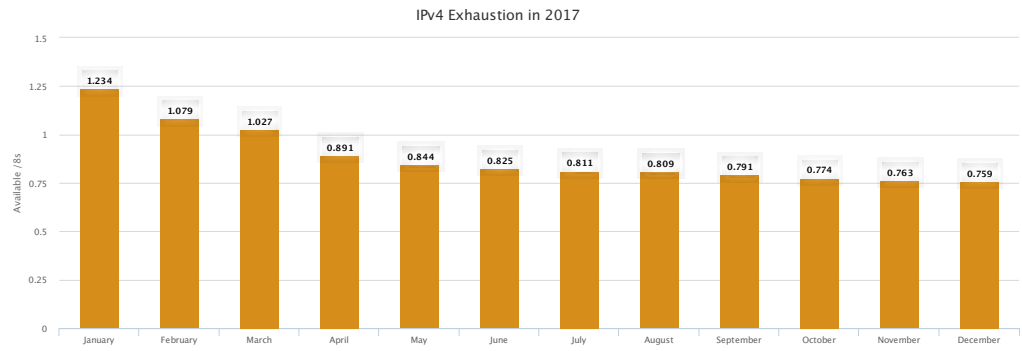


Source: AFRINIC

IPv4 Exhaustion

On 3rd of April AFRINIC had reached its final /8 from its available IPv4 pool. This triggered the enforcement of the soft landing policy allowing AFRINIC to allocate up to a /13 and by end of 2017, AFRINIC was left with 0.76 /8.

Find out more about IPv4 Exhaustion at afrinic.net/ipv4ex



Source: AFRINIC

- Each member can receive up to a /13 from the Final /8 Pool (102/8)
- AFRINIC has made more than 220 allocations since March 2017 (Soft landing Phase 1 started)

IPv6 Penetration in Africa

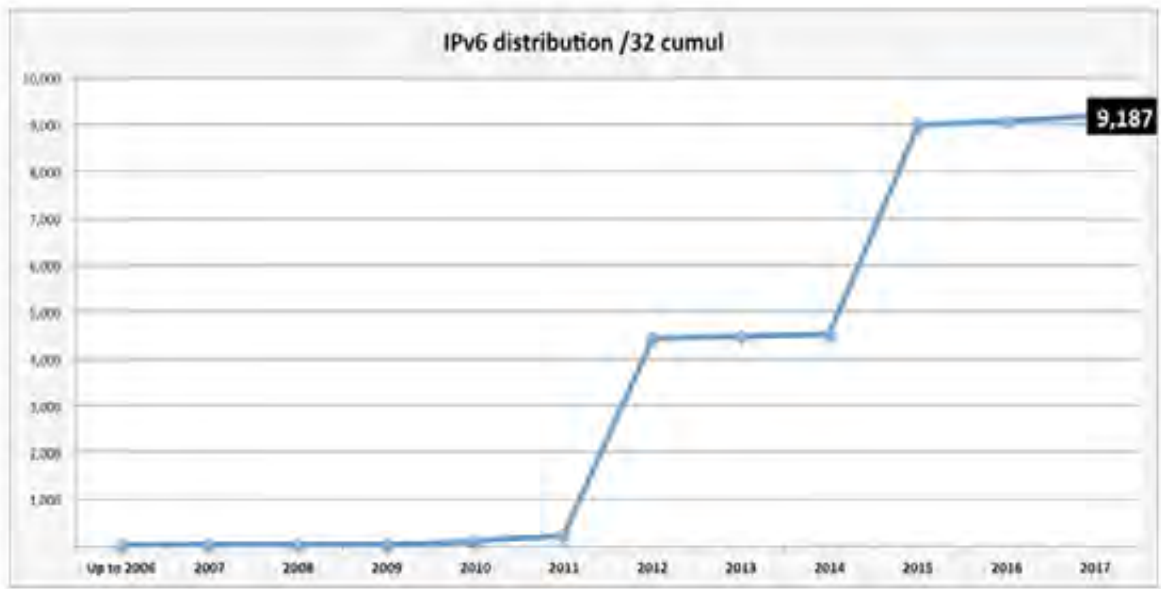
This is an increase of **31%** compared to 2016 where **78** IPv6 prefixes were allocated. **43.6 %** (677) of AFRINIC Resources members received at least one IPv6 prefix. However, only around **20%** of networks (ASes) announce an IPv6 prefix in the AFRINIC region. As we cannot predict how long AFRINIC’s supply of IPv4 address space will last, it is imperative that AFRINIC members not only obtain an IPv6 allocation but also start to deploying IPv6 on their

networks as soon as possible. AFRINIC offers **free** IPv6 Fundamentals and Deployment Workshops (learn.afrinic.net) across the continent for members and non-members and encourages all those eligible to attend.

Find out more about networks announcing IPv6 at: <http://v6asns.ripe.net/v/6>

Total IPv6 Allocated since 2005

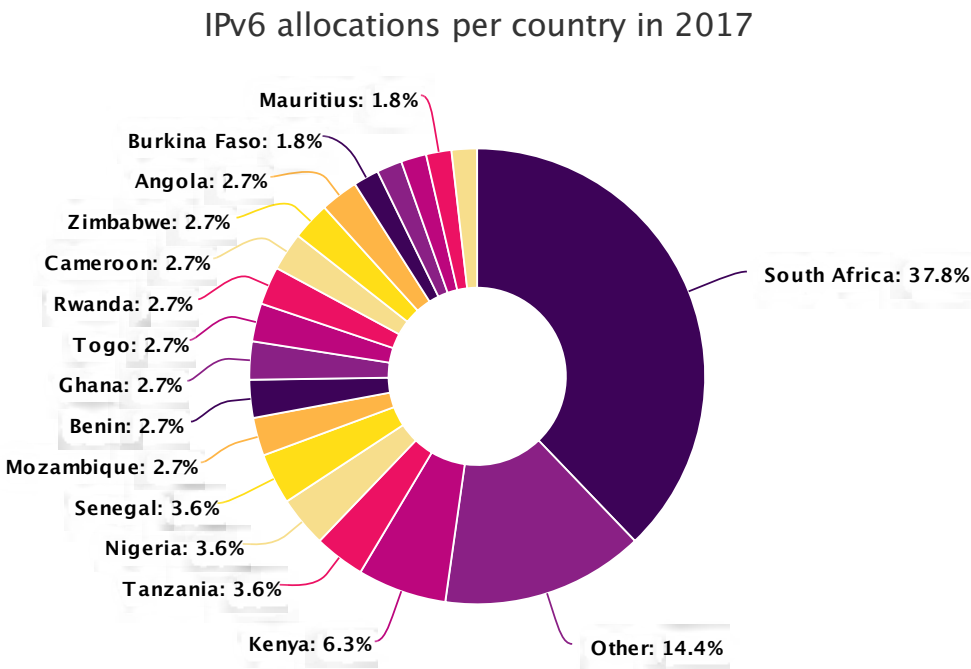
A total of 9,187 /32 IPv6 addresses blocks have been allocated to AFRINIC’s members since its inception.



Source: AFRINIC

IPv6 Allocation per Country in 2017

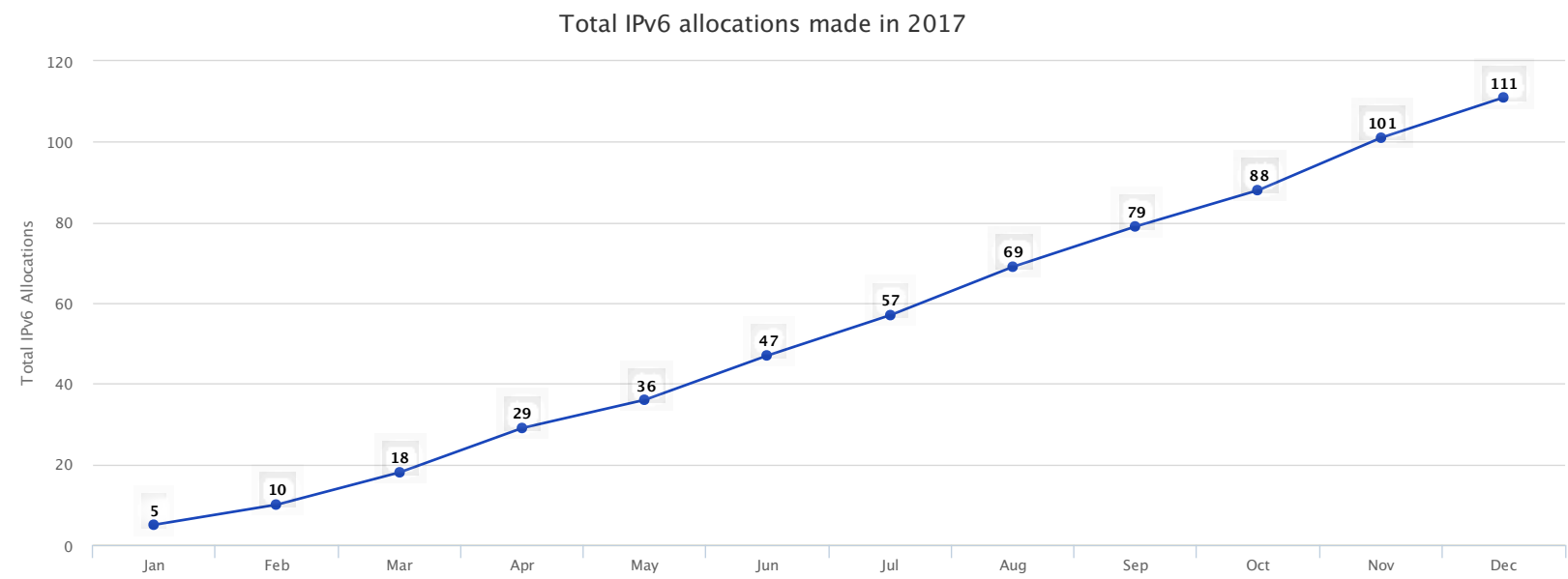
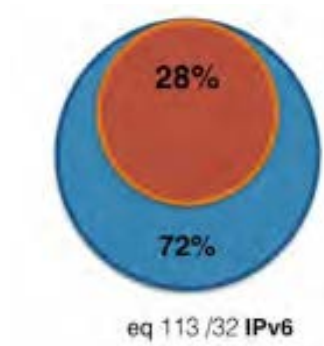
South Africa received the most IPv6 allocations in 2017, and was allocated 35 /32s of the year’s total allocations, followed by Ivory Coast (33 /32s)



IPv6

Total IPv6 Allocations made in 2017

In 2017, AFRINIC made 113 IPv6 allocations:



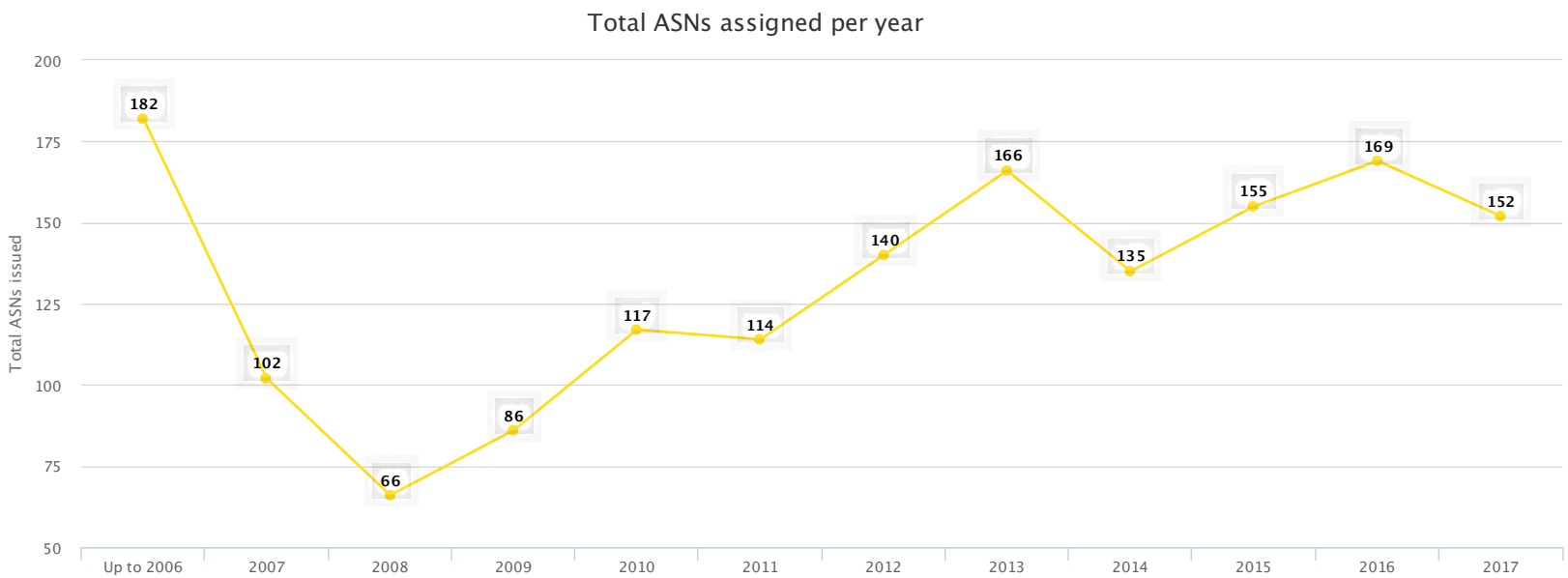
Source: AFRINIC

AS Numbers

150 Autonomous System Numbers (ASNs) were assigned in 2017 compared to 169 in 2015. **Five** of the ASNs assigned in 2016 were 16-bit.

Total ASNs Assigned per Year

A total of **1,570 ASNs** have been issued to AFRINIC’s members since AFRINIC’s inception.



Source: AFRINIC

AFRINIC provides several platforms for discussions on 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 - the African and Indian Ocean nations Internet technical community - to ensure that the unique needs of the region are taken into account.

The AFRINIC Community

AFRINIC Meetings

AFRINIC holds two open public policy meetings every year in various locations throughout its service region. The meetings provide a unique 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-27

AFRINIC-27 was held in Nigeria from 27 November - 1 December 2017. Over 240 people attended. The meeting report can be found at [here](#)



Africa Internet Summit 2017 (AIS'17) and AFRINIC-26

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'17 and the AFRINIC-26 Meeting took place from 21 May to 2 June with around 640 people from 68 countries attended.

The Meeting Report can be read [here](#)



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 2017, 23 people were assisted with meeting attendance:

Find out more about the Fellowship Programme at afrinic.net/fellowship

AFRINIC-26 Fellows



Elitcha Komi Mokpokpo Woateba	Togo
Asmae Daoudi	Morocco
Molpone Mhelekwa	Lesotho
Nkurunziza Jean Paul	Burundi
Abdirashid Ibrahim Abdirahman	Somalia
Abraha Halefom Hailu	Ethiopia
Oumou Sangare	Mali
Therese Kangu Keita	Gambia
Mahamat Adoum Tidjani	Chad
Tsafak Foguim Olive Raissa	Cameroon
Lalita Devi Purbhoo-Junggee	Mauritius

AFRINIC-27 Fellows



Islam Ahmed Babiker Mohamed	Sudan
Réhan Noordaly	Réunion island
Kangamutima Zabika Christophe	DRC Congo
Mboko Otoka Benny Shérif	Congo (Brazzaville)
Zina Brahim Mahamat	Chad
Santigie Bayo Dumbuya	Sierra Leone
Afi Edoh	Togo
Kouadio Assi Donald Landry	Ivory Coast
Abdoul Mazid Barry	Guinea
Emilia de Carvahlo Garcia Monteiro TAVARES	Cape Verde
Gobah Ahasuerus Anderson	Liberia
Sisassenkosi Hazel Sibanda	Zimbabwe

Keeping the Community Informed

AFRINIC Blog

The AFRINIC Blog shares interesting articles, news, research and statistics that are relevant to the community as well as to facilitate community discussion on Internet related topics in Africa and beyond. Throughout 2017, 60 blog posts were published, invited guest bloggers to write about their expertise and encouraged discussion.

Mailing Lists

AFRINIC facilitates several mailing lists. Throughout 2017, the mailing lists informed 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: afrinic.net/mail

Outages and Incidents

AFRINIC ensures that the community is kept up to date on any incidents and outages through its dedicated webpage (status.afrinic.net). 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.

Social Media

AFRINIC also actively engages in social media to further its information dissemination efforts. In 2017, the Communications Team significantly ramped up its social media activities: 5874 Facebook Page Likes, over 700 more than at the start of 2017. 6566 Twitter Followers, over 2000 more than at the start of 2017

Community Elections 2017

PDWG Co-Chair Elections

The AFRINIC community held elections during the AFRINIC-26 Meeting on 31 May to elect one Policy Development Working Group (PDWG) co-Chair. Dewole Ajao from Nigeria was re-elected to serve a **two-year term** (June 2017 - June 2019) during the Policy Development Working Group meeting.

ASO-AC / NRO-NC

An election to elect the AFRINIC region representative to the ASO-AC / NRO-NC was also held on Thursday 1 June and Noah Maina was elected to serve a 3-year term from January 2018 to December 2021.

AFRINIC Governance Committee

The Governance Committee election re-elected Abdalla Omari for a three-year term.

2017 PDWG co-Chairs



Dewole Ajao

NIGERIA
June 2017 – June 2019



Sami Salih

SUDAN
June 2016 – June 2018

Policy Development

The policies that govern how AFRINIC manages and distributes Internet number resources in its region are proposed, discussed and accepted or rejected by the AFRINIC community using a consensus-based, transparent, open and inclusive, multi-stakeholder policy development process (the PDP). Policy proposals can be submitted by anyone from anywhere. Policies are discussed by the community on a mailing list, the resource policy discussion (afrinic.net/mail) mailing list and at the AFRINIC face-to-face meetings, which happen twice a year. A proposal that achieves consensus during a public policy meeting and after the “last call” period has closed is then ratified by the Board, and implemented by AFRINIC staff.

Consolidated Policy Manual

The Consolidated Policy Manual (afrinic.net/cpm) contains all implemented policies that have successfully gone through the PDP and have been ratified by the Board.

The Policy Development Working Group (PDWG)

The PDWG (afrinic.net/pdwg) is made up of anyone that wishes to participate in the Policy Development Process through discussions on the rpdp@afrinic.net mailing list or in person/remotely during the AFRINIC open public policy meetings. Two community elected Policy Development Working Group co-chairs guide discussions, gauge consensus and ensure transparency throughout the discussion while also ensure that the PDP is followed per the agreed process. AFRINIC facilitates the PDP by providing services like mailing list and coordination of the open public policy meetings.

Two public policy meetings were held in 2017 (AFRINIC-26 - Nairobi and AFRINIC-27 - Lagos), at which the following policy proposals were discussed, with the current status of each respective proposal as indicated:

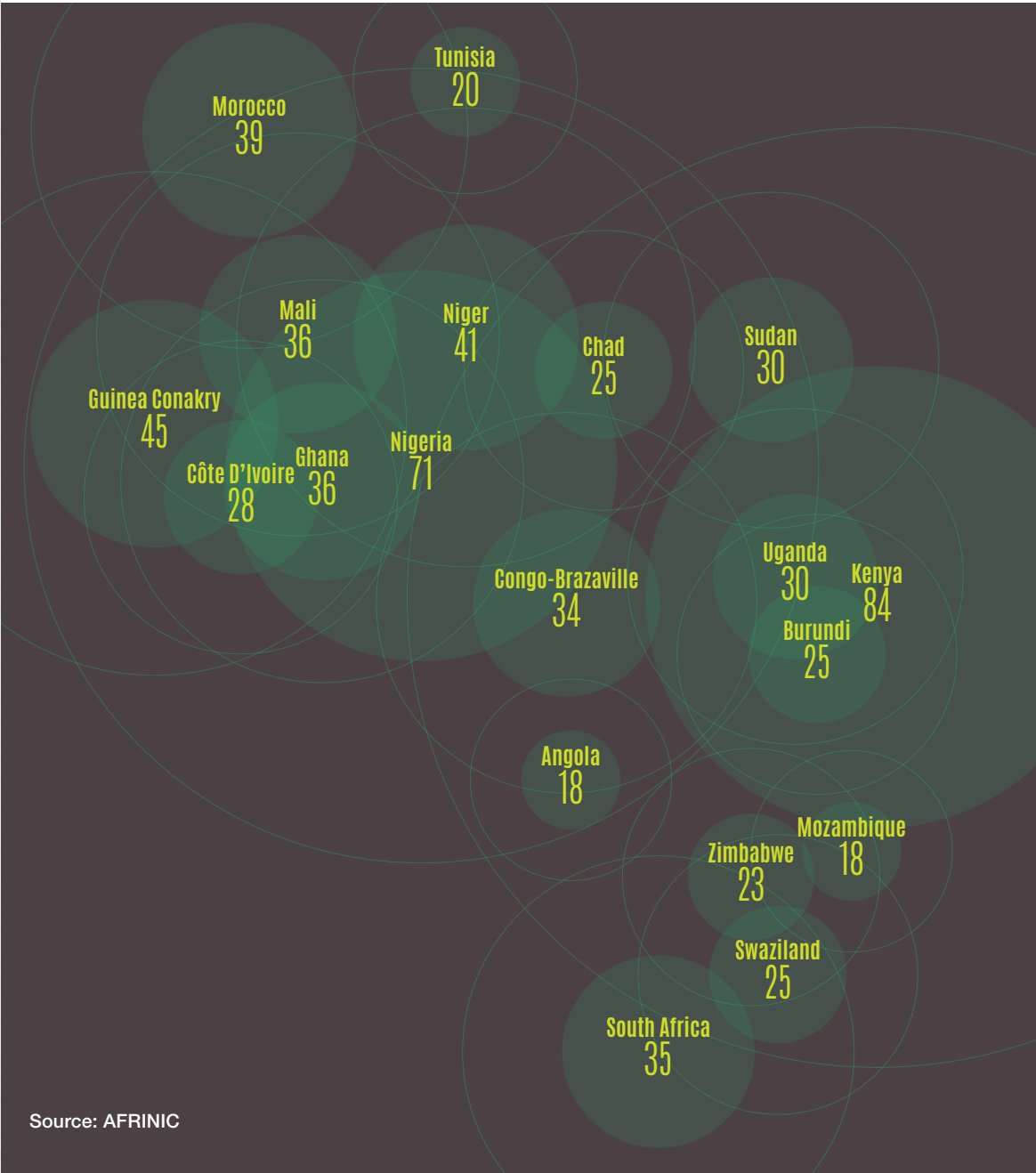
Presented at: AFRINIC-26, AFRINIC-27 Current Status: Pending Board Ratification	allocated maximum space in either phase. Reserves a /12 to ‘facilitate IPv6 deployment’.	limit/mitigate the number of ‘broken’ IPv4 prefixes being announced. The proposal did not pass at both AFRINIC-26 and AFRINIC-27, and has not been updated by the author since its initial version.	is currently under discussion	Policy Implementation Update
Lame Delegations in the AFRINIC rDNS 11 April 2017 This policy proposal lays out a process to monitor NS records responsible for lame delegations (in DNS zones under in-addr.arpa and ip6.arpa managed by AFRINIC) and puts in place a phased approach to removing these (lame) records from the DNS. The proposal achieved strong community consensus at AFRINIC-27, and awaits ratification.	There was community consensus on this proposal at AFRINIC-27 (Lagos) and consequent announcement of a “Last Call” period in accordance with the PDP. The final consensus decision after last-call was appealed and was eventually overturned by the Appeals Committee.	AFRINIC Policy Development Process – BIS 09 November 2017 This proposal is a major revision to the current Policy Development Process (CPM article 3.0). The major changes or improvements are: - A clearer mechanism for appeals and disputes. - Introduction of distinct phases in the policy proposal life cycle. - More transparency around consensus-gauging.	Inbound Transfer Policy This was an attempt to allow unidirectional (inbound) inter-RIR number resource transfers into AFRINIC. It did not pass at AFRINIC-26 and was consequently withdrawn by its authors. Anti-Shutdown “02” This proposal was an attempt to enable AFRINIC deny number resources (and withdraw existing ones) for governments that shut down free and open internet access to its citizens. The proposal received strong opposition at two AFRINIC public policy meetings and was withdrawn by its authors,	The policy proposal “IPv4 Resource Transfers within the AFRINIC Region” was implemented by AFRINIC as article 5.7 of the Consolidated Policy Manual (CPM). This policy provision allows any company requiring IPv4 space amounts that AFRINIC cannot provide the possibility to acquire such space from any AFRINIC member willing to offer their resources for transfer. The policy is especially helpful in this period of IPv4 address exhaustion.
Presented at: AFRINIC-26, AFRINIC-27 Current Status: Under Discussion	Internet Number Resources Review by AFRINIC 21 October 2017 This 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-26 Current Status: Withdrawn		Participate: - Subscribe to the rpd@afnic.net mailing list to take part in policy discussions. Participation is open, free and all-inclusive. All archives are available online at: lists.afnic.net/pipermail/rpd/ - Attend the bi-annual AFRINIC public policy meetings to engage in face-to-face discussions and network with industry professionals from all over the world. Our meetings schedule is at: meetings.afnic.net
IPv4 Soft Landing – BIS 01 Dec 2017 The proposal is a complete replacement of the current IPv4 Soft Landing Policy (CPM article 5.4), highlights from which are: - Establishes new maximum allocation sizes (/18 for phase 1 of exhaustion, /22 for phase 2 of exhaustion) Phase 2 starts when remaining free pool hits /11). - Sets a 2-year wait period for subsequent allocation if a member has already been	The 5th version was discussed with no consensus at AFRINIC-27 in Lagos, and is still under discussion on the rpd mailing list. Route Aggregation Policy 21 April 2017 Provides for issuance of IPv4 prefixes as contiguous bit boundary ranges in order to	IPv4 Soft Landing SD This proposal was a proposed replacement to the current IPv4 Soft Landing policy (CPM 5.4). It was withdrawn by the authors after having merged some of its content into the policy proposal “IPv4 Soft Landing – BIS” that		

TRAINING & CAPACITY BUILDING

AFRINIC plays a leading role in education and capacity building and offers free training courses on Internet Number Resource Management and IPv6 deployment throughout its service region.

Training

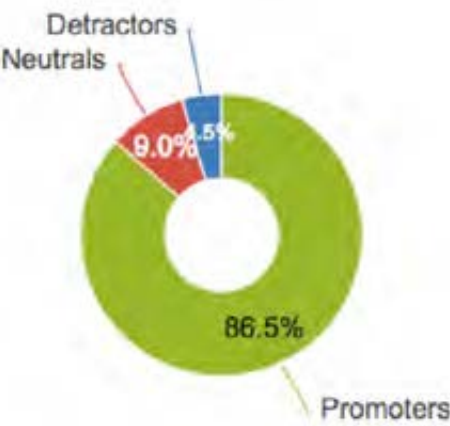
AFRINIC offers a comprehensive training programme and provides free training throughout Africa and the Indian Ocean in French and English on Internet Number Resources Management (INRM), and IPv6 Planning and Deployment. In 2017, the training team visited **19** countries and trained **639** people in **21** workshops. The training courses are highly rated, achieving an average Net Promoter Score of **76**, which is higher than the industry benchmark for an IT training course in 2017.



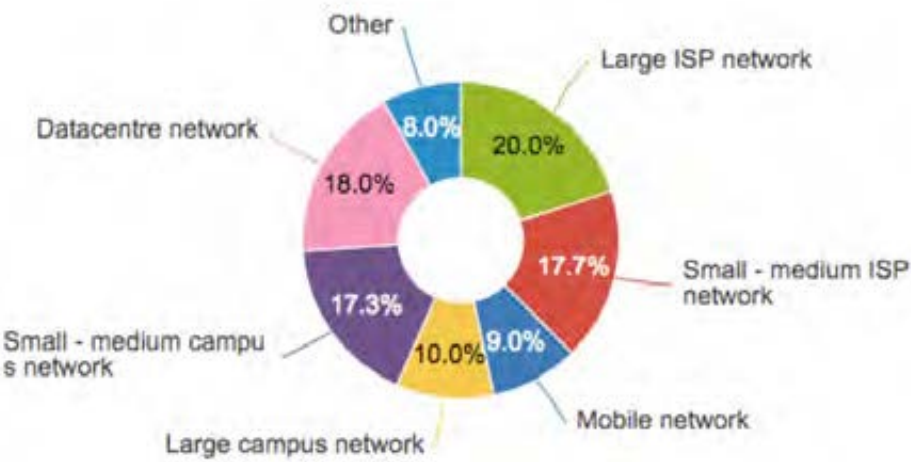
Course Reports

Find out more about AFRINIC's training courses at learn.afrinic.net.
Follow the Training Team's travels and news on Twitter: @afrinictraining

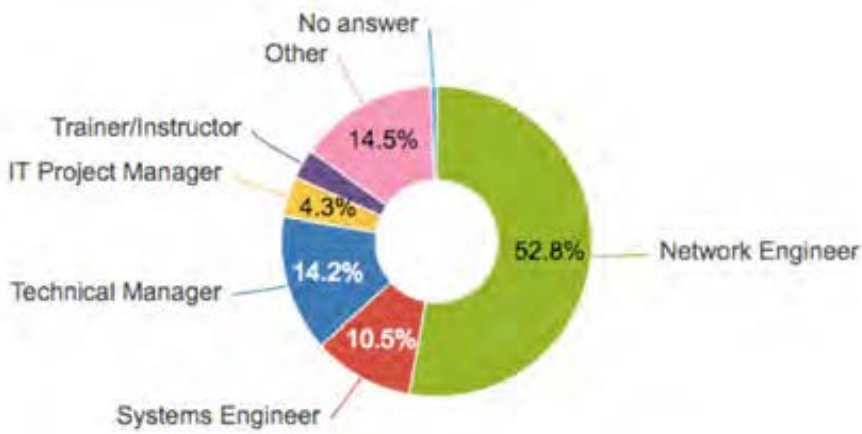
Net Promoter Score



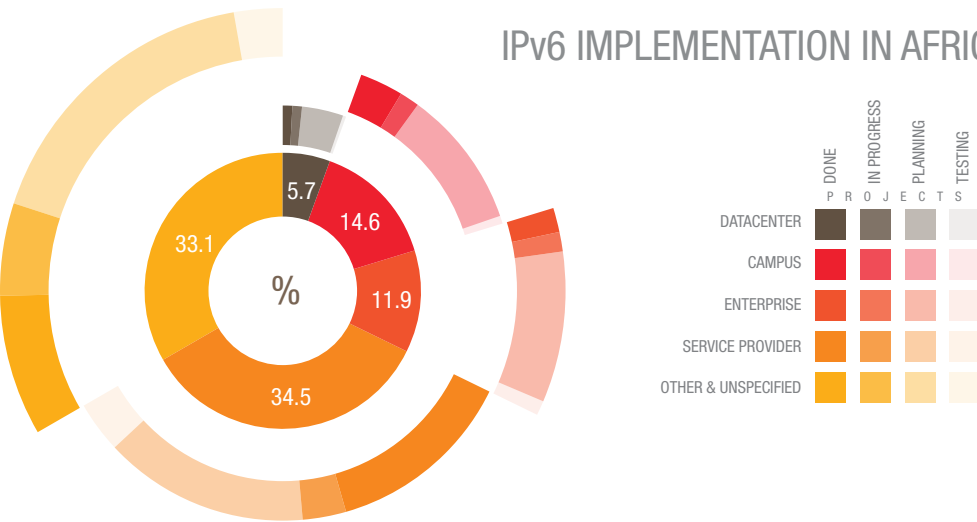
Participants Organisation Profile



Participants Job Profile



IPv6 IMPLEMENTATION IN AFRICA



Throughout 2017, the AFRINIC IT and Engineering department continued to improve internal and external systems and services.

WHOIS Database

The AFRINIC WHOIS database was updated to version 2.3 with bug fixes, feature enhancements and a major code refactor.

These improved features contributed to improving the overall performance of WHOIS database such as:

- Add BCrypt-PW as the password-hashing algorithm.
- Deprecate CRYPT-PW and MD5-PW.
- Auto-generate a `mntner` object for any unprotected new `person` or `role` objects.
- Create an `admin-c` contact for these auto-generated `mntner` objects.
- Generate a `mntner` object for existing unprotected `person` and `role` objects, sending an email to the owner when the email address is specified.
- Warning for unprotected `person`/`role` objects when they are edited.
- A scheduled job to remove orphaned (unreferenced) auto-generated maintainers from the DB every day.
- The mail messages API is now able to handle 7-bit encoded messages.
- Better charset encoding detection when reading objects from the DB and encode in UTF-8 when saving in the DB.

MyAFRNIC Portal Enhancements

The team deployed several changes to our member’s portal, MyAFRINIC. Some of these updates included:

Partial Payments

Any member making a payment by credit card previously could only pay a full invoice amount in a single payment.

The portal now allows for a member to input any partial-payment amount, which is deducted from their account. This gives our membership far more flexibility when settling their bill.

Soft Landing

The internal business logic of the membership portal was updated to reflect the current soft-landing exhaustion phase and all the allocation and assignment policy rules that go along with the IPv4 Soft Landing Policy. (afrinic.net/cpm)

Status Page and Automation

In 2017, we focused on operational automation by automating deployments of our internal applications, including sharing of information on network maintenance and incidents.

The updates to MyAFRINIC and the WHOIS database were deployed almost entirely with the use of standardised automation tools and scripts, vastly reducing the impact and risk compared to past major application updates.

We have also launched the use of a public status page, (status.afrinic.net), that tracks both planned maintenance or deployments as well as any unplanned outages. This is hosted separately from any other AFRINIC infrastructure so as to be available even in the event of a major failure of our primary infrastructure. All updates on this status page are now also automatically pushed out to email lists and a twitter feed.

Staff Tools

The AFRINIC IT team also continued to improve staff’s IT systems internally, including rolling out automated cloud backups for all staff laptops across the organisation.

RPKI “All Resource Trust Anchor”

In collaboration with all the other RIRs, AFRINIC transitioned it’s RPKI Trust Anchor to an “all resource” TA during 2017.

All the background and details of this change is published on the AFRINIC blog (afrinic.net/rpki-fwd), and the [NRO announcement](#)

Event Network Upgrades

Another important infrastructure upgrade in 2017 was the procurement of new and up to date network hardware for our bi-annual meetings.

The wifi network we offer to all attendees at the AIS event and the yearly AFRINIC stand-alone meeting are a critical part of the meeting event. We have now replaced the aging network infrastructure with new modern switches and wifi access points.

DNS Hosted Anycast Expansion

AFRINIC leveraged the expanded use of automated systems deployments to accelerate the expansion of local-IXP-hosted instances of our DNS anycast instances.

AFRINIC hosts a secondary service for a number of African ccTLDs that is an anycast deployment. We also host RFC5585 Nameservers for IPv4 and IPv6 Reverse Zones within a 2nd anycast ASN.

In addition to the primary global “pod” in our own infrastructure, in Johannesburg, South Africa, we are able to host copies of this local to an IXP. Previously we had deployed a couple of these manually, on dedicated hardware.

We’ve now automated this to the point of being able to easily manage a larger number of local installs, and also to have this deployed to Virtual Machines provided by the IXP in some instances.

Prior to 2017, we had a total of 3 locations, our primary and only 2 other local nodes. We are now up to 8 different locations: Our primary (global) install, the previous two, an additional 4 new IXPs in Africa, and an 8th large node hosted by AS49420 in Poland (including the connectivity and dedicated hardware).

List of locations

- AFRINIC, AS33764 (and JINX), Johannesburg, South Africa - global, hosted by AFRINIC.
- CINX, Cape Town, South Africa, hosted by INX-ZA
- DINX, Durban, South African, hosted by INX-ZA
- RINEX, Kigali, Rwanda, hosted by RICTA
- TunIX, Tunis, Tunisia, hosted by ATI
- MGIX, Antananarivo, Madagascar, hosted by MGIX
- TIX, Dar es Salaam, Tanzania, hosted by TIX
- Aplitt, AS49420 (and THINX, TPIX & PLIX), Warsaw, Poland, hosted by Aplitt S.A.

PROJECTS AND RESEARCH

As part of the work of the Research & Innovation Department, AFRINIC offers or contributes to several initiatives for the benefit of the entire community.

Publications

Research and Innovation Team members contributed to the following publications:

Africa Latency Study

- Insight into Africa’s Country-level latencies - IEEE Africon 2017 ([most outstanding paper award](#)).
- [Dissecting the African Internet: An Intra-Continental Study](#) - IEEE Infocom 2018 (A-rated conference with 19% Acceptance rate)

Cloud Computing Project with RIA

This collaborative project with Research ICT Africa and AFRINIC has provided technical input on performance of cloud computing services. This project is currently financed by Microsoft. Read more on the [AFRINIC blog](#).

Internet Measurement Workshops

The team organised the first workshop on Internet measurement research in Africa, with more than 60+ registered attendees at AIS 2017 and the first academic workshop on Internet measurement research in Africa at [AFRICOMM 2017](#)

Presentations and Talks

The R&I team delivered several presentations at the following international conferences:

- AIS 2017
- AFPIF 2017
- AfricaDNS Forum 2017
- SAFNOG-3
- IETF-100
- Internet Freedom Africa
- ICANN-59
- AFRICOMM IMRA 2017
- IEEE Africon 2017

COOPERATION AND DEVELOPMENT

As part of its commitment to capacity building on the continent, AFRINIC plays a leading role in cooperation and development activities.

The FIRE Africa Grants & Awards Programme

A crucial part of AFRINIC’s capacity building and education efforts, the Fund for Internet Research and Education (FIRE Africa) Programme was set up in 2007 to provide financial support to innovative ICT projects that contribute to social and technical development throughout Africa.

FIRE Africa provides funds in the form of Grants and Awards for projects, initiatives, tools and platforms that harness the power of the Internet to empower the local and regional community to solve the region’s unique online communications problems. In 2017, the program was supporting 12 projects with over US\$ 250,000 of funding allocated.

FIRE Award Winners 2017

Three FIRE Award winners received a US\$ 3,000 cash prize, plus a full travel grant for one representative of each project to attend the Seed Alliance Awards ceremony and participate in sessions at the 2017 Internet Governance Forum (IGF).

- African Renewable Energy Distributor
- Maendeleo Foundation
- EduAir

Find out more about the FIRE Africa Program: www.fireafrica.org



Seed Alliance

AFRINIC is part of the Seed Alliance, a multi-stakeholder partnership supporting the allocation of small grants and awards across the global south. Support is channeled through three regional programmes: FIRE Africa (AFRINIC/Africa), FRIDA (LACNIC/Latin America and the Caribbean) and ISIF Asia (APNIC/Asia Pacific). Since 2012, the Seed Alliance programme partners have supported 162 projects from over 60 economies with over US\$ 3.8 million of funding helping to strengthen and promote the information society throughout these regions.



OUTREACH AND INTERNET GOVERNANCE

AFRINIC sends its staff to local, regional and global events to facilitate partnerships and outreach efforts. In 2017, 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.

List of events AFRINIC attended or supported in 2017:

- AFPIF 2017
 - AFRICA DNS FORUM
 - AFRICA IGF
 - AFRICOMM 2017
 - AFRICA IT EXPO
 - APNIC 44
 - APRICOT 2017
 - ARIN39
 - ARIN40
 - CISCO LIVE 2017
 - EACO 2017
 - IAD SUMMIT
 - ICANN58
 - ICANN59*
 - ICANN60
 - IETF 99
 - IETF100
 - IGF2017*
 - IWEEK 2017
 - Malawi IGF
 - Mauritius IGF
 - Namibia IGF*
 - Kenya IGF
- WAIGF*
 - LACNIC28
 - Salon OSIANE 2017*
 - Salon AITEX
 - RIDD by ISOC
 - Transform Africa Summit
 - EACO (East African Communications Organisation)
 - RIGHTSCON
 - ICANN60
 - RIPE74
 - RIPE75
 - SAFNOG-3
 - SdNOG 4*
 - TZNOG*
 - NGNOG*
 - UBUNTU NET 2017
 - ISOC Intercommunity Event
 - Forum on Internet Freedom in Africa
 - IEEE Africon 2017

*Events AFRINIC sponsored in 2017

ASO Review

An independent review of the Addressing Supporting Organization (ASO) was conducted by ITEMS International in 2017 to examine the effectiveness of the ASO within ICANN. The final report was published in August and each RIR is conducting regional consultations to consider the report’s recommendations. A 30-minute session to discuss the ASO review report was held at AFRINIC-27.

IANA Review Committee

As part of the IANA Oversight Transition process, the Internet Number Community’s proposal to the IANA Stewardship Coordination Group (ICG) called for the establishment of an IANA Numbering Services Review Committee. The Review Committee was formed in 2016 and its role is to ensure the Service Level Agreement (SLA) for the IANA Numbering Services is met by the IANA Numbering Services Operator. The Review Committee is composed of qualified representatives from each of the five RIR regions. The NRO NC/ASO AC members elected by the AFRINIC community are automatically appointed to the IANA Numbering Services Review Committee.

The following people were appointed to the Review Committee in 2017.

- Omo Oaiya (community representative, until 31 December 2019).
- Douglas Onyango (community representative, until 31 December 2017).
- Madhvi Gokool (staff representative, until further notice).

IGF 2017, Switzerland

AFRINIC and the other four RIRs organise an information booth at the global IGF evens each year. The 2017 Seed Alliance Award Ceremony took place during the IGF 2017 event, with three FIRE Africa Awardees attending to collect their prize. Engagement with Regional and International Bodies

AFRINIC also actively participated at these events.

- 4th Working Group on Cybercrime: Europol-Interpol Cybercrime Conference
- ICANN-GAC Meetings in South Africa and Abu Dhabi

AfGWG

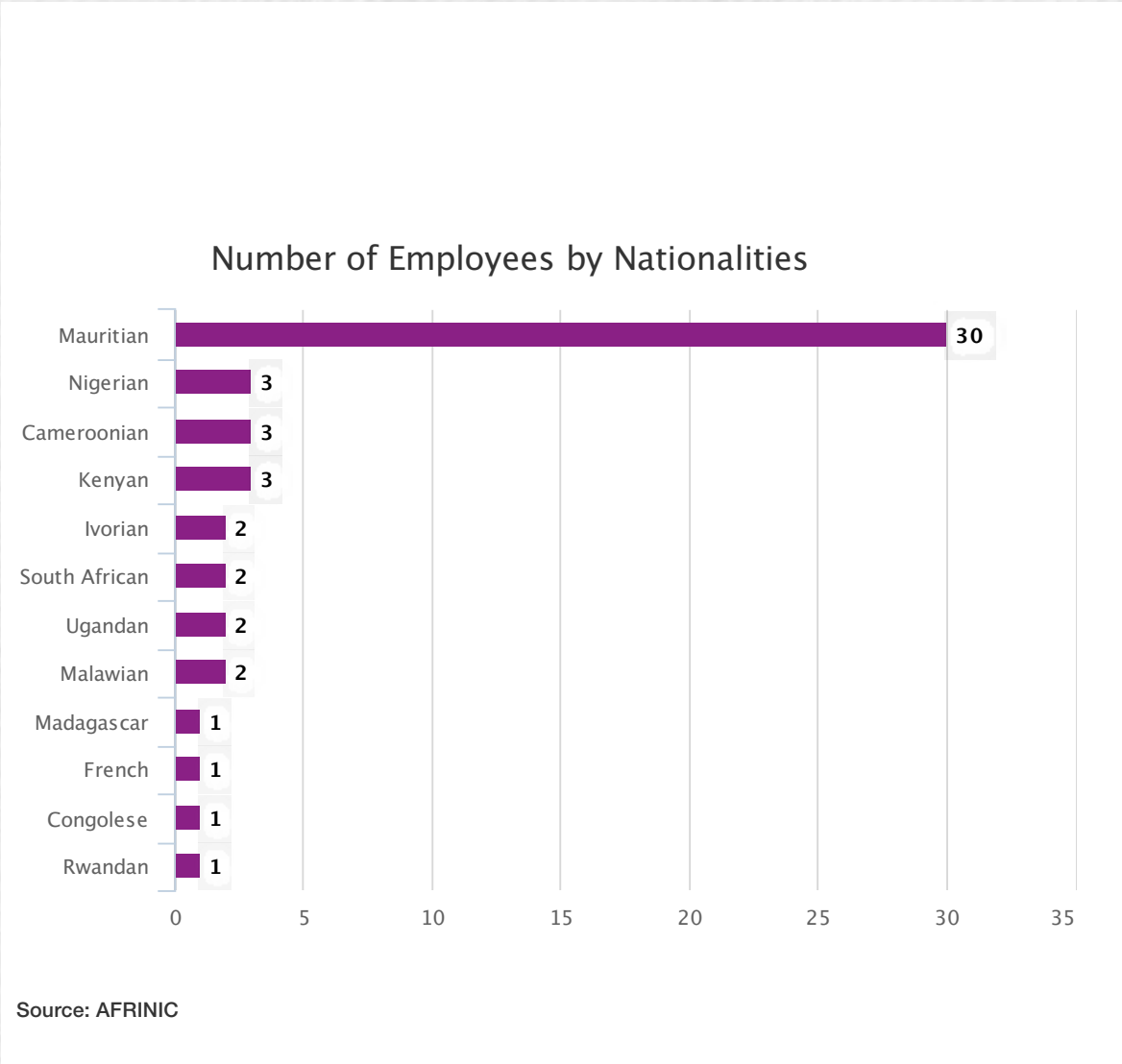
The African Government Working Group (AfGWG) is an initiative that aims to strengthen the collaboration between AFRINIC and African Governments and Regulators to create a dynamic framework to address the general Internet governance challenges faced within the region and specifically those related to Internet number resources. The invite-only AfGWG meetings are held twice a year, usually during AFRINIC’s Public Policy Meetings. In 2017, AfGWG Meetings were held in Kenya in June with 60 delegates from 22 countries attending and in Nigeria in November with 20 delegates from 10 countries in attendance.

Find out more about the AfGWG at: meeting.afrinic.net/afgwg

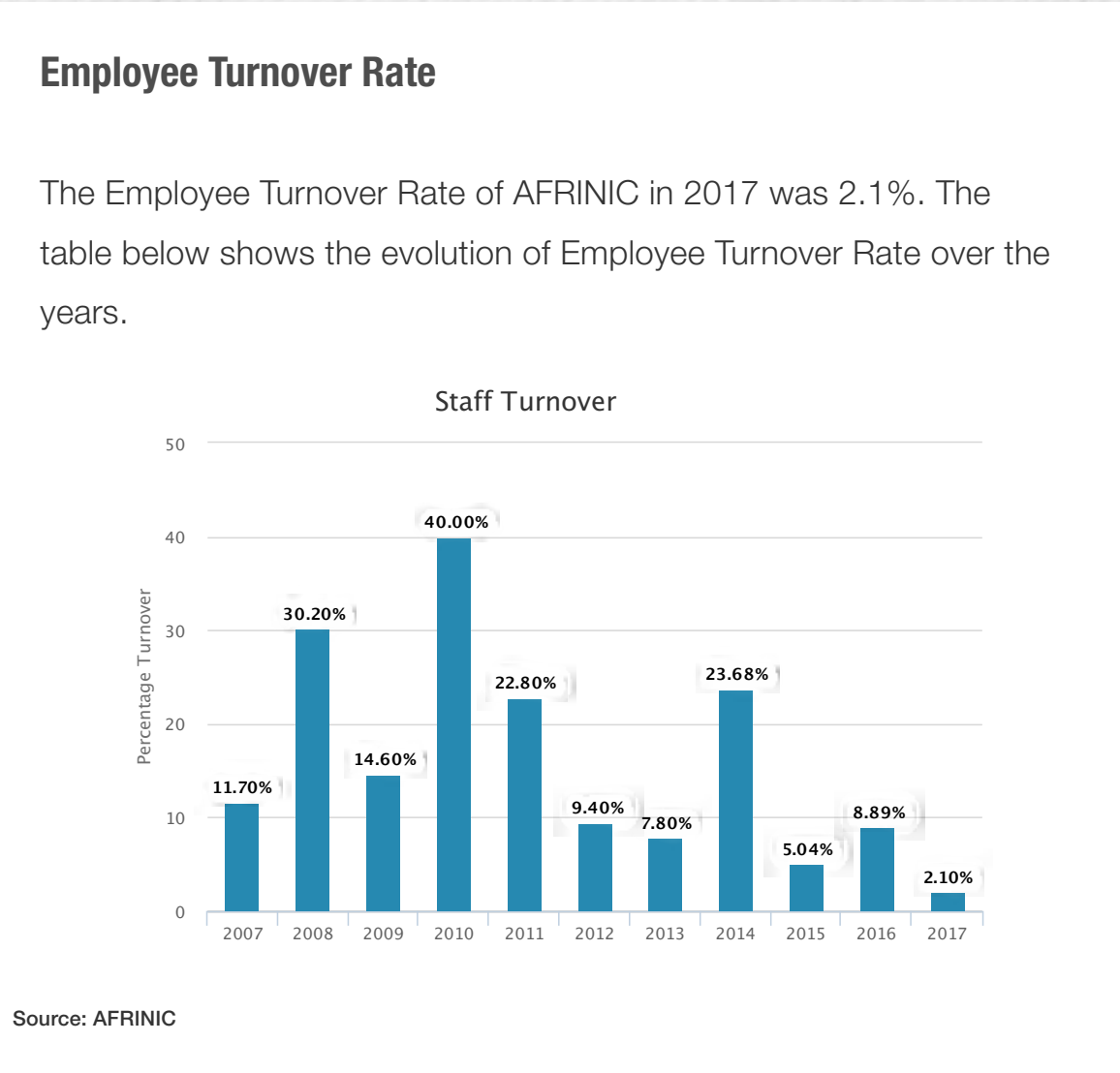
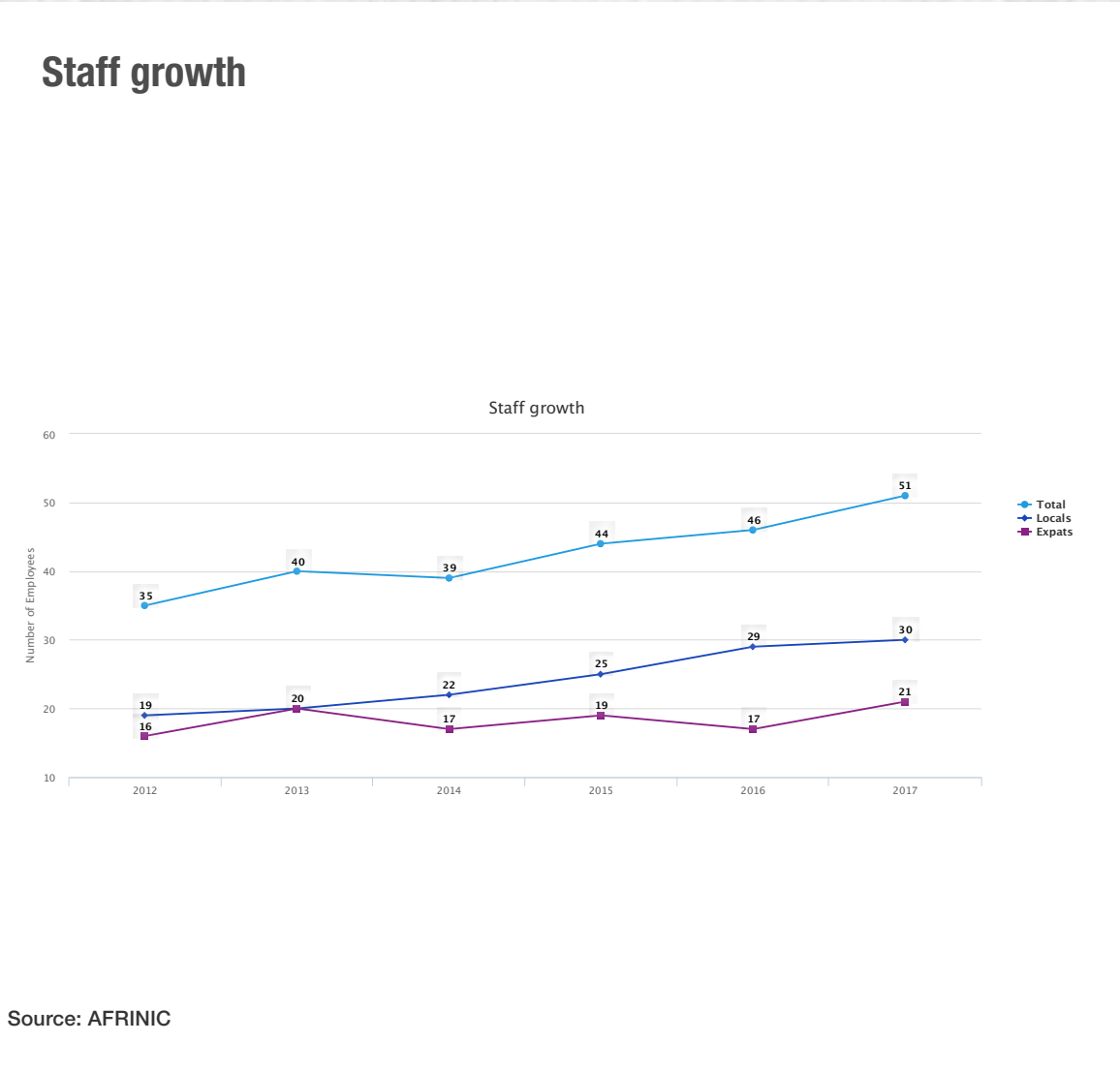
HR OVERVIEW

AFRINIC Staff operates to serve its Members and the African Internet community. Its activities are designed to help the AFRINIC community achieve AFRINIC’s objectives.

AFRINIC has 51 staff in employment from 12 countries. 6 new staff members were hired in 2017.



The Staff is structured in nine departments: CEO’s Office, HR and Administration, Research and Innovation, Finance and Accounting, External Relations, Communication and Public Relations, Member Services, IT and Engineering, and Capacity Building. These divisions encompass all AFRINIC activities, including that of acting as a central source of information for Members.



Job Analysis

Korn Ferry Hay Group was contracted to conduct a Job Analysis exercise for all existing positions at AFRINIC following which recommendations for a new Grading structure and a remuneration framework for AFRINIC was fomulated.

Projects

ISO 9001
AFRINIC successfully passed the Certification Audit to transit to the new version of ISO – ISO 9001 : 2015.

Staff Exchange

In line with employees’ professional development, five staff members went on exchange to the other RIRs at ARIN, RIPE NCC and APNIC and one staff member from APNIC came to AFRINIC premises on exchange. These exchanges contributed to knowledge and experience sharing among the RIRs staff.

Training

All 51 AFRINIC Team members went on training in 2017. Through 17 training courses, AFRINIC staff were trained in leadership skills, Project Management, building community networks, Customer Service and more.



Staff Welfare

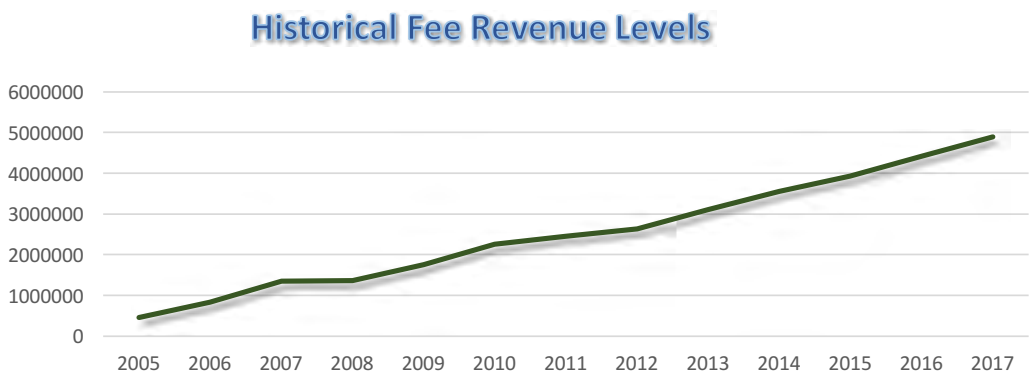
An AFRINIC Health Day was organised in August where staff members benefitted from medical check-ups.
Our Annual Team Building Event was held in October.

2017 FINANCIAL RESULTS

Overview

2017 was yet another good year which closed with a positive operational financial result. Total Revenue for the year crossed the \$5m mark for the first time, recording an increase of 10.6% over 2016. The net surplus for the year of \$839K represents a marginal drop from last period net surplus of \$930K. Closing total cash position continues to improve with an increase of 28.5% to \$ 4,016K (2016: \$ 3,123K).

Historical Fee Revenue Levels



The above chart shows the Fee Income steady growth over the years; with a marked leap of 85.6% over the last five years.

Membership Fees from members remain the primary source of revenue. During the first Quarter of 2017, AFRINIC reached the last /8 in the pool; triggering the Soft landing policy. No direct impact was felt in the financials.

Total Membership fee income grew by 10.5% (2016: 12.4%) from \$ 4,427,239 in 2016 to \$ 4,892,621 in 2017. There was a marked increase of 21% in Allocation and Assignment fees as a direct result of additional new members and additional resources requests approved during the period under review. It is anticipated that requests for additional resources will continue to increase in the light of the Soft Landing stage and the imminent exhaustion of IPv4. Late Payment Penalties amounted to \$ 169K whilst AFRINIC support to Research & Educational Institutions and Critical Infrastructures in the region amounted to \$160K via discounted fees. During the year under review AFRINIC benefited from the generosity of various partners through sponsorships of our events, which contributed to an improvement in sponsorship level to \$191K.

REVENUE

Membership fee income



COSTS

Operating Costs per year



Total operating costs for 2017 grew steadily by 15.7% to USD 4,252K from USD 3,673K in the previous year. Total costs closed lower than expected as most costs were kept below budget. Human Resources costs continue to dominate total operating costs, accounting for 54% of Total costs; but was maintained at the same proportion as the previous two consecutive years. Bank charges saw a higher than anticipated increase due to an increasing number of fee settlements via Credit Card, which carries a higher bank fees compared to wire transfers. The 2017 approved operating costs budgets included a contingency amount of USD 250K which was not utilised. 2017 witnessed a sustained weakening of the US Dollar vis-a-vis the Mauritian Rupee and the impact is reflected in a higher negative Exchange variance; over 85% of all operating costs is Rupee based.

Historical Operating Costs Levels



The Bottom line

A net Surplus of US\$ 839K (2016: \$930K) was recorded for the financial year to 31 December 2017. Consequently, total Reserves reflected a growth of 32.1% (2016: 55.2%), increasing to \$ 3 453K from \$ 2 614K in 2016. The Total Reserves have grown by 269.1% over a period of three years since 2015. The good results have made it possible to further increase the Strategic Cash Reserves by US\$ 500K. The Strategic Cash Reserves now hold US\$ 1 057K in Fixed Deposit. The Liquidity Ratio climbed to 3.1:1 from 2.8:1 in December 2016 and 1.9:1 in December 2015.

DETAILED STATEMENT of OPERATING SURPLUS		
YEAR ENDED 31 DECEMBER 2017		
	Actuals 2017	Budgets 2017
REVENUE	US\$	US\$
Membership Fees	4,311,021	\$4,126,950
Allocation and Assignment Fees	581,600	\$428,050
Sponsorship and other Income	198,370	\$375,000
TOTAL REVENUE	5,090,991	4,930,000
OPERATING COSTS		
HR	2,298,586	\$2,340,000
Telecommunications	39,643	\$55,500
Computer expenses	24,887	\$93,000
Office Expenses	225,988	\$236,000
Motor vehicle expenses	2,255	\$5,500
Insurance	10,659	\$12,000
Printing, postage & stationery	14,791	\$22,000
Bank charges	73,664	\$40,000
Professional Fees	11,315	\$10,000
Depreciation	159,896	\$210,000
Consultancy Fees	93,493	\$95,000
Marketing & Comms expenses	15,822	\$50,000
Bad debts	38,428	\$60,000
Meeting expenses	216,735	\$385,000
Members Training	94,842	\$80,000
Travelling expenses	525,446	\$525,000
Research & Development	-	\$5,000
Outreach Initiatives	39,893	\$101,000
Community Support	247,130	\$262,000
Remote Sites Operations Costs	12,247	\$20,000
	4,145,720	4,607,000
Other Costs	10,886	\$30,000
Exch. Variances & Sundry	95,054	-
CONTINGENCY	-	\$250,000
TOTAL COSTS	4,251,660	4,887,000
OPERATING SURPLUS	839,331	43,000

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2017

	2017	2016
	USD	USD
Income	5,090,991	4,602,912
Distribution expenses	(1,190,543)	(988,022)
Administrative expenses	(2,966,063)	(2,635,997)
Surplus of income over expenditure	934,385	978,893
Finance income	6,319	2,931
Finance costs	(101,373)	(52,114)
Finance Cost - Net	(95,054)	(49,183)
Surplus before taxation	839,331	929,710
Taxation	-	-
Surplus for the year	839,331	929,710
Other comprehensive income	-	-
Total comprehensive income for the year	839,331	929,710

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

	2017	2016
	USD	USD
ASSETS		
Non-current assets		
Plant and equipment	163,883	254,562
Intangible assets	64,769	78,374
	228,652	332,936
Current assets		
Trade and other receivables	714,980	418,094
Cash and cash equivalents	4,015,577	3,123,359
	4,730,557	3,541,453
Total assets	4,959,209	3,874,389
RESERVES AND LIABILITIES		
Reserves		
Revenue reserve	3,452,973	2,613,642
Net assets attributable to members	3,452,973	2,613,642
Non current liabilities		
Deferred income	1,600	2,350
	1,600	2,350
Current liabilities		
Finance lease obligation	-	7,997
Trade and other payables	1,503,886	1,249,450
Deferred income	750	950
	1,504,636	1,258,397
Total liabilities	1,506,236	1,260,747
Total reserves and liabilities	4,959,209	3,874,389

The financial report and audited accounts for 2017 can be found here: afrinic.net/finance

The report is reprinted on the following pages.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2017

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

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	Notes	2017 USD	2016 USD
ASSETS			
Non-current assets			
Plant and equipment	4	163,883	254,562
Intangible assets	5	64,769	78,374
		<u>228,652</u>	<u>332,936</u>
Current assets			
Trade and other receivables	6	714,980	418,094
Cash and cash equivalents	7	4,015,577	3,123,359
		<u>4,730,557</u>	<u>3,541,453</u>
Total assets		<u>4,959,209</u>	<u>3,874,389</u>
RESERVES AND LIABILITIES			
Reserves			
Revenue reserve	8	3,452,973	2,613,642
Net assets attributable to members		<u>3,452,973</u>	<u>2,613,642</u>
Non current liabilities			
Deferred income	12	1,600	2,350
		<u>1,600</u>	<u>2,350</u>
Current liabilities			
Finance lease obligation	9	-	7,997
Trade and other payables	10	1,503,886	1,249,450
Deferred income	12	750	950
		<u>1,504,636</u>	<u>1,258,397</u>
Total liabilities		<u>1,506,236</u>	<u>1,260,747</u>
Total reserves and liabilities		<u>4,959,209</u>	<u>3,874,389</u>

These financial statements have been approved by the board of directors on 10 APR 2018

Name of directors

Signature

(1) ABIBU R. NTAHIGYE

[Signature]

(2) Alan BARRETT

[Signature]

The notes on pages 12 to 31 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

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	Notes	2017 USD	2016 USD
Income	11	5,090,991	4,602,912
Distribution expenses		(1,190,543)	(988,022)
Administrative expenses		(2,966,063)	(2,635,997)
Surplus of income over expenditure	13	934,385	978,893
Finance income	14	6,319	2,931
Finance costs	14	(101,373)	(52,114)
Finance Cost - Net		(95,054)	(49,183)
Surplus before taxation		839,331	929,710
Taxation	15	-	-
Surplus for the year		839,331	929,710
Other comprehensive income		-	-
Total comprehensive income for the year		839,331	929,710

The notes on pages 12 to 31 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

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	Revenue reserve USD	Total USD
At January 1, 2016	1,683,932	1,683,932
Surplus for the year	929,710	929,710
At December 31, 2016	2,613,642	2,613,642
At January 1, 2017	2,613,642	2,613,642
Surplus for the year	839,331	839,331
At December 31, 2017	3,452,973	3,452,973

The notes on pages 12 to 31 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

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	Notes	2017 USD	2016 USD
Cash flows from operating activities			
Surplus for the year		839,331	929,710
Adjustments for:			
Depreciation	4	146,290	158,657
Amortisation	5	13,605	19,111
Impairment loss and write-off on trade receivables	6	38,424	39,199
Interest payable		416	1,421
Unrealised foreign exchange gain / loss	14	95,382	(50,693)
Other non cash items		-	11,494
Profit on disposal of fixed assets		(1,611)	-
Interest receivable		(6,319)	(1,271)
		<u>1,125,518</u>	<u>1,107,628</u>
Changes in:			
Decrease in trade and other receivables		(335,313)	27,952
Increase in trade and other payables		219,675	(61,651)
Decrease in deferred income		(950)	(3,175)
		<u>1,008,930</u>	<u>1,070,754</u>
Interest received		6,319	1,271
Interest paid		(416)	(1,421)
Net cash from operating activities		<u>1,014,833</u>	<u>1,070,604</u>
Cash flows from investing activities			
Purchase of plant and equipment	4	(57,456)	(28,673)
Proceeds from disposal of fixed assets	4	3,456	-
Net cash used in investing activities		<u>(54,000)</u>	<u>(28,673)</u>
Cash flows from financing activities			
Payment of finance lease liabilities	9	(7,997)	(8,841)
Net cash used in financing activities		<u>(7,997)</u>	<u>(8,841)</u>
Net movement in cash and cash equivalents		<u>952,836</u>	<u>1,033,090</u>
Effects of exchange rate changes		(60,618)	-
Cash and cash equivalent as at January 01.		<u>3,123,359</u>	<u>2,090,269</u>
Cash and cash equivalent as at December 31,	7	<u><u>4,015,577</u></u>	<u><u>3,123,359</u></u>

The notes on pages 12 to 31 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

12

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, Cybercity, Ebene, 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, 2017 were authorised for issue in accordance with a resolution of the directors on 11.04.2018.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Functional and presentational currency

The financial statements are presented in United States dollars ("USD"), which is the Company's functional currency. All financial information presented in United States dollars has been rounded to the nearest USD, unless otherwise stated. The average exchange rate for USD to MUR as at December, 31 2017 as provided by the State Bank of Mauritius is MUR 33.765 (2016: MUR 36.404).

(d) 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.

2. BASIS OF PREPARATION (CONTINUED)

(d) Critical accounting estimates and judgements (continued)

Estimation and assumptions (continued)

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

(ii) Impairment of trade and other receivables

In preparing these 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. Those receivables that are impaired are immediately written off. The estimation of recoverable amounts involves an assessment of the financial condition of the receivable concerned and an estimate of the timing and the extent of cash flows likely to be received by the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Revenue

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.

Revenue from services is recognised upon provision of services and customer acceptance, net of Value Added Taxes. Some services span over more than one year. The consideration received is then deferred over the duration of the contract.

(b) Finance income and finance costs

The Company's finance income and finance costs include:

- interest payment on leases. Interest expense is recognised using the effective interest method;
- interest income on deposits. Interest income is recognised using the effective interest method; and
- the foreign currency gain or loss on financial assets and financial liabilities reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(c) Foreign currency transactions

Transactions in foreign currencies are translated to the US\$ at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate prevailing when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency differences are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Employee benefits

Defined contribution plan

Obligations for contributions to defined contribution plans are expensed to profit or loss as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

State pension plan

Contributions to the National Pension Fund are expensed in profit or loss.

(e) Income tax

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

(f) Plant and equipment

(i) Recognition and measurement

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(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

(h) Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Company becomes party to the contractual provisions of the financial instruments. Except where stated separately, the carrying amounts of the Company's financial instruments approximate their fair values. The classification of financial instruments depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

Financial assets in the scope of IAS 39 are classified into the following category: loans and receivables. The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company classifies non-derivative financial liabilities into the other financial liabilities category.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(ii) Non-derivative financial assets – measurement

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequently to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks that are highly liquid (with original maturities of three months or less).

(iii) Non-derivative financial liabilities – Measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

(i) Impairment

(i) Non-derivative financial assets

Financial assets not classified as fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

(ii) Financial assets measured at amortised cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (Continued)

(fi) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased asset

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(k) New standards, amendments and interpretations adopted

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 01 January 2017 that would be expected to have a material impact on the Company's financial statements.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New standards, amendments and interpretations not yet effective

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the Company's financial statements, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

Impact

The Company has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018.

The majority of the Company's financial assets and liabilities are currently classified at amortised costs and hence there will be no change to the accounting for these assets.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Company expects a small increase in the loss allowance for trade debtors by approximately 15%.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The company has assessed the impact of IFRS 15, as disclosed below.

Impact

Management has assessed the effects of applying the new standard on the company's financial statements. Revenue from services is recognised upon provision of services and customer acceptance, net of Value Added Taxes. Some services span over more than one year. The consideration received is then deferred over the duration of the contract. As such, there is no change in the way the company recognises revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) New standards, amendments and interpretations not yet effective (continued)

IFRS 16, 'Leases' will replace the current IAS 17 standard on leases. The effective date is 01 January 2019. The new standard requires that for lessees all leases, regardless of whether they are operating or financial in nature, will be on the statement of financial position and accounted for as "financial leases". There are some exemptions which could be applied and these relate to leases of 12 months or less (short-term leases), and leases of low-value assets. For such leases, the lease costs will be accounted for in the same way as operating leases are accounted for today. IFRS 16 will significantly change the way lessees account for leases, however lessor accounting remains largely the same and the classification as a finance lease or operating lease is still a consideration. This means that straight-lining of operating leases will remain for lessors. The Company has not yet assessed the impact of IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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4. PLANT AND EQUIPMENT

	Computer Equipment	Motor Vehicles	Office Equipment	Fixtures & Fittings	Building Improvements	Total
	USD	USD	USD	USD	USD	USD
COST						
At January 1, 2016	706,162	63,882	77,155	57,944	274,482	1,179,625
Additions	24,273	-	4,400	-	-	28,673
At December 31, 2016	730,435	63,882	81,555	57,944	274,482	1,208,298
Additions	44,534	-	9,046	3,876	-	57,456
Disposals	(24,708)	-	-	(2,573)	-	(27,281)
At December 31, 2017	750,261	63,882	90,601	59,247	274,482	1,238,473
DEPRECIATION						
At January 1, 2016	482,480	46,846	70,773	34,441	160,539	795,079
Charge for the year	113,202	8,518	4,477	5,139	27,321	158,657
At December 31, 2016	595,682	55,364	75,250	39,580	187,860	953,736
Charge for the year	101,545	8,518	3,815	5,091	27,321	146,290
Disposal adjustment	(22,999)	-	-	(2,437)	-	(25,436)
At December 31, 2017	674,228	63,882	79,065	42,234	215,181	1,074,590
CARRYING AMOUNTS						
At December 31, 2017	76,033	-	11,536	17,013	59,301	163,883
At December 31, 2016	134,753	8,518	6,305	18,364	86,622	254,562

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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4. PLANT AND EQUIPMENT (CONTINUED)

Finance leases

Included under plant and equipment is the following carrying amount of motor vehicle held under finance lease:

	2017 USD	2016 USD
Cost	63,882	63,882
Accumulated depreciation	(63,882)	(55,364)
Carrying amount	-	8,518

5. INTANGIBLE ASSETS

	Computer Software USD
COST	
At January 1, 2016	167,404
Additions	-
At December 31, 2016	167,404
Additions	-
At December 31, 2017	167,404
AMORTISATION	
At January 1, 2016	69,919
Charge for the year	19,111
At December 31, 2016	89,030
Charge for the year	13,605
At December 31, 2017	102,635
CARRYING AMOUNTS	
At December 31, 2017	64,769
At December 31, 2016	78,374

6. TRADE AND OTHER RECEIVABLES

	2017	2016
	USD	USD
Trade receivables	325,920	252,231
Other receivables		
- Vat	28,762	20,688
- Prepayments and deposits	68,663	80,810
- Receivable from other RIRs	204,787	-
- Others	86,848	64,365
	<u>714,980</u>	<u>418,094</u>

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

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

The ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	< 30 days	Past due but not impaired	> 90 days
	USD	USD	USD	USD	USD
2017	325,920	30	310	3,100	322,480
2016	252,231	2,740	500	1,400	244,161

At 31 December 2017, trade receivables amounting to USD 38,424 (2016 : USD 39,199), were impaired and written off during the year.

7. CASH AND CASH EQUIVALENTS

	2017	2016
	USD	USD
Cash at bank	4,008,145	3,116,088
Cash in hand	7,432	7,271
Cash and cash equivalent	<u>4,015,577</u>	<u>3,123,359</u>

7. CASH AND CASH EQUIVALENTS (CONTINUE)

The Company maintains a number of bank accounts to manage its daily operations. The balance of USD 4,015,577 consists of the following balances:

	2017	2016
Own Cash Holdings	2,871,037	2,089,123
Fees received in advance	1,108,155	839,589
Cash Held - Project/Other		
FIRE	36,220	184,171
ICANN	-	6,329
AFTLD	165	4,147
	<u>4,015,577</u>	<u>3,123,359</u>

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 2017, the Strategic Cash Reserves consists of a total of USD 1,056,860 (2016: USD 551,271) which is held in fixed deposits accounts bearing an interest rate of 2% per annum with a maturity of twelve months from December 2017. The fixed deposits balances are included in Own Cash Holdings.

Cash for FIRE represent funding received from IDRC, ISOC and Google earmarked for FIRE initiatives. ICANN and AFTLD cash represents funds received to arrange logistics on their behalf.

8. 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."

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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9. 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.

	2017	2016
	USD	USD
Not later than 1 year	-	8,409
Later than 1 year and within 5 years	-	-
Total minimum lease payments	-	8,409
Less amounts representing finance charges	-	(412)
Present value of minimum lease payments	-	7,997

The present value of finance lease liabilities is analysed as follows:

	Interest rate	Maturity	2017	2016
			USD	USD
Within one year	11.1% p.a	2016	-	7,997
After one year but not more than five years	11.1% p.a	2016-2017	-	-
			-	7,997

Leased liabilities is effectively secured as the rights to the leased assets reverts to the lessor in the event of default.

10. TRADE AND OTHER PAYABLES

	2017	2016
	USD	USD
Trade payables	47,859	82,281
Other payables	347,872	327,580
Advance receipts from members	1,108,155	839,589
	1,503,886	1,249,450

Trade Payables represent amount owed to trade creditors as well as supplier of goods & 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.
- Advance receipts from members represent membership fees for 2018 received in 2017.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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11. INCOME

	2017	2016
	USD	USD
<i>Membership fees</i>		
Membership renewal fees	4,311,021	3,946,739
Allocation or assignment fees	581,600	480,500
	4,892,621	4,427,239
Sponsorship for Afrinic events	191,423	170,410
Other income	6,947	5,263
	5,090,991	4,602,912
<i>Note on discounts</i>		
	2017	2016
	USD	USD
Early settlement	33,502	30,448
Educational & critical Infrastructure	126,701	148,188
	160,203	178,636

12. DEFERRED INCOME

	2017	2016
	USD	USD
Members fees in advance	2,350	3,300
Analysed as follows:		
Current liabilities	750	950
Non-current liabilities	1,600	2,350
	2,350	3,300

Deferred Income represents fees received in one period relating to future membership years. These are mostly for End Sites members

13. SURPLUS OF INCOME OVER EXPENDITURE

	2017	2016
	USD	USD
The surplus is arrived at after charging:		
Depreciation on property, plant and equipment	146,290	158,657
Amortisation of intangible assets	13,605	19,111
Meeting expenses	216,735	279,223
Office expenses	225,988	231,029
Travelling expenses	525,446	414,386
Staff cost	2,093,317	1,858,827
Staff cost is analysed as follows:		
Salaries	1,569,750	1,372,440
Social security costs and other benefits	523,567	486,387

Meeting expenses covers the cost of the Afrinic meetings.

Office Expenses include rent for office premises amounting to USD 149,666 (2016 : USD 140,423).

Social Security Costs & other benefits exclude staff Training, Recruitment Expenses & Staff Welfare.

14. FINANCE INCOME AND COST

	2017	2016
	USD	USD
Finance income		
Bank interest receivable	6,319	1,271
Realised / Unrealised gain on exchange	-	1,660
	<u>6,319</u>	<u>2,931</u>
Finance cost		
Unrealised loss on exchange	(95,382)	(50,693)
Realised loss on exchange	(5,575)	-
Finance charges payable under finance lease	(416)	(1,421)
	<u>(101,373)</u>	<u>(52,114)</u>
Net finance costs	<u>(95,054)</u>	<u>(49,183)</u>

15. 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.

16. RELATED PARTY DISCLOSURES

(a) Transaction with members.

	2017	2016
	USD	USD
Membership fees	<u>4,892,621</u>	<u>4,427,239</u>

(b) Transactions of key management personnel (CEO) of the Company:

	2017	2016
	USD	USD
Short term employee benefit	<u>160,827</u>	<u>164,727</u>

17. 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 cash and cash equivalents, trade receivables and other receivables, and trade and other payables approximate their carrying values as stated in the statement of financial position.

	Carrying value		Fair value	
	2017	2016	2017	2016
	USD	USD	USD	USD
Financial assets:-				
Cash and cash equivalents	4,015,577	3,123,359	4,015,577	3,123,359
Trade and other receivables	617,555	316,596	617,555	316,596
	<u>4,633,132</u>	<u>3,439,955</u>	<u>4,633,132</u>	<u>3,439,955</u>
	Carrying value		Fair value	
	2017	2016	2017	2016
	USD	USD	USD	USD
Financial liabilities:-				
Finance lease obligation	-	7,997	-	7,997
Trade and other payables	395,731	409,861	395,731	409,861
	<u>395,731</u>	<u>417,858</u>	<u>395,731</u>	<u>417,858</u>

Advance receipts from members are excluded from Trade and other payables as not considered financial liabilities.

Vat and prepayments have been excluded from trade and other receivables

Fair value of instruments

- Disclosure of fair value measurements by level of the following fair value measurement hierarchy
- Quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

Trade and other receivables, finance lease obligation and trade and other payables are classified within level 2 whereas cash and cash equivalents are classified within level 1 of the fair value hierarchy.

Fair value of instruments

At 31 December 2017, if the USD had strengthened/weakened by 1% against the MUR with all other variables held constant, surplus for the year would have been higher/lower by USD 3,784 (2016 : surplus will be higher/lower by USD 3,655 mainly as a result of foreign exchange differences on translation of MUR denominated bank balances, net of MUR denominated trade and other payables and net of MUR denominated trade and other receivables.

Deferred income of USD 2,350 (2016: USD 3,300) and advance receipts from members of USD 1,108,155 (2016 : USD 839,589) have been excluded from financial liabilities.

**AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
ANNUAL REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2017

1.

The directors are pleased to present the annual report and audited financial statements of AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) Limited (the "Company") for the year ended 31 December 2017.

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 organization.

Results

The results for the year are shown on page 8 to 31.

Office bearers and resignations

Directors holding office at 31 December 2017 are listed below:

- Sunday FOLAYAN
- Krishna SEEBURN (resigned on 1st June 2017)
- Subramanian MOONESAMY (appointed on 1st June 2017)
- Christian Domilongo BOPE
- Andrew ALSTON (resigned on 1st June 2017)
- Serge Kabwika ILUNGA (appointed on 1st June 2017)
- Ojedeji OLUWASEUN
- Haitham Z EI NAKHAL
- Alan Peter BARRETT
- Lucky MASILELA
- Abibu NTAHIGIYE

Statement of directors' responsibility in respect of the financial statements

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2017, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritius Companies Act 2001. The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

The Company's principal financial liabilities comprise trade and other payables and finance lease obligation. 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

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.

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

	Less than 3 months	Contractual cash flows		Total
	USD	3 to 12 months	More than 1 year	USD
December 31, 2017				
Non-derivative financial liabilities				
Finance lease obligation	-	-	-	-
Trade and other payables	387,995	7,736	-	395,731
	<u>387,995</u>	<u>7,736</u>	<u>-</u>	<u>395,731</u>
December 31, 2016				
Non-derivative financial liabilities				
Finance lease obligation	2,322	6,087	-	8,409
Trade and other payables	408,248	1,613	-	409,861
	<u>410,570</u>	<u>7,700</u>	<u>-</u>	<u>418,270</u>

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Management (Continued)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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").

Financial assets	Trade and other receivables	Cash and cash equivalent	Total
	2017	2017	2017
	USD	USD	USD
MUR	-	25,328	25,328
USD	617,555	3,990,250	4,607,805
	<u>617,555</u>	<u>4,015,578</u>	<u>4,633,133</u>

Financial assets	Trade and other receivables	Cash and cash equivalent	Total
	2016	2016	2016
	USD	USD	USD
MUR	-	52,309	52,309
USD	316,596	3,071,050	3,387,646
	<u>316,596</u>	<u>3,123,359</u>	<u>3,439,955</u>

Financial liabilities	Trade and other payables	Finance lease obligations	Total
	2017	2017	2017
	USD	USD	USD

MUR	<u>395,731</u>	<u>-</u>	<u>395,731</u>
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	Trade and other payables	Finance lease obligations	Total
	2016	2016	2016
	USD	USD	USD
MUR	<u>409,861</u>	<u>7,997</u>	<u>417,858</u>

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Risk Management (Continued)

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.

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, 2017. The Company manages the following as its capital:

	2017	2016
	USD	USD
Reserve revenue	<u>3,452,973</u>	<u>2,613,642</u>
Finance lease obligation	<u>-</u>	<u>7,997</u>
Gearing ratio	<u>0%</u>	<u>0.3%</u>

19. CONTINGENT LIABILITIES

(a) As at 31 December 2017, 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:

	2017		2016	
	USD	MUR	USD	MUR
Bank guarantee	296	10,000	275	10,000

(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.

Remuneration and benefits

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

	2017	2016
	USD	USD
▪ Executive Director	160,827	164,727

Community Support and Engagement

During 2017, AFRINIC provided support to related regional and global organisations and community members amounting to USD 247,130 (2016: USD138,230).

Auditors

Messrs PricewaterhouseCoopers were appointed as the auditors of the Company for the year. The directors approved the following as payable for services rendered during the year:

	2017	2016
	USD	USD
Audit	10,300	8,820
	10,300	8,820

By order of the Board



Director

Date: 10 APR 2018



Director

Date: 10 APR 2018

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD

CERTIFICATE FROM THE COMPANY SECRETARY

3.

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, 2017.



Company Secretary

EXECUTIVE SERVICES LTD

Date: 18 APR 2018



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of African Network Information Centre (AfriNIC) Ltd (the "Company") as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Mauritian Companies Act 2001.

What we have audited

The financial statements of African Network Information Centre (AfriNIC) Ltd set out on pages 8 to 31 comprise:

- the statement of financial position as at 31 December 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Business Registration Number : F07000530

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the annual report and the 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 identified above 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 on the other information, 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.

Responsibilities of the Directors 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 Mauritian 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.

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.

The directors are responsible for overseeing the financial reporting process.



Independent Auditor's Report

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

Report on the Audit of the Financial Statements (Continued)

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 judgement and maintain professional scepticism 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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.
- 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.



Independent Auditor's Report

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

Report on the Audit of the Financial Statements (Continued)

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

We communicate with the directors 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

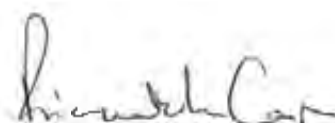
Mauritian Companies Act 2001

The Mauritian Companies Act 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

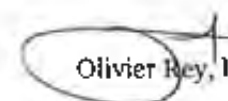
- (a) we have no relationship with or interests in the Company other than in our capacity as auditor;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

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 Mauritian 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.


PricewaterhouseCoopers

18 April 2018


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