

**AFRICAN NETWORK INFORMATION CENTRE
(AfrINIC) LTD**

FINANCIAL STATEMENTS - YEAR ENDED

31 DECEMBER 2021

AFRICAN NETWORK INFORMATION CENTRE (AfrINIC) LTD

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ANNUAL REPORT - YEAR ENDED 31 DECEMBER 2021

The directors are pleased to present the annual report and audited financial statements of African Network Information Centre (AfrINIC) Ltd (the “Company”) for the year ended 31 December 2021.

Principal activity

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

Results

The results for the year are shown on page 6.

Office bearers and resignations

Directors holding office at 31 December 2021 are listed below:

- Subramanian MOONESAMY
- Serge Kabwika ILUNGA (deceased on 23rd December 2021)
- Oluwaseun Samson OJEDEJI
- Habib YOUSSEF
- Adewale Emmanuel ADEDOKUN
- Eddy Mabano KAYIHURA
- Benjamin Adzenyamebeye ESHUN
- Abdalla OMARI
- Silvio Cabral ALMADA (date of appointment 27th December 2021)
- Vika William MPISANE (date of resignation 4th June 2021)
- Mark Elkins (date of appointment 4th June 2021 and date of resignation 26th July 2021)

Statement of directors’ responsibility in respect of the financial statements

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare the Financial Statements in accordance with International Financial reporting Standards (‘IFRS’) for each financial year, which present fairly the financial position, financial performance and cash flows of the Company.

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

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

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company to enable them to ensure that the Financial Statements comply with the Mauritius Companies Act 2001, IFRS and the Financial Reporting Act 2004.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors’ service contracts

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

ANNUAL REPORT - YEAR ENDED 31 DECEMBER 2021

Remuneration and benefits

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

	<u>2021</u>	<u>2020</u>
	USD	USD
Mr Eddy Kayihura	<u>190,943</u>	<u>179,122</u>
	<u>190,943</u>	<u>179,122</u>

Community Support and Engagement

During 2021, AFRINIC provided support to related regional and global organisations and community members amounting to USD 16,050 (2020: USD 27,950).

Auditors

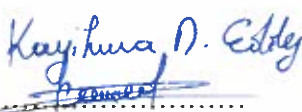
The fees paid to the auditors were as follows:

	<u>2021</u>	<u>2020</u>
	USD	USD
Audit fees to BDO & Co	<u>15,450</u>	<u>15,000</u>

The auditors did not receive any fees for other services.

By order of the Board


 Director
 Subramanian Moonesamy


 Director
 Eddy M. Kayihura

Date: 11 MAY 2022

Date: 11 MAY 2022

SECRETARY'S CERTIFICATE - 31 DECEMBER 2021

I certify that, to the best of my knowledge and belief, African Network Information Centre (AfriNIC) Ltd (the "Company") has lodged with the Registrar of Companies all such returns as are required of the Company under the Mauritian Companies Act 2001 for the year ended 31 December 2021.



EXECUTIVE SERVICES LIMITED
Per Didier ANGSEESING
Company Secretary

EXECUTIVE SERVICES LTD

Date: **11 MAY 2022**

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of African Network Information Centre (AfriNIC) Ltd (the Company), on pages 5 to 44 which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 5 to 44 give a true and fair view of the financial position of the Company as at 31 December 2021, 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.

Basis for Opinion

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

Other Information

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

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

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

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

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

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements (cont'd)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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

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 on the following matters. We confirm that:

- We have no relationship with, or interests in, the Company, other than in our capacity as auditors, and dealings in the ordinary course of business.
- We have obtained all information and explanations we have required.
- In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

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

BDO & Co

BDO & Co
Chartered Accountants

Didier

Didier Dabydin, FCA
Licensed by FRC

Port Louis,
Mauritius.

11 MAY 2022

STATEMENT OF COMPREHENSIVE INCOME - YEAR ENDED 31 DECEMBER 2021

	Notes	2021 USD	2020 USD
Income	11	6,024,377	5,569,164
Distribution expenses	15	(355,788)	(345,461)
Administrative expenses	15	(3,712,572)	(3,135,774)
Net impairment losses on financial assets	7/15	(50,957)	(56,738)
Surplus of income over expenditure		1,905,060	2,031,191
Finance income	14	80,443	154,286
Finance costs	14	(68,526)	(46,381)
Surplus before taxation		1,916,977	2,139,096
Taxation	18	-	-
Surplus for the year		1,916,977	2,139,096
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of post employment benefit obligations	13/17	38,295	45,533
Other comprehensive income for the year		38,295	45,533
Total comprehensive income for the year	USD	1,955,272	2,184,629

The notes on pages 9 to 44 form an integral part of the financial statements.
Auditor's report on pages 4 to 4(b).

STATEMENT OF CHANGES IN EQUITY - YEAR ENDED 31 DECEMBER 2021

	<u>Notes</u>	Revenue reserve USD	Actuarial reserve USD	Total USD
At 01 January 2021		8,016,181	25,279	8,041,460
Surplus for the year		1,916,977	-	1,916,977
Other comprehensive income for the year	17	-	38,295	38,295
Total comprehensive income for the year		1,916,977	38,295	1,955,272
At 31 December 2021	USD	9,933,158	63,574	9,996,732
At 01 January 2020		5,877,085	(20,254)	5,856,831
Surplus for the year		2,139,096	-	2,139,096
Other comprehensive income for the year	17	-	45,533	45,533
Total comprehensive income for the year		2,139,096	45,533	2,184,629
At 31 December 2020	USD	8,016,181	25,279	8,041,460

The notes on pages 9 to 44 form an integral part of the financial statements.
Auditor's report on pages 4 to 4(b).

STATEMENT OF CASH FLOWS - YEAR ENDED 31 DECEMBER 2021

	Note	2021 USD	2020 USD
Cash flows from operating activities			
Cash generated from operations	16(a)	2,902,911	2,936,470
Interest received		45,303	90,372
Net cash generated from operating activities		2,948,214	3,026,842
Cash flows from investing activities			
Purchase of plant and equipment	4	(107,284)	(431,612)
New deposits		(2,041,906)	(4,325,795)
Proceeds from maturity of deposits		-	3,235,422
Proceeds from sale of plant and equipment		-	13,793
Net cash used in investing activities		(2,149,190)	(1,508,192)
Cash flows from financing activities			
Interest paid on lease liabilities	5	(36,229)	(46,291)
Principal paid on lease liabilities	5	(114,867)	(109,537)
Net cash used in financing activities		(151,096)	(155,828)
Increase in cash and cash equivalents		647,928	1,362,822
Movement in cash and cash equivalents:-			
At 1 January		4,907,528	3,537,051
Effects of exchange rate changes		(29,642)	7,655
Increase		647,928	1,362,822
At 31 December	16(b)	5,525,814	4,907,528

The notes on pages 9 to 44 form an integral part of the financial statements.
Auditor's report on pages 4 to 4(b).

1. GENERAL INFORMATION

African Network Information Centre (AfrINIC) Ltd, (the "Company") is a private company limited by guarantee incorporated in the Republic of Mauritius. Its registered address and place of business is situated at 11th Floor, Standard Chartered Tower, Cybercity, Ebène, Republic of Mauritius.

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

In January 2008, 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 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 11 May 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

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

The following Standards, Amendments and Interpretations did not have an impact on the Company's financial statements.

Interest Rate Benchmark Reform Phase 2

The amendments to IFRS 9, IFRS 7 and IFRS 16 amend requirements relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

IFRS 7 Financial Instruments - Disclosures: The amendment to IFRS 7 requires a company to make additional disclosures in its financial statements so that investors can better understand the effects of IBOR reform on that company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

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

Interest Rate Benchmark Reform Phase 2 (cont'd)

IFRS 9 Financial Instruments: The amendments to IFRS 9 enable a company to apply a practical expedient to account for a change in the contractual cash flows that are required by IBOR reform by updating the effective interest rate to reflect any change arising from the reform.

IFRS 16 Leases: The amendment to IFRS 16 enables a company to apply a practical expedient to account for a lease modification required by the IBOR reform.

IFRS 16 Leases

Covid 19 related rent concessions: Effective 1 June 2020, further to IFRS 16 amendment to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic. The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments have no impact on the Company's financial statements.

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

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2022 or later periods, but which the Company has not early adopted.

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

Effective date January 1, 2022

IFRS 1 *First-time Adoption of International Financial Reporting Standards*
Annual Improvements to IFRS Standards 2018-2020

IFRS 3 *Business Combinations* - Reference to the Conceptual Framework

IFRS 9 *Financial Instruments* - Annual Improvements to IFRS Standards 2018-2020

IAS 16 *Property, Plant and Equipment*

Property, Plant and Equipment: Proceeds before Intended Use: The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 Basis of preparation (cont'd)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (cont'd)

Effective date January 1, 2022 (cont'd)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts-Cost of Fulfilling a Contract: The amendments specify which costs should be included in an entity's assessment whether a contract will be loss-making.

Effective date January 1, 2023

IAS 1 Presentation of Financial Statements

Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.

Disclosure of Accounting Policies: The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Definition of Accounting Estimates: The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

IAS 12 Income Taxes

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendment for which effective date has been deferred indefinitely until further notice

IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.1 Basis of preparation (cont'd)**

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

2.2 Plant and equipment**(i) Recognition and measurement**

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

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 Plant and equipment (cont'd)**

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

2.3 Intangible assets**(i) Recognition and measurement**

Intangible assets acquired by the Company have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

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

(iii) Amortisation

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

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

Computer software: 3 - 5 Years

2.4 Financial assets**(a) Categories of financial assets**

The Company classifies its financial assets in the following categories:

(i) At amortised cost

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Financial assets (cont'd)

(a) *Categories of financial assets (cont'd)*

(i) *At amortised cost (cont'd)*

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

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

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

Cash and cash equivalents include cash in hand and at bank.

2.5 Financial liabilities

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

(i) *Other financial liabilities*

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

2.6 Impairment of non-financial assets

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

2.7 Income tax

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Foreign currencies****(i) Functional and presentation currency**

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

The Company has obtained the approval of the Registrar of Companies to present its financial statements in United States dollars ("USD"). The average exchange rate for USD to MUR as at 31 December 2021 as provided by the State Bank of Mauritius was MUR 43.10 (2020: MUR 39.40).

(ii) Transactions and balances

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

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

2.9 Leases

Leases are accounted for by recognising a right-of-use asset and a lease liability except for:

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

Identifying Leases

The Company accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- (a) There is an identified asset;
- (b) The Company obtains substantially all the economic benefits from use of the asset; and
- (c) The Company has the right to direct use of the asset.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Leases (cont'd)

Identifying Leases (cont'd)

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.9 Leases (cont'd)***Identifying Leases (cont'd)*

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

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

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

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

2.10 Retirement benefit obligations*Defined contribution plans*

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

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

Gratuity on retirement

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.11 Provisions**

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

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

2.12 Revenue recognition**(a) Revenue from contracts with customers**

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

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

Determining the transaction price

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

Allocating amounts to performance obligations

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

(b) Contract assets

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

(c) Contract liabilities

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

2.13 Interest income

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are discussed below. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(a) **Pension benefits**

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

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

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

(b) **Estimated useful lives and residual values of plant and equipment**

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**Critical accounting estimates and assumptions (cont'd)****(c) Impairment of financial assets**

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

(d) Leases

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

(e) Limitation of sensitivity analysis

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

(f) Litigation cases

There has been a number of legal cases that have been lodged against the Company. There is an element of uncertainty in determining the outcome of these legal cases and the potential impact on the Company in terms of litigation liability and going concern. The directors have exercised significant judgement in assessing any potential liability and have determined that there is no material uncertainty related to going concern. Refer to Note 23.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

4. PLANT AND EQUIPMENT	Computer	Office	Fixtures &	Building	Work in	Total
	Equipment	Equipment	Fittings	Improvements	Progress	
	USD	USD	USD	USD	USD	USD
(a) COST						
At 1 January 2021	962,700	102,651	113,222	171,302	23,213	1,373,088
Additions	99,046	1,185	2,338	4,715	-	107,284
Transfer	23,213	-	-	-	(23,213)	-
At 31 December 2021	1,084,959	103,836	115,560	176,017	-	1,480,372
DEPRECIATION						
At 1 January 2021	743,781	83,912	18,463	33,425	-	879,581
Charge for the year	95,357	7,357	11,334	17,492	-	131,540
At 31 December 2021	839,138	91,269	29,797	50,917	-	1,011,121
NET BOOK VALUES						
At 31 December 2021	USD 245,821	USD 12,567	USD 85,763	USD 125,100	-	USD 469,251

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

4. PLANT AND EQUIPMENT (CONT'D)	Computer	Motor	Office	Fixtures &	Building	Work in	Total
	Equipment	Vehicles	Equipment	Fittings	Improvements	Progress	
	USD	USD	USD	USD	USD	USD	USD
(b) COST							
At 1 January 2020	906,638	71,988	114,334	64,376	274,482	-	1,431,818
Additions	149,987	-	2,822	104,579	151,011	23,213	431,612
Disposals	-	(71,988)	-	(43,914)	-	-	(115,902)
Scrapped assets	(93,925)	-	(14,505)	(11,819)	(254,191)	-	(374,440)
At 31 December 2020	962,700	-	102,651	113,222	171,302	23,213	1,373,088
DEPRECIATION							
At 1 January 2020	759,793	71,988	89,971	51,544	269,521	-	1,242,817
Charge for the year	74,510	-	7,942	11,294	17,131	-	110,877
Disposals adjustment	-	(71,988)	-	(34,675)	-	-	(106,663)
Scrapped assets adjustment	(90,522)	-	(14,001)	(9,700)	(253,227)	-	(367,450)
At 31 December 2020	743,781	-	83,912	18,463	33,425	-	879,581
NET BOOK VALUES							
At 31 December 2020	218,919	-	18,739	94,759	137,877	23,213	493,507

(c) Depreciation charge of USD 131,540 (2020: USD 110,877) has been charged to administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

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

RIGHT-OF-USE ASSETS

	Building and parking	
	2021	2020
	USD	USD
At 1 January	653,309	776,446
Amortisation	(117,180)	(129,793)
Variable lease payment adjustment *	21,927	-
Effect of modification to lease terms	-	6,656
At 31 December	USD 558,056	653,309

LEASE LIABILITIES

	Building and parking	
	2021	2020
	USD	USD
At 1 January	588,750	744,804
Interest expense	36,229	46,291
Variable lease payment adjustment *	11,950	-
Effect of modification to lease terms	-	6,656
Lease payments	(151,096)	(155,828)
Exchange differences	(45,291)	(53,173)
At 31 December	USD 440,542	588,750
Current	124,042	116,456
Non current	316,500	472,294
At 31 December	USD 440,542	588,750

* Variable lease payment adjustment relates to increase in rental.

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

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

(b) Lease term

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

	2021	2020
	USD	USD
Interest expense (included in finance cost)	36,229	46,291
Expense relating to short-term lease (included in administrative expenses)	9,569	8,874

The total cash outflow for leases in 2021 was USD 151,096 (2020: USD 155,828).

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

6. INTANGIBLE ASSETS	2021	2020
	USD	USD
<i>Computer software:</i>		
COST		
At 1 January	148,047	174,542
Scrapped assets	-	(26,495)
At 31 December	148,047	148,047
AMORTISATION		
At 1 January	110,611	118,567
Charge for the year	1,428	1,427
Scrapped adjustment	-	(9,383)
At 31 December	112,039	110,611
NET BOOK VALUES	USD 36,008	37,436

- (a) Amortisation charge of USD 1,428 (2020: USD 1,427) for the Company has been charged to administrative expenses.

7. TRADE RECEIVABLES	2021	2020
	USD	USD
Trade receivables	74,992	262,573
Less: provision for impairment	(18,406)	(102,844)
Trade receivables - net	USD 56,586	159,729

(i) *Impairment of trade receivables*

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Specific circumstances for some debtors are also taken into consideration in arriving at specific impairment.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

7. TRADE RECEIVABLES (CONT'D)

On that basis, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables:

At December 31, 2021	1 - 30 days	31 -60 days	61 - 90 days	More than 90 days	Total
	USD	USD	USD	USD	USD
Expected loss rate	1%	20%	8%	27%	25%
Gross carrying amount - trade receivable	1,907	17,935	1,700	53,450	74,992
Loss allowance	(28)	(3,558)	(137)	(14,683)	(18,406)

At December 31, 2020	1 - 30 days	31 -60 days	61 - 90 days	More than 90 days	Total
	USD	USD	USD	USD	USD
Expected loss rate	17%	26%	20%	44%	39%
Gross carrying amount - trade receivable	39,935	1,574	3,209	217,855	262,573
Loss allowance	(6,719)	(413)	(636)	(95,076)	(102,844)

The closing loss allowances for trade receivables as at December 31, 2021 reconcile to the opening loss allowances as follows:

	Trade receivables	
	2021	2020
	USD	USD
At 1 January	102,844	202,643
Loss allowance recognised in profit or loss during the year	50,957	56,738
Receivables written off during the year as uncollectible	(135,395)	(156,537)
At 31 December	18,406	102,844

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

	2021	2020
	USD	USD
United States dollars	55,132	154,300
Euro	1,454	5,429
	56,586	159,729

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

8. PREPAYMENTS AND OTHER RECEIVABLES	2021		2020	
	USD		USD	
Prepayments	186,169		77,366	
Deposits	35,798		35,798	
Other receivables	221,390		117,077	
	USD	443,357		230,241

The carrying amounts of other receivables are denominated in United States dollar and approximate their fair value. Other receivables do not include any overdue balances, hence no loss allowance is recorded. Other receivables include funds amounting to \$99,890 held by OTAM and Tespok on behalf of the Company.

9. FINANCIAL ASSETS AT AMORTISED COST

(a)	USD	2021		2020	
		Current	Non-current	Current	Non-current
		USD	USD	USD	USD
Fixed deposits	USD	6,384,266	-	4,338,805	-

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 2021, an additional amount of \$2m was added and the Strategic Cash Reserve consisted of a total of USD 6,384,266 (2020: USD 4,338,805) which is held in fixed deposits accounts bearing interest rates varying from 0.40% to 0.85% per annum with a maturity of twelve months from December 2021.

- (b) Impairment and risk exposure
 - (i) The loss allowance for financial assets at amortised cost as at 31 December 2021 and 31 December 2020 amounted to Nil.
 - (ii) The carrying amounts of the financial assets at amortised cost are denominated in USD. There is no exposure to price risk as the investments will be held to maturity.

10. REVENUE RESERVE

The Company does not have a share capital.

Funding for the running of the Company shall be realised from the following:

- (i) membership fees from members;
- (ii) setup fees for bulk registration services;
- (iii) assignment/allocation fees for individual address space assignments/allocation;

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

10. REVENUE RESERVE (CONT'D)

Funding for the running of the Company shall be realised from the following: (cont'd)

- (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, AFRINIC Board passed the following Resolution Reference 200801.60 " AfrinIC should endeavour to build a reserve fund sufficient to cover two years of operational expenses."

11. INCOME

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

	<u>2021</u>	<u>2020</u>
	USD	USD
Revenue from rendering of services:		
Membership renewal fees	5,269,054	4,988,362
Allocation or assignment fees	709,207	544,258
Revenue from contracts with customers (note (a))	<u>5,978,261</u>	<u>5,532,620</u>
Sponsorship for Afrinic events	18,500	19,000
Other income (note (d))	27,616	17,544
USD	<u><u>6,024,377</u></u>	<u><u>5,569,164</u></u>

Note on discounts

Early settlement	67,314	47,908
Educational & critical Infrastructure	128,525	113,338
USD	<u><u>195,839</u></u>	<u><u>161,246</u></u>

(a) Disaggregation of revenue from contracts with customers

	<u>2021</u>	<u>2020</u>
	USD	USD
<i>Product type</i>		
Membership renewal fees	5,269,054	4,988,362
Allocation or assignment fees	709,207	544,258
USD	<u><u>5,978,261</u></u>	<u><u>5,532,620</u></u>

Timing of revenue recognition

Over time	5,978,261	5,532,620
USD	<u><u>5,978,261</u></u>	<u><u>5,532,620</u></u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

11. INCOME (CONT'D)

(b) Liabilities related to contracts with customers	Contract Liabilities	
	2021	2020
	USD	USD
At 1 January	(1,561,468)	(1,181,664)
Cash received in advance of performance and not recognised as revenue during the period	(1,469,779)	(1,450,987)
Amounts included in contract liabilities that were recognised as revenue during the period	1,485,981	1,071,183
At 31 December	USD (1,545,266)	(1,561,468)
Analysed as follows:		
Current	(1,545,266)	(1,561,068)
Non current	-	(400)
	USD (1,545,266)	(1,561,468)

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

(c) *Remaining performance obligations*

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

At 31 December 2021	2022	2023	Total
	USD	USD	Rs.
Membership renewal fees	1,499,609	-	1,499,609
Allocation or assignment fees	11,457	-	11,457
Others	34,200	-	34,200
	1,545,266	-	1,545,266
At 31 December 2020	2021	2022	Total
	USD	USD	Rs.
Membership renewal fees	1,408,004	400	1,408,404
Allocation or assignment fees	17,859	-	17,859
Others	135,205	-	135,205
	1,561,068	400	1,561,468

(d) Other income	2021	2020
	USD	USD
Certification income	423	2,685
Bad debts recovered	27,193	14,000
Others	-	859
	USD 27,616	17,544

12. TRADE AND OTHER PAYABLES

	2021	2020
	USD	USD
Trade payables	451,052	162,143
Other payables	485,428	385,526
Funds from organisations (i)	504,238	-
	USD 1,440,718	547,669

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

12. TRADE AND OTHER PAYABLES (CONT'D)

- (i) The Company has received funds of \$504,238 for their day-to-day activities from several Organisations. In the absence of proper agreements in place, these funds have been classified as liabilities.

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

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

Terms and conditions of the above financial liabilities:

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

13. RETIREMENT BENEFIT OBLIGATIONS

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

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

		<u>2021</u>	<u>2020</u>
		USD	USD
<u>Other post employment benefits</u>			
Present value of unfunded defined benefit obligations	USD	<u>50,080</u>	<u>81,208</u>

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

		<u>2021</u>	<u>2020</u>
		USD	USD
At 1 January		81,208	140,013
Charged to profit or loss		13,125	14,771
Actuarial gains recognised in other comprehensive income		(38,295)	(45,533)
Exchange gain		(5,958)	(11,393)
Benefit paid		-	(16,650)
At 31 December	USD	<u>50,080</u>	<u>81,208</u>

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

		<u>2021</u>	<u>2020</u>
		USD	USD
At 1 January		81,208	140,013
Current service cost		10,577	8,493
Interest cost		2,548	6,278
Actuarial gains		(38,295)	(45,533)
Exchange gain		(5,958)	(11,393)
Benefit paid		-	(16,650)
At 31 December	USD	<u>50,080</u>	<u>81,208</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(iv) The amounts recognised in profit or loss are as follows:	2021	2020
	USD	USD
Current service cost	10,577	8,493
Net interest cost	2,548	6,278
Total included in employee benefit expense (Note 15)	USD 13,125	14,771

(v) The amounts recognised in other comprehensive income are as follows:	2021	2020
	USD	USD
Experience gains on the liabilities	886	45,276
Changes in assumptions underlying the present value of the scheme	37,409	257
	USD 38,295	45,533

(vi) Sensitivity analysis on defined benefit obligations at end of the reporting date:	2021	2020
	Increase/ (Decrease)	Increase/ (Decrease)
	USD	USD
<u>31 December</u>		
Increase of 1% in Discount rate	(20,072)	(24,773)
Decrease of 1% in Discount rate	24,623	30,871
Increase of 1% in Future long-term salary assumption	24,859	30,640
Decrease of 1% in Future long-term salary assumption	(20,566)	(25,055)

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

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

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

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

- (viii) The average remaining working life of the employees at 31 December 2021 is 18 years (2020: 20 years).

(ix) The principal actuarial assumptions used for accounting purposes were:	2021	2020
	%	%
Discount rate	4.90	3.30
Future long-term salary increase	3.00	3.00

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

13. RETIREMENT BENEFIT OBLIGATIONS (CONT'D)

(x) The Company is exposed to the following risks:

Longevity risk- employees living longer than expected exposing the employer to the risk that more employees make it to retirement.

Interest rate risk- risk that yields on bonds decrease leading to higher provisions for benefits.

Liquidity risk- risk that employer's cashflow not sufficient to pay benefits.

Mortality risk- risk that higher than expected deaths leading to unexpected pay-outs.

Salary risk - risk that salary increases are higher than assumed leading to an increase in the liabilities giving rise to actuarial losses.

14. NET FINANCE (COSTS)/INCOME

	2021	2020
	USD	USD
Finance income		
Bank interest income	48,858	76,035
Realised gain on exchange	9,978	6,030
Unrealised gain on exchange	21,607	72,221
	<u>80,443</u>	<u>154,286</u>
Finance cost		
Interest expense:		
- Leases	(36,229)	(46,291)
Unrealised loss on exchange	(32,297)	(90)
	<u>(68,526)</u>	<u>(46,381)</u>
Net finance (costs)/income	USD <u>11,917</u>	<u>107,905</u>

15. EXPENSES BY NATURE

	2021	2020
	USD	USD
Depreciation (note 4)	131,540	110,877
Amortisation of right-of-use assets (note 5)	117,180	129,793
Amortisation (note 6)	1,428	1,427
Meeting expenses	89,193	76,330
Office expenses	58,416	82,551
Travelling expenses	50,617	90,707
Employee benefit expense (note (a))	2,145,668	2,137,379
Net impairment losses on financial assets	50,957	56,738
Legal fees	633,807	37,408
Other expenses	840,511	814,763
	USD <u>4,119,317</u>	<u>3,537,973</u>
Analysed into:		
Distribution expenses	355,788	345,461
Administrative expenses	3,712,572	3,135,774
Net impairment losses on financial assets	50,957	56,738
	USD <u>4,119,317</u>	<u>3,537,973</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

15. EXPENSES BY NATURE (CONT'D)

(a) EMPLOYEE BENEFIT EXPENSE	2021	2020
	USD	USD
Salaries	1,587,547	1,615,588
Pension costs:		
- Other post employment benefits (Note 13)	13,125	14,771
Social security costs and other benefits	544,996	507,020
USD	<u>2,145,668</u>	<u>2,137,379</u>

16. NOTES TO THE STATEMENT OF CASH FLOWS

	Notes	2021	2020
		USD	USD
(a) Cash generated from operations			
Surplus before taxation		1,916,977	2,139,096
Adjustments for:			
Depreciation of plant and equipment	4	131,540	110,877
Amortisation of right-of-use assets	5	117,180	129,793
Amortisation of intangible assets	6	1,428	1,427
Losses on scrapped intangible assets		-	17,112
Losses on scrapped plant and equipment		-	6,990
Net impairment losses on financial assets	7	50,957	56,738
Gain on unrealised foreign exchange		(21,607)	(72,221)
Variable lease payment adjustment		(9,977)	-
Retirement benefit obligations		13,125	(1,879)
Profit on disposal of plant and equipment		-	(4,554)
Interest expense	14	36,229	46,291
Interest income	14	(48,858)	(76,035)
		<u>2,186,994</u>	<u>2,353,635</u>
Changes in working capital			
- trade receivables		52,186	259,271
- prepayments and other receivables		(213,116)	(120,129)
- trade and other payables and contract liabilities		876,847	443,693
Cash generated from operations	USD	<u>2,902,911</u>	<u>2,936,470</u>
(b) Cash and cash equivalents		2021	2020
		USD	USD
Bank balance		5,525,545	4,907,267
Cash in hand		269	261
USD		<u>5,525,814</u>	<u>4,907,528</u>
Bank balance is analysed as follows:			
Own Cash Holdings		3,964,291	3,329,803
Fees received in advance		1,545,266	1,561,468
Cash Held - Project/Other FIRE		16,257	16,257
USD		<u>5,525,814</u>	<u>4,907,528</u>

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

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

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

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

(c) Reconciliation of liabilities arising from financing activities

	1 January 2021	Cash flows	Non-cash changes	31 December 2021
	USD	USD	USD	USD
Lease liabilities	588,750	(151,096)	2,888	440,542
	1 January 2020	Cash flows	Non-cash changes	31 December 2020
	USD	USD	USD	USD
Lease liabilities	744,804	(155,828)	(226)	588,750

17. ACTUARIAL RESERVE

	2021	2020
	USD	USD
At 01 January,	25,279	(20,254)
Actuarial gain recognised in other comprehensive income	38,295	45,533
At 31 December,	USD 63,574	25,279

Actuarial reserve represents the cumulative remeasurement of defined benefit obligation recognised.

18. TAXATION

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

19. RELATED PARTY DISCLOSURES

	2021	2020
	USD	USD
(a) Transaction with members		
Membership fees	5,978,261	5,532,620
(b) Transactions with key management personnel (CEO) of the Company:	2021	2020
	USD	USD
Short term employee benefit	190,943	179,122
Termination benefit	-	-
	190,943	179,122

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

20. FINANCIAL INSTRUMENTS

Fair value of instruments

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

	Carrying value		Fair value	
	2021	2020	2021	2020
	USD	USD	USD	USD
Financial assets:-				
Trade receivables	56,586	159,729	56,586	159,729
Financial assets at amortised cost	6,384,266	4,338,805	6,384,266	4,338,805
Cash and cash equivalents	5,525,814	4,907,528	5,525,814	4,907,528
	11,966,666	9,406,062	11,966,666	9,406,062
Financial liabilities:-				
Lease liabilities	440,542	588,750	440,542	588,750
Trade and other payables	1,440,718	547,669	1,440,718	547,669
	1,881,260	1,136,419	1,881,260	1,136,419

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

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk Management

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

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

Risk Management*Liquidity risk*

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

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

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

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

Risk Management (cont'd)*Liquidity risk (cont'd)*

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

	Less than 1 year USD	Between 1 and 2 years USD	Between 2 and 5 years USD	Over 5 years USD
31 December 2021				
Non-derivative financial liabilities				
Trade and other payables	1,440,718	-	-	-
Lease liabilities	150,475	158,939	182,056	-
	<u>1,591,193</u>	<u>158,939</u>	<u>182,056</u>	<u>-</u>
31 December 2020				
Non-derivative financial liabilities				
Trade and other payables	547,669	-	-	-
Lease liabilities	153,444	161,463	365,642	-
	<u>701,113</u>	<u>161,463</u>	<u>365,642</u>	<u>-</u>

Interest rate risk

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

Financial assets and liabilities by category

	2021 USD	2020 USD
Financial assets at amortised cost	<u>11,966,666</u>	<u>9,406,062</u>
Financial liabilities at amortised cost	<u>1,881,260</u>	<u>1,136,419</u>

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally but is exposed to foreign exchange risks arising primarily with respect to Mauritian rupees ("MUR") and Euro.

At 31 December 2021, if the USD had strengthened/weakened by 1% against the MUR and Euro with all other variables held constant, surplus for the year would have been lower/higher by USD 1,643 (2020: USD 4,370) mainly as a result of foreign exchange differences on translation of MUR and Euro denominated bank balances, trade receivables and trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

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

Foreign exchange risk (cont'd)

Financial assets 2021	Trade	Cash and	Financial	Total 2021
	receivables	cash	assets at	
	2021	equivalent	cost	
	USD	2021	2021	
MUR	-	50,271	-	50,271
EURO	1,454	458,208	-	459,662
USD	55,132	5,017,335	6,384,266	11,456,733
	56,586	5,525,814	6,384,266	11,966,666

2020	Trade	Cash and	Financial	Total 2020
	receivables	cash	assets at	
	2020	equivalent	cost	
	USD	2020	2020	
MUR	-	73,264	-	73,264
EURO	5,429	299,124	-	304,553
USD	154,300	4,535,140	4,338,805	9,028,245
	159,729	4,907,528	4,338,805	9,406,062

Financial liabilities 2021	Lease	Trade and	Total 2021
	liabilities	other	
	2021	payables	
	USD	2021	
MUR	440,542	233,705	674,247
USD	-	1,207,013	1,207,013
	440,542	1,440,718	1,881,260

2020	Lease	Trade and	Total 2020
	liabilities	other	
	2020	payables	
	USD	2020	
MUR	588,750	206,583	795,333
RAND	-	19,482	19,482
USD	-	321,604	321,604
	588,750	547,669	1,136,419

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

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

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and from its financing activities, including foreign exchange transactions, and other financial instruments.

The Company trades with recognised, creditworthy third parties only. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. The advent of Covid-19 has not had a significant adverse impact on the recoverability of receivables.

Cash and cash equivalents

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

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise net assets attributable to its members.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2021. The gearing ratio is nil.

	<u>2021</u>	<u>2020</u>
	USD	USD
Total debt	440,542	588,750
Less: cash and bank balances (Note 16(b))	(5,525,814)	(4,907,528)
Net debt	<u>(5,085,272)</u>	<u>(4,318,778)</u>
Net assets attributable to members	<u>9,996,732</u>	<u>8,041,460</u>
Gearing ratio	<u>N/A</u>	<u>N/A</u>

22. CONTINGENT LIABILITIES

- (a) As at 31 December 2021, 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:

	<u>2021</u>		<u>2020</u>	
	USD	Rs.	USD	Rs.
Bank guarantee	<u>232</u>	<u>10,000</u>	<u>254</u>	<u>10,000</u>

22. CONTINGENT LIABILITIES (CONT'D)

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

23. LITIGATION CASES

AfriNIC (the Company) issued a letter dated 10 March 2021 to Cloud Innovation (CI) informing the latter of its breaches of the Registration Service Agreement (RSA) and allowed CI 30 days to remedy the identified breaches or to show cause why the RSA should not be terminated. Instead of engaging with the Company, on 24 March 2021 CI initiated an application for interim injunction against the Company before the Honourable Judge in Chambers of the Supreme Court of Mauritius. That application was set-aside on 07 July 2021. Although CI appealed against that judgment, the appeal was dismissed with costs on 14 February 2022. Notwithstanding the above, CI also, amongst other applications for interim injunction, initiated a claim before the Supreme Court claiming compensation in the sum of \$1.8 billion. That case is strongly resisted by the Company and is still pending. Further, on 23 July 2021, the Honourable Judge in Chambers of the Supreme Court of Mauritius provisionally froze up to US\$ 50 million of AfrINIC's funds held at SBM Bank (Mauritius) Ltd and Mauritius Commercial Bank Ltd (the "Authorisation to Attach Order"). As a consequence, during the period from 23 July 2021 to 15 October 2021, the Company was unable to honour its financial commitments and had to seek financial assistance from various organisations. The Company has received funds from several organisations of total \$504,238 recorded in payables. On 15 October 2021, the aforesaid Authorisation to Attach Order was declared null and void by the Honourable Judge in Chambers resulting in the Company having unrestricted access to its bank accounts. While there are a number of actions ongoing against the Company by CI, the Company is confident of successful outcomes, as evidenced by the removal of the freezing order in October 2021 on its bank accounts. The following legal cases are still ongoing, from which it is anticipated that no material liabilities would arise.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

23. LITIGATION CASES (CONT'D)

Status of ongoing cases between Cloud Innovation Ltd (CI) and AfrINIC

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
24-May-21	Cloud Innovation Ltd vs AFRINIC i.p.o Registrar of Companies (SC/COM/PET/000275 (2021))	CI lodged a case against AfrINIC seeking, inter alia, the status of a Registered Member as well as a financial compensation of \$1.8bn	On 12 January 2022, counsel for CI informed the Court that the latter will not be proceeding on its prayer for compensation. Counsel for AfrINIC objected on the ground that CI cannot split its cause of action. The matter is resisted and ongoing.	No main case has been lodged so far by CI and based on the motion of CI not to insist on its prayer for compensation, the ultimate liabilities of AfrINIC are estimated at Nil. The case has been fixed for arguments on 30 May 2022.
26-Jul-21	AFRINIC vs Cloud Innovation Ltd SC/COM/JICA/000471 (2021)	AfrINIC applied for an ex-parte discharge or variation of the Authorisation to attach Order.	The application was set aside on 13 August 2021 for not having followed adequate procedure.	The case has been fixed for arguments on 5 July 2022 on bill of costs.
03-Aug-21	Cloud Innovation Ltd vs AFRINIC & Ors SCR No. 1/212/21	CI initiated a defamation case by way of plaint with summons claiming, inter alia, an amount of \$80m from AfrINIC, its Chairperson and its CEO	The matter is resisted and ongoing	CI has to prove on a balance of probabilities that AfrINIC has caused it prejudice. The ultimate liabilities of AfrINIC are estimated to a maximum of \$50k, inclusive of costs as it is estimated that the sum claimed is grossly exaggerated. The case will be heard for arguments on security for costs on 13 July 2022.
03-Aug-21	Cloud Innovation Ltd vs AFRINIC & Ors (SCR 122087 - 5A/194/21)	CI initiated a first contempt of court proceedings against AfrINIC and its CEO for having allegedly acted against the Order of the Honourable Judge A.D Narain dated 13 July 2021	The matter is resisted and ongoing	In such type of cases, the standard to be applied for a person to be found guilty of civil contempt is the criminal standard of beyond reasonable doubt. The ultimate liabilities of AfrINIC in connection with this claim are estimated to a maximum of \$7k, inclusive of costs. The case is returnable on 30 May 2022 for AfrINIC to file its affidavit.

23. LITIGATION CASES (CONT'D)

Status of ongoing cases between Cloud Innovation Ltd (CI) and AfrinIC (Cont'd)

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
06-Sep-21	Cloud Innovation Ltd vs AFRINIC (SN 1382/2021)	CI lodged an application for an injunction to, inter alia, restrain AfrinIC from acting on its letter dated 27 August 2021 and from terminating the membership of CI as Resource Member.	The matter is resisted and ongoing	The prayers sought are in effect similar to those requested and obtained in case bearing reference number SN 1947/2021. No monetary value can be ascribed to such type of claim. The case is coming for arguments on preliminary objections on 31 May 2022.
21-Oct-21	Cloud Innovation Ltd vs AFRINIC (SCR. No 5C/47/2021)	CI initiated an appeal against the judgement of The Honourable V. Kwok Yin Sion Yen dated 15 October 2021 setting aside its application for validation of the Provisional Authorisation to Attach Order dated 23 July 2021	The matter is resisted and ongoing	To the extent that the appeal is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim. The case has been fixed for hearing on 16 January 2023.
03-Dec-21	Cloud Innovation Ltd vs AFRINIC (SN 1947/2021)	CI applied an interim order in the nature of an injunction restraining and prohibiting inter alia AfrinIC from acting on its board resolution dated 8 July 2021, or any similar resolution or its letter of 1 December 2021 or any similar letter, which has the effect of terminating the membership of CI with AfrinIC	The matter is resisted and ongoing	To the extent that this application is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim. The case was heard on 20 April 2022 on the abuse of court process and judgment will be delivered on 27 June 2022.
03-Dec-21	Cloud Innovation Ltd vs AFRINIC (SCR No. 122503-5A/285/21)	CI initiated contempt proceedings against AfrinIC for having purportedly committed a contempt of the order dated 15 July 2021	The matter is resisted and ongoing	In such type of cases, the standard to be applied for a person to be found guilty of civil contempt is the criminal standard of beyond reasonable doubt. The ultimate liabilities of AfrinIC in connection with this claim are estimated to a maximum of \$7k, inclusive of costs. The case is returnable on 30 May 2022.

23. LITIGATION CASES (CONT'D)

Status of ongoing cases between Cloud Innovation Ltd (CI) and AfrinIC (Cont'd)

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
12-Jan-22	Cloud Innovation vs AfrinIC SCR 22656-5A/23/22	CI initiated a third set of contempt proceedings against AfrinIC and against each of its directors for having purportedly committed a contempt of the Judge's Order dated 3 December 2021 in application bearing serial number 1947/2021	Matter is resisted	In such type of cases, the standard to be applied for a person to be found guilty of civil contempt is the criminal standard of beyond reasonable doubt. The ultimate liabilities of AfrinIC in connection with this claim are estimated to a maximum of \$7k, inclusive of costs. The case is returnable on 30 May 2022 for AfrinIC to file return of service regarding respondents Nos.2, 4, 5, 7 and 8.
07-Apr-22	Cloud Innovation Ltd vs AfrinIC (SC/COM/PWS/00022 6/2022)	On 7 April 2022, CI lodged its main application before the Supreme Court of Mauritius for an order to, inter alia, declare the board resolution dated 8 July 2021 null and void	Matter is ongoing	To the extent that this application is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim. The next returnable date is on 12 May 2022.

Status of ongoing cases between Cloud Innovation Ltd (CI) and AfrinIC in Seychelles

03-Nov-21	Cloud Innovation Ltd vs AfrinIC (CS 103/21)	On 3 November 2021, CI lodged a plaint before the Supreme Court of Seychelles for an order restraining and prohibiting AfrinIC from terminating or suspending or revoking the membership of CI as resource member and interfering with the use of the internet number resources allocated to it	The case is ongoing	To the extent that this application is not with regard to a claim in damages, the financial liability towards CI is nil or minimal. The next returnable date for the case, CS 103/2021 (the Main Case) is on 25 May 2022.
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NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

23. LITIGATION CASES (CONT'D)

Status of ongoing cases between Cloud Innovation Ltd (CI) and AfrINIC in Seychelles (Cont'd)

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
12-Nov-21	Ex parte: Cloud Innovation Ltd (MA 239/21) [2021] SCSC 751 Injunction	On 12 November 2021, CI lodged an ex parte application before the Supreme Court of Seychelles for an order in the nature of an interim injunction restraining and prohibiting AfrINIC from terminating or suspending or revoking the membership of CI as resource member and interfering with the use of the internet number resources allocated to it.	The case is ongoing	On 12 November 2021, the Supreme Court of Seychelles granted the interim injunction. To the extent that this application is not with regard to a claim in damages, the financial liability towards CI is nil or minimal. The outcome will depend on the outcome of the Main Case.
13-Nov-21	Cloud Innovation Ltd vs AfrINIC (MA 239/2021) Contempt	On 13 November 2021, CI lodged an urgent application by way of motion and affidavit before the Supreme Court of Seychelles for the case to be heard urgently as AfrINIC committed a contempt to Court by flouting its undertaking given before the Supreme Court of Seychelles in the application bearing number MA 239/2021 arising in CS 103/2021	The case is ongoing	The application is not a claim in damages in which case, the financial liability for AfrINIC will be nil or minimal. The outcome will depend on the outcome of the Main Case.

Status of other ongoing cases against AfrINIC

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
12-Jun-20	Afri Holdings Ltd & Others vs AFRINIC (SC/COM/WRT/000295/2020) Injunction	Afri Holdings Ltd, Netstyle A. Ltd & Elad Cohen lodged an application for an injunction following reclamation by AfrINIC of misappropriated IP number resources	On 3 November 2021, City of Cape Town initiated an application for leave (SC/COM/JICA/000781/2021) to intervene in the case bearing cause number SC/COM/WRT/000295/2020. The Court granted the application. The matter is resisted and ongoing	The case was initially fixed for hearing on 18 March 2022 but was removed from cause list. In the meantime, Afri Holdings Ltd will file its amended proceipe and affidavits to be exchanged between the parties. No monetary value can be ascribed to such type of claim. Case awaiting to be fixed for hearing.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

23. LITIGATION CASES (CONT'D)

Status of other ongoing cases against AfrINIC (Cont'd)

<i>Date</i>	<i>Case Name & case number</i>	<i>Nature of case</i>	<i>Status</i>	<i>Comments</i>
01-Oct-21	Logic Web Inc. vs AfrINIC (SC/COM/WRT/00070/5/2021)	Logic Web Inc. lodged an application for an injunction against AfrINIC to, inter alia, restrain and prohibit the latter from taking any step unilaterally or otherwise to purportedly reclaim the IP prefix 196.52.0.0/14 Legacy subnet	The matter is resisted and ongoing	To the extent that this application is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim. Matter has been fixed for arguments on security for costs and fortification in damages on 5 July 2022.
03-Nov-21	City of Cape Town vs Afri Holdings Ltd & Ors SC/COM/JICA/000781/2021	On 3 November 2021, City of Cape Town initiated an application for leave (SC/COM/JICA/000781/2021) to intervene in the case bearing cause number SC/COM/WRT/000295/2020	The Court granted the application.	To the extent that this application is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim.
03-Nov-21	AFRICA ON CLOUD (PTY) LTD vs AFRINIC (SC/COM/P ET/000769/2021)	Africa on Cloud (Pty) Ltd initiated a winding up petition against AfrINIC pursuant to the provisions of the Insolvency Act 2009	The matter is resisted and ongoing	This petition has been initiated by Africa on Cloud (Pty) Ltd in its capacity as alleged shareholder of AfrINIC. Since the latter's status as an alleged shareholder has not yet been established by a competent court, the present petition is therefore considered premature and procedurally flawed and may constitute an abuse of the process of the Court. In the event this petition is granted, this will lead to the liquidation of AfrINIC. The case is returnable on 19 May 2022 for physical appearance.
08-Dec-21	Logic Web Inc. vs AfrINIC	Logic Web Inc. lodged a main case against AfrINIC to, inter alia, restrain and prohibit the latter from taking any step unilaterally or otherwise to purportedly reclaim the IP prefix 196.52.0.0/14 Legacy subnet; and to declare Logic Web Inc. as the lawful owner of the IP prefix 196.52.0.0/14 Legacy subnet	The matter is resisted and ongoing	To the extent that this application is not with regard to a claim in damages, no monetary value can be ascribed to such type of claim. The case is returnable on 5 July 2022 for case to be in shape.

NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED 31 DECEMBER 2021

23. LITIGATION CASES (CONT'D)

Based on the above, management has assessed the Company's ability to continue as a going concern for the next twelve months from the date of signature of these financial statements and believes that the going concern assumption to be appropriate. It is not expected that material liabilities will arise from the ongoing legal cases based on the facts available at the date of signature of the financial statements.

24. EVENTS AFTER REPORTING PERIOD

In January 2022, CI initiated a third set of contempt proceedings against AfrinIC and against each of its directors for having purportedly committed a contempt of the Judge's Order dated 3 December 2021 in application bearing serial number 1947/2021. The case is returnable on 30 May 2022 for AfrinIC to file return of service regarding respondents Nos.2, 4, 5, 7 and 8.

On 7 April 2022, CI lodged its main application before the Supreme Court of Mauritius for an order to, inter alia, declare the board resolution dated 8 July 2021 null and void. The next returnable date is on 12 May 2022.