

AFRICAN NETWORK INFORMATION CENTRE (AfrINIC) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2015

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
INDEX

| | Page |
|-----------------------------------|-------------|
| ANNUAL REPORT | 1-2 |
| SECRETARY'S CERTIFICATE | 3 |
| INDEPENDENT AUDITORS' REPORT | 4 - 5 |
| STATEMENT OF FINANCIAL POSITION | 6 |
| STATEMENT OF COMPREHENSIVE INCOME | 7 |
| STATEMENT OF CHANGES IN EQUITY | 8 |
| STATEMENT OF CASH FLOWS | 9 |
| NOTES TO THE FINANCIAL STATEMENTS | 10 - 27 |

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

FOR THE YEAR ENDED DECEMBER 31, 2015

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 2015.

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 6 to 27.

Office bearers and resignations

Directors holding office at 31 December 2015 are listed below:

- Sunday FOLAYAN
- Abibu Rashid NTAHIGIYE
- Krishna SEEBURN
- Christian D BOPE
- Vivegananda T PADAYATCHY (resigned on 19th February 2016)
- Andrew ALSTON
- Amina A GARBA
- Haitham Z El NAKHAL
- Alan Peter BARRETT
- Lucky MASILELA

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 2015, 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.

The directors have made an assessment of the Company’s ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

Remuneration and benefits

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

| | 2015 | 2014 |
|-----------------------|--------|---------|
| | USD | USD |
| ▪ Executive Directors | 74,492 | 207,949 |
| | ===== | ===== |

Community Support and Engagement

During 2015, AFRINIC provided support to related regional and global organisations and community members amounting to USD 99,575 (2014: USD118,573).

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:


| | 2015 | 2014 |
|-------|--------|--------|
| | USD | USD |
| Audit | 10,000 | 10,000 |
| | ----- | ----- |
| | 10,000 | 10,000 |
| | ===== | ===== |

By order of the Board



Director

Date: 09 JUN 2016



Director

Date: 09 JUN 2016

Afrinic Network Information Centre (AfrinIC) Ltd**Secretary's certificate under Section 166(d) of the Mauritius Companies Act 2001**
for the year ended 31 December 2015

In accordance with section 166 (d) of the Mauritius Companies Act 2001, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001.


.....

For and on behalf of
Company secretary

Date: **09 JUN 2016**



Independent Auditor's Report

To the Members of African Network Information Centre (AfrinIC) Ltd

Report on the Financial Statements

We have audited the financial statements of African Network Information Centre (AfrinIC) Ltd (the "Company") on pages 6 to 27 which comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the 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.

Auditor's Responsibility

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

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

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

PricewaterhouseCoopers, 18 CyberCity, Ebène, Réduit 72201, Republic of Mauritius
T: +230 404 5000, F: +230 404 5088/89, www.pwc.com/mu
Business Registration Number : F07000530



Independent Auditor's Report

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

Report on the Financial Statements (Continued)

Opinion

In our opinion, the financial statements on pages 6 to 27 give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements


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


Olivier Rey, licensed by FRC

9 June 2016

AFRICAN NETWORK INFORMATION CENTRE (AfriNIC) LTD
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

6

| | Notes | 2015 USD | 2014 USD |
|---|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Plant and equipment | 4 | 384,546 | 527,326 |
| Intangible assets | 5 | 97,485 | 96,700 |
| | | <u>482,031</u> | <u>624,026</u> |
| Current assets | | | |
| Trade and other receivables | 6 | 446,046 | 502,498 |
| Cash and cash equivalents | 7 | 2,090,269 | 1,025,147 |
| | | <u>2,536,315</u> | <u>1,527,645</u> |
| Total assets | | <u><u>3,018,346</u></u> | <u><u>2,151,671</u></u> |
| RESERVES AND LIABILITIES | | | |
| Reserves | | | |
| Revenue reserve | 8 | 1,683,932 | 1,281,687 |
| Net assets attributable to members | | <u>1,683,932</u> | <u>1,281,687</u> |
| Non current liabilities | | | |
| Finance lease obligation | 9 | 8,078 | 20,634 |
| Deferred income | 12 | 3,300 | 6,475 |
| | | <u>11,378</u> | <u>27,109</u> |
| Current liabilities | | | |
| Finance lease obligation | 9 | 8,760 | 9,050 |
| Trade and other payables | 10 | 1,311,101 | 811,725 |
| Deferred income | 12 | 3,175 | 22,100 |
| | | <u>1,323,036</u> | <u>842,875</u> |
| Total liabilities | | <u>1,334,414</u> | <u>869,984</u> |
| Total reserves and liabilities | | <u><u>3,018,346</u></u> | <u><u>2,151,671</u></u> |

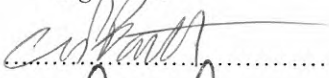

These financial statements have been approved by the board of directors on 09 JUN 2016

Name of directors

(1) ALAN BARRETT

(2) SUNDAY FOLAYAN

Signature


.....

.....

The notes on pages 9 to 27 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

7

| | Notes | 2015 | 2014 |
|---|-------|-----------------|---------------|
| | | USD | USD |
| Income | 11 | 4,084,709 | 3,904,034 |
| Distribution expenses | | (923,832) | (1,081,180) |
| Administrative expenses | | (2,697,292) | (2,802,869) |
| Surplus/(deficit) of income over expenditure | 13 | 463,585 | 19,985 |
| Finance income | 14 | 28,701 | 83,979 |
| Finance costs | 14 | (90,041) | (53,199) |
| Finance (Cost)/Income - Net | | (61,340) | 30,780 |
| Surplus before taxation | | 402,245 | 50,765 |
| Taxation | 15 | - | - |
| Surplus for the year | | 402,245 | 50,765 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 402,245 | 50,765 |

The notes on pages 9 to 27 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, 2015

8

| | <u>Revenue reserve</u> | <u>Other reserve</u> | <u>Total</u> |
|-----------------------------|----------------------------|--------------------------|------------------|
| | USD | USD | USD |
| At January 1, 2014 | (85,337) | 1,316,259 | 1,230,922 |
| Surplus for the year | 50,765 | | 50,765 |
| Movement in Reserve | 1,316,259 | (1,316,259) | - |
| At December 31, 2014 | 1,281,687 | - | 1,281,687 |
| At January 1, 2015 | 1,281,687 | - | 1,281,687 |
| Surplus for the year | 402,245 | - | 402,245 |
| At December 31, 2015 | 1,683,932 | - | 1,683,932 |

The notes on pages 9 to 27 form an integral part of these financial statements.

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2015

9

| | Notes | 2015 USD | 2014 USD |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Surplus for the year | | 402,245 | 50,765 |
| Adjustments for: | | | |
| Depreciation | 4 | 161,287 | 185,665 |
| Amortisation | 5 | 19,111 | - |
| Impairment loss and write-off on trade receivables | | 26,098 | 92,963 |
| Interest payable | | 2,454 | 1,119 |
| Unrealised foreign exchange gain / loss | 14 | (24,620) | (78,397) |
| Interest receivable | | (4,081) | (5,582) |
| | | <u>582,494</u> | <u>246,533</u> |
| Changes in: | | | |
| Decrease in trade and other receivables | | 56,452 | 51,784 |
| Increase in trade and other payables | | 499,376 | 5,360 |
| Decrease in deferred income | | (22,100) | (26,158) |
| | | <u>1,116,222</u> | <u>277,519</u> |
| Interest paid | | (2,454) | (1,119) |
| Net cash from operating activities | | <u>1,113,768</u> | <u>276,400</u> |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | 4 | (19,985) | (91,289) |
| Purchase of intangible assets | 5 | (19,896) | (30,343) |
| Assets received as grant at carrying amount | | - | 8,560 |
| Interest received | | 4,081 | 5,582 |
| Net cash used in investing activities | | <u>(35,800)</u> | <u>(107,490)</u> |
| Cash flows from financing activities | | | |
| Payment of finance lease liabilities | | (12,846) | (8,207) |
| Net cash used in financing activities | | <u>(12,846)</u> | <u>(8,207)</u> |
| Net movement in cash and cash equivalents | | <u>1,065,122</u> | <u>160,703</u> |
| Cash and cash equivalent as at January 01, | | <u>1,025,147</u> | <u>864,444</u> |
| Cash and cash equivalent as at December 31, | 7 | <u>2,090,269</u> | <u>1,025,147</u> |

The notes on pages 9 to 27 form an integral part of these financial statements.

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

The financial statements of the Company for the year ended December 31, 2015 were authorised for issue in accordance with a resolution of the directors on 09 JUN 2016

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 2015 as provided by the State Bank of Mauritius is MUR 36.0385 (2014: MUR 31.603).

Change in functional currency and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the 'functional currency').

Effective 1 July 2014 (the 'Conversion Date'), the Company adopted the US dollar ('USD') as its functional currency. The Company's significant major underlying transactions and events are sourced and incurred in USD. Prior to the conversion date, the Company's operations were measured in Mauritian rupees (MUR).

On the Conversion Date the assets, liabilities and equity transactions were translated into USD using the exchange rate in effect on that date except for assets, liabilities and equity transactions which were historically denominated into USD.

In conjunction with this change in functional currency, the Company chose the USD as the Company's presentation currency. Historical financial statement information was restated into USD as required by the recommendations of IAS 21 - The effects of changes in foreign exchange rate.

Net foreign exchange gain is the result of foreign transactions translated into the functional currency, and also as a result of converting opening balances into the new functional currency adopted in 2014.

(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 those financial statements, the Directors have made estimates of the recoverable amounts of trade and other receivables and impaired those receivables where the carrying amounts exceeded recoverable amounts. 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 USD 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

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

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

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Impairment (continued)

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.

(ii) 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 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (continued)

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 2015 that would be expected to have a material impact on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) New standards, amendments and interpretations (continued)

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, 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. The company is yet to assess IFRS 9's full impact.

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 is assessing the impact of IFRS 15.

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.

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, 2014 | 602,506 | 63,882 | 74,800 | 56,013 | 273,120 | 1,070,321 |
| Additions | 88,160 | - | 1,198 | 1,931 | - | 91,289 |
| Disposal | - | - | - | - | - | - |
| At December 31, 2014 | 690,666 | 63,882 | 75,998 | 57,944 | 273,120 | 1,161,610 |
| Additions | 17,466 | - | 1,157 | - | 1,362 | 19,985 |
| Disposal | (1,970) | - | - | - | - | (1,970) |
| At December 31, 2015 | 706,162 | 63,882 | 77,155 | 57,944 | 274,482 | 1,179,625 |
| DEPRECIATION | | | | | | |
| At January 1, 2014 | 242,737 | 25,552 | 51,661 | 23,367 | 105,302 | 448,619 |
| Charge for the year | 125,415 | 12,776 | 13,689 | 5,869 | 27,916 | 185,665 |
| Disposal adjustment | - | - | - | - | - | - |
| At December 31, 2014 | 368,152 | 38,328 | 65,350 | 29,236 | 133,218 | 634,284 |
| Charge for the year | 114,820 | 8,518 | 5,423 | 5,205 | 27,321 | 161,287 |
| Disposal adjustment | (492) | - | - | - | - | (492) |
| At December 31, 2015 | 482,480 | 46,846 | 70,773 | 34,441 | 160,539 | 795,079 |
| CARRYING AMOUNTS | | | | | | |
| At December 31, 2015 | 223,682 | 17,036 | 6,382 | 23,503 | 113,943 | 384,546 |
| At December 31, 2014 | 322,514 | 25,554 | 10,648 | 28,708 | 139,902 | 527,326 |

Included in Computer Equipment are assets costing USD nil (2014: USD 10,700) received as grants. Depreciation charged on these assets amounts to USD nil (2014: USD 2,140)

4. PLANT AND EQUIPMENT (CONTINUED)

Finance leases

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

| | 2015 | 2014 |
|--------------------------|---------------|---------------|
| | USD | USD |
| Cost | 63,882 | 63,882 |
| Accumulated depreciation | (46,846) | (38,328) |
| Carrying amount | <u>17,036</u> | <u>25,554</u> |

5. INTANGIBLE ASSETS

| | Computer Software |
|-----------------------------|-----------------------|
| | USD |
| COST | |
| At January 1, 2014 | 117,165 |
| Additions | <u>30,343</u> |
| At December 31, 2014 | 147,508 |
| Additions | <u>19,896</u> |
| At December 31, 2015 | <u>167,404</u> |
| AMORTISATION | |
| At January 1, 2014 | 50,808 |
| Charge for the year | (28,121) |
| Adjustment | <u>28,121</u> |
| At December 31, 2014 | 50,808 |
| Charge for the year | <u>19,111</u> |
| At December 31, 2015 | <u>69,919</u> |
| CARRYING AMOUNTS | |
| At December 31, 2015 | <u>97,485</u> |
| At December 31, 2014 | <u>96,700</u> |

6. TRADE AND OTHER RECEIVABLES

| | 2015 | 2014 |
|-------------------|----------------|----------------|
| | USD | USD |
| Trade receivables | 255,588 | 322,943 |
| Other receivables | 190,458 | 179,555 |
| | <u>446,046</u> | <u>502,498</u> |

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

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

The ageing analysis of trade receivables is as follows:

| | Neither past | | Past due but not impaired | | | |
|------|--------------|------------------|---------------------------|--------------|--------------|-----------|
| | Total | due nor impaired | < 30 days | 30 - 60 days | 61 - 90 days | > 90 days |
| | USD | USD | USD | USD | USD | USD |
| 2015 | 255,588 | 1,750 | 1,530 | 1,425 | 22,060 | 228,823 |
| 2014 | 322,943 | 16,293 | 2,200 | 4,891 | 22,784 | 276,775 |

At 31 December 2015, trade receivables amounting to USD 26,098 (2014 : USD 92,962), were impaired and written off during the year.

7. CASH AND CASH EQUIVALENTS

| | 2015 | 2014 |
|--------------------------|------------------|------------------|
| | USD | USD |
| Cash at bank | 2,082,072 | 1,019,140 |
| Cash in hand | 8,197 | 6,007 |
| Cash and cash equivalent | <u>2,090,269</u> | <u>1,025,147</u> |

The Company maintains a number of bank accounts to manage its daily operations. The balance of USD 2,090,269 consists of the following balances:

| | 2015 | 2014 |
|----------------------------------|------------------|------------------|
| <i>Own Cash Holdings</i> | 1,038,836 | 325,373 |
| <i>Fees received in advance</i> | 764,510 | 489,853 |
| <i>Cash Held - Project/Other</i> | | |
| <i>Fire</i> | 223,048 | 150,367 |
| <i>ICANN</i> | 2,395 | |
| <i>AFTLD</i> | 61,480 | 59,554 |
| | <u>2,090,269</u> | <u>1,025,147</u> |

A call deposit, denominated in USD 250,000, bears an interest rate per annum of 0.5% has a maturity of twelve months on 30 December 2016. The board has resolved that USD 250,000 (or equivalent in other currency) be set aside for the 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 reserve shall be authorised by the Board.

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) setup fees for individual address space assignments;
- (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.

Other reserve

Other reserve had been created by a book entry through transfers from the Revenue reserve in prior years.

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 for the COO.

| | 2015 | 2014 |
|---|---------------|---------------|
| | USD | USD |
| Not later than 1 year | 10,193 | 11,759 |
| Later than 1 year and within 5 years | 8,494 | 22,767 |
| Total minimum lease payments | 18,687 | 34,526 |
| Less amounts representing finance charges | (1,849) | (4,842) |
| Present value of minimum lease payments | <u>16,838</u> | <u>29,684</u> |

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

| | Interest rate | Maturity | 2015 | 2014 |
|---|---------------|-----------|---------------|---------------|
| | | | USD | USD |
| Within one year | 11.1% p.a | 2016 | 8,760 | 9,050 |
| After one year but not more than five years | 11.1% p.a | 2016-2017 | 8,078 | 20,634 |
| | | | <u>16,838</u> | <u>29,684</u> |

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

| | 2015 | 2014 |
|-------------------------------|------------------|----------------|
| | USD | USD |
| Trade payables | 59,900 | 94,254 |
| Other payables | 486,691 | 227,618 |
| Advance receipts from members | 764,510 | 489,853 |
| | <u>1,311,101</u> | <u>811,725</u> |

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 2016 received in 2015.

11. INCOME

| | 2015 | 2014 |
|---------------------------------------|------------------|------------------|
| | USD | USD |
| <i>Membership fees</i> | | |
| Membership renewal fees | 3,587,650 | 3,114,236 |
| Allocation or assignment fees | 350,145 | 445,424 |
| | <u>3,937,795</u> | <u>3,559,660</u> |
| Sponsorship for Afrinic events | 139,854 | 254,093 |
| Other income | 7,060 | 90,281 |
| | <u>4,084,709</u> | <u>3,904,034</u> |
| <u>Note on discounts</u> | 2015 | 2014 |
| | USD | USD |
| Early settlement | 19,670 | 16,995 |
| Educational & critical Infrastructure | 121,673 | 72,400 |
| | <u>141,343</u> | <u>89,395</u> |

AFRICAN NETWORK INFORMATION CENTRE (AfrinIC) LTD
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

22.

12. DEFERED INCOME

| | 2015 | 2014 |
|-------------------------|--------------|---------------|
| | USD | USD |
| Members fees in advance | 6,475 | 28,575 |
| Analysed as follows: | | |
| Current liabilities | 3,175 | 22,100 |
| Non-current liabilities | 3,300 | 6,475 |
| | <u>6,475</u> | <u>28,575</u> |

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

13. SURPLUS OF INCOME OVER EXPENDITURE

| | 2015 | 2014 |
|---|-----------|-----------|
| | USD | USD |
| The surplus is arrived at after charging: | | |
| Depreciation on property, plant and equipment | 161,287 | 185,665 |
| Amortisation of intangible assets | 19,111 | - |
| Meeting expenses | 275,024 | 294,180 |
| Office expenses | 231,837 | 235,222 |
| Travelling expenses | 467,710 | 529,678 |
| Staff cost | 1,878,740 | 1,892,871 |
| Staff cost is analysed as follows: | | |
| Salaries | 1,368,015 | 1,411,855 |
| Social security costs and other benefits | 510,725 | 481,016 |

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

14. FINANCE INCOME AND COST

| | 2015 | 2014 |
|---|-----------------|-----------------|
| | USD | USD |
| Finance income | | |
| Bank interest receivable | 4,081 | 5,582 |
| Unrealised gain on exchange | 24,620 | 78,397 |
| | <u>28,701</u> | <u>83,979</u> |
| Finance cost | | |
| Realised loss on exchange | (87,587) | (52,080) |
| Finance charges payable under finance lease | (2,454) | (1,119) |
| | <u>(90,041)</u> | <u>(53,199)</u> |
| Net finance (Costs)/income | <u>(61,340)</u> | <u>30,780</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.

| | 2015 | 2014 |
|-----------------|-----------|-----------|
| | USD | USD |
| Membership fees | 3,937,795 | 3,559,660 |

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

| | 2015 | 2014 |
|---|--------|---------|
| | USD | USD |
| Total remuneration paid to key management personnel | 74,492 | 207,949 |

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 equivalent, 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 | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | USD | USD | USD | USD |
| Financial assets:- | | | | |
| Cash and cash equivalents | 2,090,269 | 1,025,147 | 2,090,269 | 1,025,147 |
| Trade and other receivables | 446,046 | 502,498 | 446,046 | 502,498 |
| | 2,536,315 | 1,527,645 | 2,536,315 | 1,527,645 |
| | | | | |
| | Carrying value | | Fair value | |
| | 2015 | 2014 | 2015 | 2014 |
| | USD | USD | USD | USD |
| Financial liabilities:- | | | | |
| Finance lease obligation | 16,838 | 29,684 | 16,838 | 29,684 |
| Trade and other payables | 546,591 | 321,872 | 546,591 | 321,872 |
| | 563,429 | 351,556 | 563,429 | 351,556 |

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

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 level2 whereas cash and cash equivalents are classified within level 1 of the fair value hierarchy.

Fair value of instruments

At 31 December 2015, if the USD had strengthened/weakened by 10% against the MUR with all other variables held constant, surplus for the year would have been higher/lower by USD 3218 (2014 : surplus will be lower/higher by USD 28,271) 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 3,175 (2014: USD 22,100) and advance receipts from members of USD 764,510 (2014 : USD 489,853) have been excluded from financial liabilities.

Price risk

The Company has no exposure to price risk.

17. 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 currency risk, interest rate risk and price 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.

| | Contractual cash flows | | | Total |
|---|------------------------|----------------|------------------|----------------|
| | Less than 3 months | 3 to 12 months | More than 1 year | |
| | USD | USD | USD | |
| December 31, 2015 | | | | |
| Non-derivative financial liabilities | | | | |
| Finance lease obligation | 2,100 | 8,093 | 8,494 | 18,687 |
| Trade and other payables | 474,104 | 72,487 | - | 546,591 |
| | <u>476,204</u> | <u>80,580</u> | <u>8,494</u> | <u>565,278</u> |
| December 31, 2014 | | | | |
| Non-derivative financial liabilities | | | | |
| Finance lease obligation | 2,169 | 9,590 | 22,767 | 34,526 |
| Trade and other payables | 245,674 | 76,198 | - | 321,872 |
| | <u>247,843</u> | <u>85,788</u> | <u>22,767</u> | <u>356,398</u> |

17. 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 currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally 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 |
|------------------------------|-----------------------------|---------------------------|------------------|
| | 2015 | 2015 | 2015 |
| | USD | USD | USD |
| MUR | - | 2,090,269 | 2,090,269 |
| USD | 446,046 | - | 446,046 |
| | <u>446,046</u> | <u>2,090,269</u> | <u>2,536,315</u> |
| Financial assets | Trade and other receivables | Cash and cash equivalent | Total |
| | 2014 | 2014 | 2014 |
| | USD | USD | USD |
| MUR | - | 1,219,894 | 1,219,894 |
| USD | 307,751 | - | 307,751 |
| | <u>307,751</u> | <u>1,219,894</u> | <u>1,527,645</u> |
| Financial liabilities | Trade and other payables | Finance lease obligations | Total |
| | 2015 | 2015 | 2015 |
| | USD | USD | USD |
| MUR | <u>546,591</u> | <u>16,838</u> | <u>563,429</u> |
| | Trade and other payables | Finance lease obligations | Total |
| | 2014 | 2014 | 2014 |
| | USD | USD | USD |
| MUR | <u>321,872</u> | <u>29,684</u> | <u>351,556</u> |

17. 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, 2015. The Company manages the following as its capital:

| | <u>2015</u> | <u>2014</u> |
|--------------------------|------------------|------------------|
| | USD | USD |
| Reserve revenue | <u>1,686,932</u> | <u>1,281,687</u> |
| Finance lease obligation | <u>16,838</u> | <u>29,684</u> |
| Gearing ratio | <u>1%</u> | <u>2%</u> |

18. CONTINGENT LIABILITIES

- (a) As at 31 December 2015, 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:

| | 2015 | | 2014 | |
|----------------|------------|---------------|---------------|----------------|
| | USD | MUR | USD | MUR |
| Bank guarantee | <u>277</u> | <u>10,000</u> | <u>20,480</u> | <u>640,000</u> |

- (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.