



**THE ANNUAL REPORT AND FINANCIAL STATEMENT  
AT THE 4TH ANNUAL GENERAL MEETING**



*Proudly Nigerian*

**NIGERIA INTERNET REGISTRATION ASSOCIATION (NiRA)**



# **4<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 4<sup>th</sup> Annual General Meeting of Nigeria Internet Registration Association comes up on:

**DATE:** Thursday, September 15, 2011

**VENUE:** Function Room, The Muson Centre, 8/9 Marina, Onikan, Lagos

**TIME:** 10.00 a.m

## **AGENDA**

1. To receive the Annual Report and Financial Statement for the year ended: May 2011, together with the Auditor's Report.
2. To receive a Business Plan and Budget for the period of the current financial year beginning June 1, 2011.
3. To consider such other business that any member properly brings before the meeting

## **SPECIAL BUSINESS**

Change of NIRA financial year

## **By the Order of the Board**

Dated: August 16, 2011

— For enquiries and details, please contact: —

**NiRA Secretariat**

9, Kofo Abayomi Street, Victoria Island, Lagos.  
Tel: 0700-CALL NIRA E-mail: [admin@nira.org.ng](mailto:admin@nira.org.ng)  
Website: [www.nira.org.ng](http://www.nira.org.ng)

**PROGRAMME OF EVENT**

# 4<sup>th</sup> Annual General Meeting

Nigeria Internet Registration Association

**15<sup>th</sup> September 2011, at The Function Room, Muson Centre, Onikan, Lagos**

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- |                |  |
|----------------|--|
| 9.00 am        | Registration of Members  |
| 10.00 am       | Members/The Press are seated   |
| 10.01 am       | Opening Prayer   |
| 10.03 am       | National Anthem  |
| 10.05 am       | Executive President's Opening Remarks  |
| 10.20 am       | Presentation of Annual Report - President  |
| 10.30 am       | Auditors Report - Treasurer  |
| 11.00 am       | Special Business:<br>(a) Changing of Accounting Year<br>(b) Executive Board Vacancy<br>(c) Presentation of Reviewed Constitution |
| 11.30 am       | Any Other Business   |
| 12.00 noon     | Refreshment  |
| Vote of Thanks | - COO  |
| Adjournment    | - President  |

## THE PRESIDENT'S STATEMENT

The present Executive Board of Directors was elected at the last Annual General Meeting of the Association held on Thursday, August 26, 2010 at Lagos Airport Hotel Limited. At the election which was presided over by the Board of Trustees, the following officers and members of the Executive Board were elected along with myself as President:

- |      |                |   |   |
|------|----------------|---|---|
| i    | Vice President | - | Mr. Sunday Folayan  |
| ii   | Treasurer      | - | Mr. Abimbola Olayinka   |
| iii  | Member         | - | Mr. Sikiru Shehu  |
| iii  | Member         | - | Mr. Biyi Oladipo  |
| iv   | Member         | - | Mrs. Yetunde Johnson  |
| v    | Member         | - | Mr. Remmy Nweke   |
| vi   | Member         | - | Mr. Muhammed Rudman   |
| vii  | Member         | - | Mr. Adesola Bickersteth   |
| viii | Secretary      | - | This position was not filled as the AGM mandated the Executive Board to fill it with the anticipated recruitment of a Chief Operating Officer who shall be a non-voting member of the Executive Board of Directors. |

Mr. Adesola Bickersteth who was a member of the Board at the time, resigned his position on the Board to take up the position as COO/Secretary of the Board although it was but a brief period.

I consider it an honour to serve as President of our great Association, and in the company of a great team. I must commend, first the Board of Trustees, and secondly, the Executive Board. You are, indeed, such a great team to work with. I have received utmost cooperation from everyone and sundry. I thank you all. I want to say that we should keep giving our best to keep the ship afloat.

About a year ago, when this Board was elected, our Audited Accounts showed a bank balance of N12,058,860, and today, the balance stands at f ₦124,840,614 (about a 1,000% increase over the previous balance). That is, indeed, a quantum leap. As much

as this is this is appreciated, I make bold to say that is not a sustainable means of funding your Association. The greater prospect lies with the population of the regular domains – the third level domains. Imagine what will happen if we are able to match the telephone subscription figure of MTN, for instance. Ten million .ng domains at an annual renewal fee of N500 will translate to about N5b annually. So, I think the focus should never switch from populating the .ng Registry. That is the gold mine that must be exploited.

Having established that, I wish to draw our attention to the international relevance of our unique ccTLD. Columbia is a good example of a ccTLD who leveraged on the international relevance of their ccTLD - .co, and had over a million domains registered in eleven months.

I am also convinced that the Registry will be creating more value if it offers bundled services that are ancillary to domain names.

I want to use this opportunity to drum up industry support for our bid to host ICANN 47<sup>th</sup> in 2013. I urge all stakeholders represented here to sensitize their community to this as Nigeria will stand to gain immensely from hosting the world IT event.



Mrs. Mary Uduma  
President, Executive Board

**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
(Established as an Incorporated Trustee in 2007)

**CORPORATE INFORMATION**

**BOARD OF TRUSTEES**

- |                               |           |
|-------------------------------|-----------|
| 1. Dr. Isaac Adeyemi          | Chairman  |
| 2. Mrs. Ibunkun Odusote       | Secretary |
| 3. Prof. Adenike Osofisan     |           |
| 4. Dr. Christopher Nwannenna  |           |
| 5. Mr. Chima Onyekwere        | OON       |
| 6. Mr. Olaleye Alao           |           |
| 7. Mr. Shina Badaru           |           |
| 8. Mr. Akinbo Adebunmi Adeola |           |
| 9. Mr. Yinusa Zakari Ya'u     |           |

**EXECUTIVE BOARD**

- |                           |   |  |
|---------------------------|---|--|
| 1. Mrs. Mary Uduma        | - | President                                      |
| 2. Mr. Sunday Folayan     | - | Vice President                                 |
| 3. Mr. Abimbola Olayinka- |   | Treasurer                                      |
| 4. Mr. Sikiru Shehu       |   |  |
| 5. Mr. Biyi Oladipo       |   |  |
| 6. Mrs. Yetunde Johnson   |   |  |
| 7. Mr. Muhammed Rudman    |   |  |
| 8. Mr. Remmy Nweke        |   |  |
| 9. Mr. Ope Odusan         | - | Chief Operating Officer/Secretary to the Board |

**REGISTERED ADDRESS**

28, Port Harcourt Crescent  
Off Gimbiya Street  
Area 11, Garki  
Abuja FCT

**BANKERS**

Zenith Bank Plc

Intercontinental Bank Plc

Resort Savings & Loans Plc

**LEGAL CONSULTANTS**

Aluko & Oyebo

# Annual Report at the 4<sup>th</sup> Annual General Meeting of **Nigeria Internet Registration Association** held on

**15<sup>th</sup> September 2011, at The Function Room, Muson Centre, Onikan, Lagos**

## **1.0 INTRODUCTION**

The .ng is Nigeria's identity in the domain name space. The .ng is unique to Nigeria just as .uk is characteristic to the United Kingdom, and Ke to Kenya or .ca to Canada. The Internet is envisioned as today's real estate; and as such, .ng is equivalent to Nigeria's geographic region. It is our allotment as a geographic entity. And our Association – Nigeria Internet Registration Association (NIRA) has been mandated to police our internet borders. We have the prerogative to manage or guard, dress, keep, sustain, maintain or in the parlance of the Nigerian Pledge, "to defend her (uniqueness), and uphold her honour and progress". And because we count it a great privilege to be reposed with the safe-keeping of this great national resource, we have committed to giving it our utmost. We pledge to accomplish this with all our might and in sincerity of purpose.

It is not surprising, therefore, that the incumbent Executive Board, under the able leadership of Mrs. Mary Uduma, who has served in various capacities at the model NCC, envisions modeling NIRA as a world-class Registry.

## **1.1 BUSINESS VISION**

The Board is resolved on benchmarking with the best Registries, and to exploiting the uniqueness of the .ng in projecting the international relevance of our country code Top Level Domain.



Nigeria Internet Registration Association is:

- Poised at building the .ng into the stature of Nigeria's national pride
- Committed to creating value through a business model of bundled services that will transform Nigeria's stigmatized image in the world wide web, and cause the .ng to be sought after .
- Disposed to promoting an enabling business environment that will create wealth for the .ng people and community through collaborations and partnerships
- An unequivocal advocate of a stable, secure, reliable, efficient and accessible internet through the development of robust infrastructure and the implementation of industry best practices

Your Association is on course towards an exponential growth that will catapult it to an accomplished non-governmental self-regulating body for the .ng ccTLD measurable by its contribution to the community as a corporate citizen.

## **1.2 VALUES:**

NIRA's values remain:

- Its people
- Its governance
- Its stewardship
- Its product
- Its integrity
- Its sustainability
- Development through continual empowerment

## **1.3 NIRA's STATUS:**

The Association is a not-for-profit, and non-governmental organization set up as a self-governing stakeholder-led Association. The National Information Technology Development Agency (NITDA) with whom NIRA signed an MOU (on behalf of the Federal Government of Nigeria) has oversight functions on NIRA's operations since NITDA has the mandate of implementing the nation's IT Policy. This relationship has witnessed a growing cordiality that shall impact positively on both organizations.

## **2.0 NIRA OPERATIONS**

NIRA's operations is, primarily, the management of the .ng Registry. Plans are underway to have NIRA offer ancillary services related to the management of the ccTLD.

### **2.1 CAPACITY BUILDING**

Members of the Board, the Trustees and staff have attended some training in the course of the year as a means of equipping them for the various roles.

### **2.2 NIRA APPROVED POLICIES**

Operations of your dear Association is weighted upon a set of 14 Policies and procedures which were adopted through a bottom up Policy Development Process where policies are drafted by committees set up by the Board, and is consequently opened for inputs from stakeholders and the internet community prior to its ratification by the Board and final adoption.

The following policies currently govern NIRA's operations:

- NIRA DOMAIN NAME POLICY
- NIRA GENERAL REGISTRATION POLICY
- NIRA POLICY DEVELOPMENT PROCESS
- NIRA COMPLAINTS POLICY
- NIRA REGISTRANT AGREEMENT
- NIRA REGISTRAR AGREEMENT
- NIRA FEE POLICY
- NIRA ACCREDITATION POLICY
- NIRA REGISTRAR ACCREDITATION APPLICATION FORM
- NIRA PRIVACY POLICY
- NIRA DISPUTE RESOLUTION POLICY
- NIRA GLOSSARY
- NIRA DIRECTORS CODE OF CONDUCT POLICY
- NIRA AUCTION PROCESS AND PROCEDURE

### **2.3 NIRA REGISTRARS**

NIRA operates the 3 -layer Registry model of Registry/Registrar/Registrants. The Registry does not register domains by itself, but carries out the task of registration of domains through an interface with NIRA Accredited Registrars who register domains for the Registrant, and may, by themselves, appoint resellers.

### **2.3.1 NIRA ACCREDITED REGISTRARS**

29 Pioneer Registrars of the Association were announced in December 2008 having completed the NIRA Registrar Accreditation process, successfully. Since then, more Registrars have been accredited through the Association's periodic Registrar accreditation process, bringing the number of NIRA Accredited Registrars to 39.

This does not correspond with the number of active Registrars though, as some accredited Registrars no longer operate in that capacity by an act of fate or by design.

The role of accredited NIRA Registrar is attractive even to non-indigenous business entities who have achieved relative success in the industry on the international scene. Thus, it is not strange to find some Registrars who have been accredited by the world Internet governing body – Internet Corporation for Assigned Names and Numbers (ICANN) - seeking a share of the Accredited NIRA Registrar pie. This is an indication of .ng's real estate value as a prime property.

All Registrars operate from any choice category of Platinum, Gold, Silver and Standard.

### **2.3.2 LIST OF ACCREDITED REGISTRARS OF NIRA:**

The following are NIRA Accredited Registrars by their categories:

#### **PLATINUM**

- Upperlink Ltd
- Websoft Nigeria Ltd
- Linkserve Nigeria Ltd
- IP Mirrors
- Cyberspace
- McReal Online Network Systems Limited
- General Data Engineering Ltd (SKANNET)

#### **GOLD**

- Lufem Systems Limited

#### **SILVER**

- Micro Access Nigeria Limited
- Layer3
- Nigerianet Limited
- Blue Topaz Limited

- Lexsynergy

#### STANDARD

- Ennovate Nigeria Limited
- Icecool Contracts Limited
- Digital Fusion Limited
- Pinet Informatics Limited
- Creotec Limited
- Demsat Systems Limited
- Kheweul
- ITClick
- Ghotek Limited
- Generis Universal Limited
- Trefoil Network Limited
- Global Trend Limited
- Komtemporary Komputers Limited
- Signon Africa Limited
- Quality Information Limited
- Steineng Nigeria Limited
- Safenames
- InternetX
- Galaxy Backbone PLC.
- Peace Global Ltd
- Syscomptech
- Technovation
- Yamaguchi

### 3.0 MEETINGS OF THE BOARD

The current Executive Board has held regular and extra-ordinary meetings and several on-line meetings since its inauguration on August 26, 2010 to deliberate and strategise on matters relative to the management of the Association. The Board of Trustees has also met regularly. The Trustees and the Board have collaborated to pay courtesy calls to the Minister of Information and Communications, the Executive Vice Chairman of NCC, the Director-General of NITDA, and most recently, with the Minister of Communication Technology.

The visits were very fruitful. Part of the result was the willingness of the Minister of Information and Communications to have NIRA collaborate with her in the re-branding Nigeria project.

#### **4.0 SUPPORT FROM NITDA AND NCC**

Visits to NITDA during which the Board made some presentations to the Agency first, on how it could be supportive of the Association's goal to populate the .ng registry with 250,000 domains by the end of 2011, and on the thorny issue of the management of .gov.ng, and has resulted in agreement to need for a collaboration between both Organisations to enlighten Nigerians, and advocate for a mass adoption of .ng.

NITDA's increasingly support is clearly evident in the approval of the goal to populate the Registry with 250,000 .ng domains by the close of 2011, and for which the Agency approved a budget of N50 Million for the project. The budget for the project includes the acquisition of a robust technical infrastructure, publicity and capacity building. The Agency also gave NIRA a furnished one-room office located within the Agency's premises at 28, Port Harcourt Crescent, Area 11, Garki, Abuja for its liaison office in Abuja.

Discussions are on-going on the need for NITDA to champion a government policy or legislation to prohibit the use of domain names other than .ng domains in Government to Government transactions, Business to Government transactions and vice versa; and Government to Citizens transactions. The Director-General of NITDA, Prof. Cleopas Angaye, is favourably disposed to this, and has begun to make pronouncements on this at IT fora.

Since 2008, the NCC has remained very supportive of the Association. Its annual subvention to NIRA saw the Association through the very lean years. The subvention of N5 Million from NCC for the 2010 period was invested in buying a pool vehicle for the Secretariat, a Toyota Corolla.

#### **5.0 ENGAGEMENT OF FULL TIME STAFF**

The Secretariat of the Association was run by staff whose employments were not regularised for periods of over two years, in some cases. The new Executive Board thought it wise to recruit full time staff and regularise the appointment of temporary and ad hoc staff. A process of advertisement and interviews was conducted for all categories of staff needed for the proper running of the Secretariat. The Board was able to conclude all these between October 1 and January 1, 2011. .

A Chief Operating Officer resumed work at the Secretariat for the first time in the history of NIRA on January 10, 2011 in person of Adesola Bickersteth. His tenure was very short lived as his appointment was terminated on April 7, 2011. Although the resumption of the next COO falls outside the period covered by his Report, suffice it to mention that the exit of the first COO ushered in Mr. Opeoluwa Olatunbosun Odusan as the next COO of your dear Association. He joined the employ of NIRA as COO on June 10, 2011.

Presently, the NIRA Secretariat has 7 full time staff and 2 corps members of the National Youth Service Corps.

Staff salaries were reviewed upwards along with the regularisation, and certain welfare packages implemented.

## **6.0 2011 BUDGET**

A budget has been drawn up for the year, and this shall be presented, accordingly.

## **7.0 FUND GENERATION**

The Association was set up as a not-for-profit and self-governing Association. The expected source of income to fund the operations of the Association is, basically, activities revolving around the sale of .ng domain names. This include

- i. Processes for the accreditation of NIRA Registrars (Non-refundable application fee, Certification fee, Annual re-certification fee, Deposits for the category of choice)
- ii. Registration/Renewal/Transfer of domain names
- iii. Auction/Sale of Premium domain names.
- iv. Membership subscription

Until very recently, NIRA did not earn sustainable income from the source. That led to a dearth of funds and a hamstrung NIRA; and subsequently, a great dependence on subvention from, and the goodwill of some Stakeholder Associations, Organisations and individuals who were sympathetic to the cause of NIRA. The list includes NCC, NITDA, CPN, NCS, some members of the Board of Trustees, the Executive Board, Medallion Communications, Committee members, Sub-Urban Communications, Aluko & Oyebode, et cetera.

In order to actualise self-sustenance, the last Executive Board Chaired by Ndukwe Kalu of blessed memory inaugurated an Auction Committee that developed the Auction Process and Procedure, and was approved by the Board in April 2009. With the adoption of the 14<sup>th</sup> Policy of Nigeria Internet Registration Association, the Board opened up the sale of Second Level Premium domain names at a discounted price. Unfortunately, there were no applicants for the premium domain names till December 2010 when Thisday Newspapers through information given by one of the BOT members, expressed interest to buy its own trademark name at the second level. This expression of interest gave the Board impetus to issue new concessionary offers and open another auction process for 2 months beginning December 22, 2010. This

crystallized into the concessionary offers of Premium domains at various 'Buy Now Bid Prices' on the Second Level categories in 2011, viz:

- 1) Trademarks and Corporate Identities
- 2) Domain Names that end with "ng"
- 3) Regular Second Level Premium Domain Names that do not fall into the first-two categories.

This has yielded the following results thus far:

- A. 8 domains representing corporate identities and trademarks were sold at N3,000,000 each
- B. 24 regular premium domains were sold at N5,400,000, each.
- C. 1 domain that ends with "ng" was sold at N4,500,000.

This gives a gross earnings of N158,100,000, and a net earnings of N126,480,000 from the process so far. The difference represents Commission to Registrars in line with the Auction Policy.

It is our earnest expectation that many more of the domains will be sold in the course of the year.

The N5,000,000 subvention from NCC for 2010 was only released to the Association in March 2011. The sum was spent on the acquisition of a motor vehicle. We await the subvention for 2011.

The Association also expects a subvention of N50,000,000 from NITDA as already agreed in principle. The fund will be channelled towards the goal of populating the .ng registry with 250,000 domain names by the end of 2011.

## **8.0 FUTURE PLAN**

### **8.1 POPULATING THE .NG REGISTRY WITH 250,000 DOMAIN NAMES**

As already mentioned, the Board has set a goal to populate the .ng registry with 250,000 domain names by the end of 2011. An initial effort towards achieving this was through the offer of Free 50,000 domain names to the populace in commemoration of Nigeria's Golden Jubilee. But, it yielded only about 8510 new domains. The failure is attributable to the fact that the process was not given due publicity. Discussions are on-going on a re-packaging of the offer.

NIRA is to collaborate with NIDTA in creating awareness in the 6 geopolitical Areas of the country, and among the three tiers of governments to adopt the .ng string.

The Board has during the presentation to NITDA mapped out series of workshops to be organised as soon as the new administrators of the country are inaugurated.

There is an existing NITDA/NIRA Technical Committee working Group on the efficient and effective management of .gov.ng

## **8.2 THE PURSUIT OF A POLICY/LEGISLATIVE BACKING FOR THE TAKE UP OF .NG**

The Association intends to convince the government on the need to prohibit the use of domains other than .ng in Government-to-Government transactions, and likewise for Government-to-Business and Government-to-Citizens transactions. This is expected to cause a spiralling of the demand for .ng domains.

## **8.3 THE RECRUITMENT OF A CHIEF OPERATING OFFICER**

The Board's plan to build .ng into a world-class registry is expected to be executed through a goal-driven Chief Operating Officer. The process of recruiting the COO has been concluded, and he has since resumed on June 6, 2011.

## **8.4 LIVE AUCTION**

The sale of Premium domain names has been through a by-pass of the bidding process and the means of the Buy Now Bid Price. A process is being put in place to conduct at least, three live auctions of Premium domains before the end of 2011. Part of the plan is to co-locate the live auction with some major IT industry event.

## **8.5 THE ENGAGEMENT OF LEGAL CONSULTANTS**

A contract has been signed with Aluko & Oyeboye engaging the Law Firm as Legal Consultants to the Association on retainer services basis at a highly discounted rate. The Firm will also act as Legal Partners to NIRA in the Live Auctions.

## **8.6 ACQUISITION OF A ROBUST INFRASTRUCTURE**

In view of the anticipated increase in the registration of .ng domains, it has become necessary to upgrade the infrastructure of the Registry, as well as the deployment of DNS SEC in order to secure the DNS. The Board would collaborate with International Organisations to launch both



DNSSEC and DNS CERT. NIRA would enlist in the membership of Organisations like FIRST to secure the Registry and DNS for the .ng

#### **8.7 OUTSOURCING OF THE MANAGEMENT OF THE TECHNICAL INFRASTRUCTURE**

Negotiations are ongoing to outsource the management of the technical infrastructure of the .ng Registry to the Internet Exchange Point of Nigeria (IXPN). The rationale is to ensure the effective management and stability of the Registry while the Secretariat is in the process of building the capacity for this.

#### **8.8 ACQUISITION OF OFFICE SPACE**

The Association is in the process of letting an office facility as its current one-room office has become grossly inadequate for its operations. This is expected to be accomplished, shortly.

#### **8.9 THE IMPLEMENTATION OF THE AMENDED CONSTITUTION**

It is the expectation of the Board that the amended Constitution would undergo the processes necessary for its implementation in tune with the provisions of the current Constitution.

#### **8.10 THE NDUKWE KALU FOUNDATION**

A decision had been reached to immortalise the pioneer President of the Executive Board of NIRA by the implementation of a Foundation in his honour. Some persons in the industry have been contacted as Trustees for the Foundation. The sum of N666,370 has already been set aside for the Foundation. Contributions are expected from Stakeholder Associations. Plans are underway to hold a formal inauguration of the Foundation to coincide with the second year Memorial of the passage of the late Ndukwe Kalu.

#### **9.0 BID TO HOST ICANN 2013**

The Association intends to partner with other ICT stakeholders in the country to host the 47<sup>th</sup> Public meeting of the Internet Corporation for Assigned Names and Numbers (ICANN 47) scheduled for Africa between 14-19 July, 2013. To this end, the Information Technology community would be invited to form an LOC for the hosting. If the bid to host the 47<sup>th</sup> ICANN Meeting is to be successful, it becomes paramount that Nigeria should be visible at all ICANN meetings henceforth. The idea of hosting has been floated with the DG NITDA who is very much disposed to supporting the bid to host.

## The Executive Board of Nigeria Internet Registration Association (NiRA)



Mr. Muhammed Rodman  
Member



MR. Sikiru Shehu  
Member



Mr. Ope Odusan  
Secretary



Mr. Sunday Afolayan  
V.P NiRA



Mrs. Mary Uduma  
President (NiRA)



Mr. Olayinka  
Tresurer



Mrs. Yetunde Johnson  
Member



Mr. Remmy Nweke  
Member



Mr. Oladapo Biyi  
Member

## **The Board of Trustees of Nigeria Internet Registration Association (NiRA)**



**Mrs. Ibukun Odusote**  
Secretary



**Dr. Isaac Adeola Odeyemi**  
Chairman



**Mr. Chima Onyekwere**



**Mr. Olaleye Alao**



**Dr. Chris Nwannenna**



**Mr. Shina Badaru**



**Dr. (Mrs.) Adenike Osofisan**



**Mr. Adeola Akinbo**



**Mr. Yunusa Zakari Ya'u**

**NIGERIA INTERNET REGISTRATION ASSOCIATION**

**Audited Financial Statements  
For The Period Ended 31<sup>st</sup> May, 2011**

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**DEROGBA OLA & CO.**

(Chartered Accountants)  
32, Oshodi Road, Oshodi – Lagos.

## **NIGERIA INTERNET REGISTRATION ASSOCIATION**

Year Ended 31st May, 2011

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## **NIGERIA INTERNET REGISTRATION ASSOCIATION**

(Established as an incorporated trustee in 2007)

### **CORPORATE INFORMATION**

#### **BOARD OF TRUSTEES**

Dr. Isaac Adeola Odeyemi  
Dr. (Mrs.) Adenike Osofisan  
Mrs. Mary Uduma  
Dr. Christopher Nwannenna  
Mrs. Ibukun Odusote  
Mr. Badaru Shina  
Mr. Yunusa Zakari Ya'u  
Mr. Akinbo Adebunmi Adeola  
Mr. Chima Onyekwere

#### **MANAGEMENT BOARD**

Mrs. Mary Uduma  
Mr. Sunday Afolayan  
Mr. Opeoluwa Odusan  
Mr. Abimbola Olayinka  
Mr. Sikiru Shehu  
Mr. Adebisi Oladipo  
Mr. Remmy Nweke  
Mr. Rudman Muhammed  
Mrs. Yetunde Johnson

President  
Vice President  
Chief Operating Officer  
Treasurer

#### **CORPORATE OFFICE**

9, Kofo Abayomi Street,  
Victoria Island,  
Lagos

#### **BANKERS**

Intercontinental Bank Plc  
Zenith International Bank Plc  
Resort Savings & Loans Plc



## **DEROGBA OLA & CO.**

*(Chartered Accountants)*

**Office:**

32, Oshodi Road, Oshodi, Lagos.  
(Near the Post Office)  
P. O. Box 5591, Lagos.  
Tel: 08023018907, 08034302582,  
08099166185, Fax: 4979564

Report Of The Auditors to members of

**NIGERIA INTERNET REGISTRATION ASSOCIATION**

We have examined the financial statements of **NIGERIA INTERNET REGISTRATION ASSOCIATION** for the period ended 31st May, 2011 set out on pages 4-8 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 3.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The Association's Management Board are responsible for the preparation of the financial statements.

It is our responsibility to express an independent opinion, based on our audit, on those financial statements prepared by the board.

**BASIS OF OUR OPINION**

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates and judgements made by the Board, and an evaluation of the overall adequacy of the presentation of the financial statements.

We planned and performed such audit procedures and obtained all the information and explanations, which we considered necessary for the purpose of our audit. We believe that our audit provides us with a reasonable basis for our opinion.

**OPINION**

In our opinion, and based on the information and explanation given to us, the financial statements give a true and fair view of the state of the Association's financial affairs at 31st May, 2011 and of the deficit for the period ended on that date.

*Derogba Ola & Co.*  
**Derogba Ola & Co.**  
(Chartered Accountants)

Lagos, Nigeria  
6 September 2011





**NIGERIA INTERNET REGISTRATION ASSOCIATION**

Period Ended 31<sup>st</sup> May, 2011

**SUMMARY OF ACCOUNTING POLICIES**

**1. Basis Of Accounting**

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

**2. Presentation of the Financial Statements**

Details of specific funds provided by members are presented by way of notes to the accounts.

**3. Revenue Recognition**

Revenues to the Association are recognized on Accrual Basis.

**4. Fixed Assets**

Fixed Assets are stated at acquisition value less depreciation.

**5. Depreciation**

Depreciation is calculated on a straight line to write off the value of the fixed assets over their expected useful lives from the period in which they are first brought into use, at the following annual rates.

	%
Furniture & Fittings	15
Office Equipment	15
Computer	25
Motor Vehicles	25



**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
**BALANCE SHEET**  
**AS AT 31ST May, 2011**

	Note	2011 =N=	2010 =N=
Fixed Assets	1	4,916,464	2,068,828
Current Assets			
Prepayments	2	662,274	-
Short Term Investments	3	2,317,782	2,257,745
Bank Balance	4	124,644,619	12,036,570
Cash Balance		195,995	22,290
		<u>127,820,669</u>	<u>14,316,605</u>
Less:			
<b>Current Liabilities</b>			
Accrued Expenses	5	662,811	200,000
Domain Prepaid	6	127,948,988	-
Sundry Creditors	7	1,962,620	6,807,158
Short Term Loan	8	100,000	2,905,730
		<u>130,674,419</u>	<u>9,912,888</u>
<b>NET ASSETS</b>		<u>(2,853,750)</u> <b><u>2,062,714</u></b>	<u>4,403,717</u> <b><u>6,472,545</u></b>
Financed by:			
Accumulated Fund			
Domain Subscription		5,621,467	5,497,362
Surplus/(Deficit)		<u>(3,558,753)</u>	<u>975,183</u>
		<b><u>2,062,714</u></b>	<b><u>6,472,545</u></b>

  
 Mary Uduma

President

  
 Abimbola Olayinka

Treasurer

The accompanying notes on pages 7 & 8 form an integral part of these accounts.

**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
**INCOME & EXPENDITURE ACCOUNT**  
**Year Ended 31st May 2011**

	Note	=N=	2011	=N=	2010
<b>Revenue</b>					
Registrar registration Fees		157,163		225,000	
Donations	9	5,000,000		15,400,000	
Domain Fees		16,902,588		5,177,198	
Membership Fees		247,500		100,000	
Interest Income		60,335		35,344	
Other Income		669,988		733,789	
<b>Total Revenue</b>			<b>23,037,574</b>		<b>21,671,331</b>
<b>Expenses</b>					
Staff Cost		6,205,054		2,929,359	
BOD Sitting Allowances		665,000		-	
Printing & Stationery		189,511		44,060	
Employer's Pension Contribution		203,426		-	
Conference Expenses		3,457,900		100,000	
Rent*		1,851,012		-	
Exchange Loss**		142,680		-	
Training		-		269,000	
Insurance Expenses		128,333		5,685	
Travelling Expenses		6,949,616		2,852,240	
Advertisement & Publicity		217,632		92,619	
AGM Expenses		1,445,564		95,000	
Technical Maintenance - Infrastructure		101,774		4,907,500	
Repairs & Maintenance		98,950		66,574	
Telephone & Postages		324,980		196,460	
General Office Expenses		844,085		414,220	
Bank Charges		494,588		96,318	
Interest on Loan		-		186,118	
Audit Fees		200,000		150,000	
Legal Expenses		1,000,000		-	
Entertainment Expenses		836,258		254,760	
Bandwidth/Internet		247,260		1,901,750	
Depreciation		1,967,887		1,570,832	
<b>Total Expenses</b>			<b>(27,571,510)</b>		<b>(16,132,495)</b>
Net Income (Surplus of Revenue over Expenses)			<b>(4,533,936)</b>		<b>5,538,836</b>
Surplus Brought forward			<b>975,183</b>		<b>(4,563,653)</b>
<b>Deficit Carried forward</b>			<b>(3,558,753)</b>		<b>975,183</b>

\*Rent - Accrued payments made on the Server location

\*\*Exchange Loss resulted from differences in rates of exchange.

**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**Year Ended 31st May, 2011**

	<b>2011</b>	<b>2010</b>
	<b>N</b>	<b>N</b>
<b>OPERATING ACTIVITIES</b>		
Excess of Income over Expenditure	(4,533,936)	5,538,836
<b>Adjustments for non-cash items</b>		
Depreciation	<u>1,967,887</u>	<u>1,570,832</u>
	(2,566,049)	7,109,668
<b>Other adjustments to reconcile expenses for the year to cash from operating activities</b>		
(Decrease)/Increase in Trade Creditors	(4,844,538)	6,140,788
(Decrease)/Increase in Loans	(2,805,730)	896,041
Prepayments	(662,274)	5,685
Bank Overdraft	-	(409,533)
Increase in Prepaid Domain	127,948,988	-
Decrease in Accrued Expenses	<u>462,811</u>	<u>(536,000)</u>
<b>Cash used in operating activities</b>	<b><u>117,533,208</u></b>	<b><u>13,206,649</u></b>
<b>INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(4,815,523)	(850,160)
Short Term Deposit	<u>(60,037)</u>	<u>(2,257,745)</u>
<b>Cash used for investing activities</b>	<b><u>(4,875,560)</u></b>	<b><u>(3,107,905)</u></b>
<b>FINANCING ACTIVITIES</b>		
Domain Subscription	124,105	2,067,362
Equipment Lease	-	(836,136)
<b>Cash from financing activities</b>	<b><u>124,105</u></b>	<b><u>1,231,226</u></b>
<b>Net Increase in Cash</b>	<b>112,781,754</b>	<b>11,996,340</b>
Cash at the beginning of the year	12,058,860	62,520
<b>Cash at the end of the year</b>	<b><u>124,840,614</u></b>	<b><u>12,058,860</u></b>
<b>Represented by the following:</b>		
Petty Cash Balance	195,995	22,290
Bank Balance	<u>124,644,619</u>	<u>12,036,570</u>
	<b><u>124,840,614</u></b>	<b><u>12,058,860</u></b>

**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
**Notes to the Accounts, Year Ended 31st May, 2011**

**1 Fixed Assets**

Cost	Balance 01/06/10 =N=	Additions =N=	Disposal =N=	Balance 31/05/2011 =N=
Office Equipment	2,050,160	240,200		2,290,360
Computer	2,229,000	305,000		2,534,000
Furniture & Fittings	115,000	420,323		535,323
Motor Vehicle	-	3,850,000		3,850,000
	4,394,160	4,815,523	-	9,209,683
Depreciation	Balance 01/06/2010	Charge for the Year	Disposal	Balance 31/05/2011
Office Equipment	984,832	879,392	-	1,864,224
Computer	1,300,250	725,563	-	2,025,813
Furniture & Fittings	40,250	42,100	-	82,350
Motor Vehicle	-	320,833	-	320,833
	2,325,332	1,967,887	-	4,293,219
Net Book Value	01/06/2010			31/05/2011
Office Equipment	1,065,328			426,136
Computer	928,750			508,187
Furniture & Fittings	74,750			452,973
Motor Vehicle	-			3,529,167
	2,068,828	-	-	4,916,464

**2 Prepayments**

	2011 N	2010 N
Prepaid Insurance	64,167	
Accounting Software	262,000	
Rent	336,107	-
	662,274	-

**Short Term Investments**

	2011	2010
3 Zenith Bank Plc	1,426,160	
Intercontinental Bank Plc	891,622	1,395,659
	2,317,782	862,086
		2,257,745

**Bank Balances**

**4 Current Accounts**

Intercontinental Bank	560,018	63,439	
Zenith Bank Plc	8,177,626	10,069,735	
Resort Savings and Loans	2,926,496	11,664,141	101,088
			10,234,262
<b>Domiciliary Accounts</b>			
Zenith Bank Plc - Dom \$750,366	112,851,706	1,727,308	
Visa Debit Account \$128.25	19,060	-	
Intercontinental Bank - Dom \$301.09	45,862	-	
Intercont. Bank Plc - Dom €290	63,850	112,980,477	75,000
	124,644,619		1,802,308
			12,036,570

**NIGERIA INTERNET REGISTRATION ASSOCIATION**  
**Notes to the Accounts, Year Ended 31st May, 2011**

	<b>2011</b>	<b>2010</b>
	<b>=N=</b>	<b>=N=</b>
<b>5 Accrued Expenses</b>		
Audit Fees	200,000	200,000
P.A.Y.E. Payable	330,410	-
NHIS Payable	103,792	-
Staff Pension Payable	28,609	-
	<u>662,811</u>	<u>200,000</u>
<b>6 Domain Prepaid</b>		
Domain Subscription	-	-
Premium Domain Prepaid	127,948,988	-
	<u>127,948,988</u>	<u>-</u>
<b>7 Trade Creditors</b>		
IT Click Network	-	1,233,288
Dynamic Network Services Limited	566,250	1,887,500
COCCA Registry Services Ltd	730,000	3,020,000
Kalu Foundation	666,370	666,370
	<u>1,962,620</u>	<u>6,807,158</u>
<b>8 Loan</b>		
Bimbo Olayinka	-	250,000
Mrs. Uduma	-	505,990
Others	-	1,526,310
Tope Fashedemi	-	520,000
Chima Onyekwere	100,000	100,000
Vincent Akhimien	-	3,430
	<u>100,000</u>	<u>2,905,730</u>
<b>9 Donations</b>		
Nigerian Communications Commission	5,000,000	5,000,000
Nigerian Information Technology Dev. Authorit	-	10,000,000
Grant from Nigerian Computer Society	-	-
Grant from Computer Professionals	-	400,000
	<u>5,000,000</u>	<u>15,400,000</u>