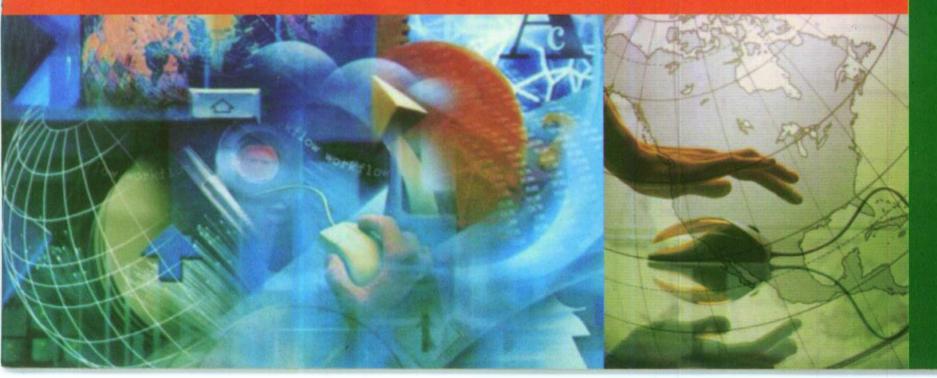
3rd Annual General Meeting



May 2008 - May 2010

NIGERIA INTERNET REGISTRATION ASSOCIATION





ANNUAL GENERAL MEETING

Notice is hereby given that the 3rd Annual General Meeting of Nigeria Internet Registration Association comes up on:

DATE:

Thursday, August 26, 2010

Oshun Hall, Lagos Airport Hotels, Obafemi Awolowo Way, Ikeja, Lagos.

TIME:

10.00 a.m.

AGENDA:

- 1. To receive the Annual Reports and Financial Statements for the year ended May 31, 2009, and May 31, 2010 together with Auditor's Report.
- 2. To receive a Business Plan and Budget for the period of the current financial year beginning June 1, 2010
- 3. To Consider such other business as any member properly brings before the meeting.

Special Business

4. To elect members of the Board of Directors of the Association

By the order of the Board

Dated: June 10, 2010

For enquiries and details, please contact:

NIRA Secretariat

9, Kofo Abayomi Street, Victoria Island, Lagos. Tel: 07028184335 E-mail: admin@nira.org.ng Website: www.nira.org.ng

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The Vice President's Statement

The responsibility of having to present this Annual Report which spans a two-year period in this auspicious moment of the Third Annual General Meeting of our dear Association has been foisted on me by the demise of the Pioneer President, Late Engr. Ndukwe Kalu who passed on to the great beyond nearly a year ago on September 8, 2010. His passage shifted the responsibility of guiding the affairs of this Association on me.

The present Executive Board of Directors was elected in May, 2007 for a two-year tenure. Elections were due at the AGM of 2009, but the departure of Engr. Ndukwe Kalu in less than two weeks to the scheduled date of September 20, 2009, deprived us of that meeting, the presentation of that year's annual report, and the elections. Today, it is my great pleasure to deliver on these tasks after a series of postponements.

The last AGM on Thursday, August 20, 2008, ended on certain expectations such as the certification of NIRA pioneer Registrars; the acquisition of the technical infrastructure for the proper take-off the .ng registry; the migration from manual registration to an automated registry system, and the registry/registrant model to the registry/registrar model; the site for the collocation of technical hardware; the re-delegation of .ng registry to NIRA by IANA and ICANN; et cetera.

I am glad to tell you that your Association has stepped out from the phobia of taking the initial steps. It may not have leapt to taking giant strides, but definite and modest progress has been made, regardless of grave financial challenges. And the future of the .ng registry is not

grim. It does have very great prospects.

The pioneer Registrars went through the mandatory training for prospective registrars in the last three days of August 2008. A lease facility was secured from Resort Savings and Loans Plc. (courtesy of the Treasurer), for the procurement of the technical infrastructure, and was executed immediately in September, The Pioneer Registrars 2008. commenced registration of domains in December, 2008, albeit, to a staccato service which persisted until May 2009 when we migrated to the live Cocca registry system. We appreciate the fact that pioneer Registrars bore with us through the difficult terrain of taking-off. Their patience is duly acknowledged, and is reciprocated by the gesture of not having demanded the renewal of their certification which is overdue by over one year, already.

NIRA has successfully re-delegated the administrative and the technical contact for .ng from NITDA to NIRA with the Internet Assigned Numbers Authority (IANA), and subsequently the primary authoritative Name server localized for the first time in Nigeria.

The registry has moved from a registry-registrant business model to a 3R model. That is, Registry-Registrar-Registrant model which promotes the registration and branding of .ng by empowering registrars to market the .ng brand. Since then there has been a substantial growth of .ng registrations. Registration of .ng domains has now been simplified for the registrars using the most advanced and modern protocol: the EPP, designed for communication between domain name

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The Vice President's Statement contd.

registry and registrars, which permits the registrars to automate the registration of, and payments for domains.

The .ng registry is using a shared registry software called CoCCA Registry software. This software supports the best practice environment and views policy development, core technical functions and commercialization as discrete administrative functions - even if carried out by the same entity. Like all good open source software, CoCCA software is constantly enhanced and has been in use for years by a variety of small ccTLDs around the globe. It was recently adopted for .masr an Internationalized Domain Name (IDN) using the Arabic characters, which means we can also adopt it for our IDN. The decision to select this software for .ng was based on its proven stability, open source code and adaptability to variety of computer operating systems.

I took the saddle when the state of the registry was quite beleaguered by frequent downtime; a confidence crisis, poor public image, indebtedness to service providers, and low morale of staff. We have covered some miles from where we were. Since then, I have received maximum cooperation from the members of the Executive Board, the Technical Committee, the Auction Committee, our host Medallion; and of course, the Board of Trustees have been very supportive. All of these people have rendered selfless service to the sustenance of our Association.

There is growing confidence in the .ng registry as a result of the increased stability. Thanks to the tireless efforts of the Chairman of the Technical Committee, Mr. Muhammed Rudman.

To ensure the reliability of the registry almost all the equipment are configured with redundancy, moreover a link was established to the Internet Exchange Point of Nigeria to ensure uptime in case of internet outages and to provide efficient connection to the registry.

The registry has a record uptime of more than 99% uptime in the last six months, and we are still trying to improve our service to ensure a 99.9 % uptime in the coming year.

A Helpdesk has been set up to established to resolve issues from Registrars with escalation procedures.

We are here today with a firm commitment to building the .ng brand. We crave your cooperation.

You are all welcome to the 3rd Annual General Meeting of our Association. I look forward to fruitful deliberations.



Mrs Mary Uduma

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CORPORATE INFORMATION

BOARD OF TRUSTEES

Dr. Isaac Adeola Odeyemi

Dr. (Mrs.) Adenike Osofisan

Mr. Olaleye Alao

Dr. Christopher Nwannenna

Mrs. Ibukun Odusote

Mr. Badaru Shina

Mr. Yunusa Zakari Ya'u

Mr. Akinbo Adebunmi Adeola

MANAGEMENT BOARD

Mrs. Mary Uduma

Mr. Vincent Akhimien

Mr. Abimbola Olayinka

Mr. Sunday Folayan

Mr. Temitope Fashedemi

Mr. Sikiru Shehu

Mr. Biyi Oladipo

Mr. Ufuoma 'Daro

Mrs. Yetunde Johnson

REGISTERED ADDRESS

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

BANKERS

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

President

Secretary

Treasurer

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1.0 INTRODUCTION:

As managers of Nigeria's country code Top Level Domain, dot ng (ccTLD .ng), our Association has the oversight functions of what portends to be the largest domain name registry in Africa, going by the country's population index. However, in the final analysis, a successful domain name registry would not be attained on a mere share magnitude of the country's population. It would take firm commitment, diligent planning, adequate funding, relevant human capital and execution to be attainable.

NIRA obtained the full re-delegation of the .ng registry from the Internet Corporation for Assigned Names and Numbers (ICANN) in May 2009. As a young Association, NIRA is still grappling with the challenges of being firmly rooted.

1.1 BUSSINESS VISION: To position NIRA as the leading domain name registry in Africa and ultimately, one of the foremost ccTLDs in the world.

Our Association is:

- Poised to build a pace-setting environment where the usage of the domain name service will be harmonious, and inherently become a model system in the industry.
- Committed to being the administrators of, and the non-governmental self-regulatory body for the .ng ccTLD and its associated

sub-level domains. NIRA promotes and ensures the operational stability, security, reliability and utility of the .ng through a bottom up policy development process, and a cost effective administration of the .ng ccTLD.

Ultimately, your Association will be among the best registries to be reckoned with in the world within the shortest possible time as measured by the satisfaction of the stakeholders, and as the .ng registry becomes a model for other ccTLDs at regional and sub-regional levels.

1.2 VALUES:

Above all else, NIRA values:

- Its people
- Its customers
- Its stewardship
- Its integrity
- Exceptional quality of service
- Continual empowerment

1.3 MOU WITH NITDA:

The Association signed a Memorandum of Understanding with the Federal Republic of Nigeria through the National Information Technology Agency (NITDA) in January, 2008. This represented the formal hand over of the management of the .ng ccTLD to NIRA. Since then, some tremendous progress has been made in that direction.

- 2.0 NIRA OPERATIONS
- 2.1 NIRAAPPROVED POLICIES:

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The NIRA Board endorsed thirteen draft Policies that would guide the operations of the NIRA Registry in January 2008. The Policies were made public for consultation with NIRA stakeholder Associations and the ICT community in general. This lasted through the month of April, 2008. The comments and input from the communities shaped and determined the content of the final Policies of NIRA as published on July 10, 2008.

The Policies and Procedures released by the Association to guide the .ng registry offer more than a handful of benefits to the internet community.

- Every stakeholder's input was carefully considered before the final document was arrived at.
- This is a reflection of the fact that the Board of Directors is willing to implement the bottom up approach in policy development in line with international best practices to carry all stakeholders along.
- The process by which the approved policies came into place articulates a clear process for the review or introduction of new policies and procedures.
- NIRA policies and procedures shall not be reviewed, introduced, or entrenched by brigandage approach. A due process

- is in place, and shall be adhered to.
- By the special features of the policies, NIRA offers one of the lowest domain names pricing any new registry has offered from the onset. NIRA fees are the lowest in Africa and one of the lowest in the world.
- The 13 approved policies of NIRA are listed below.
- NIRAFEE POLICY
- NIRACOMPLAINTS POLICY
- NIRA POLICY DEVELOPMENT PROCESS
- NIRADOMAIN NAMES POLICY
- NIRA GENERAL REGISTRATION POLICY
- NIRAREGISTRANTAGREEMENT
- NIRAREGISTRARAGREEMENT
- NIRA REGISTRAR ACCREDITATION APPLICATION FORM
- NIRA REGISTRAR ACCREDITATION POLICY
- NIRAPRIVACY POLICY
- NIRADISPUTE RESOLUTION POLICY
- NIRAGLOSSARY
- NIRA DIRECTORS CODE OF CONDUCTPOLICY

2.1.2 NIRA AUCTION PROCESS AND PROCEDURE

The NIRA Auction Policy and Procedure was drafted by the NIRA Auction Committee set up in December 2008. The document was open for inputs for a 21-day period beginning from Friday, April 23, 2010 to Thursday, May 13,

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2010 to all Stakeholder Associations. No objections or amendments were returned during the 21-day period. It can be accessed from the NIRA website at www.nira.org.ng.

Having circulated the draft NIRA AUCTION PROCESS AND PROCEDURE to all Stakeholder Associations and the ICT community for inputs, the Board of Directors of Nigeria Internet Registration Association has ratified the document, and has been duly adopted as the 14th Policy document of the Association.

As a result, the NIRA Auction process is now open.

2.2 NIRA REGISTRAR BASE

NIRA operates a registry/registrar system which empowers Registrars as the middlemen in the registration process of .ng domains.

2.2.0 NIRAACCREDITED REGISTRARS:

2.2.1 PIONEER REGISTRARS

The process for the recruitment of the historic NIRA Pioneer Registrars commenced in April 2008, and again in May 2008; albeit unsuccessfully as only about 8 organisations registered their interest in the process. In the month of July, 2008, the call for pioneer registrars was renewed with greater zest as it featured adverts in major national dailies, and

a door-to-door canvassing for the participation of the top 100 ICT companies in Nigeria. This yielded very positive results as about 40 applications were received. 34 Organisations received provisional accreditation, and 29 eventually received full accreditation as pioneer registrars of NIRA, having met the full requirements which included a certification test. The NIRA pioneer registrars were announced to the public on December 10, 2008. They fall under the categories of Platinum (4), Gold (1), Silver (7), and Standard (17).

PLATINUM

- 1. Linkserve Nigeria Limited
- 2. Websoft Nigeria Limited
- 3. Amsco Telecoms Limited
- Upperlink Limited

GOLD

1. Lufem systems Limited

SILVER

- 1. General Data Engineering Nigeria Limited (SKANNET)
- Micro Access Nigeria Limited
- 3. Integrated Broadband Nigeria Limited
 - Netorb Media Limited
- 5. Layer 3
- 6. Nigerianet Limited
- 7. Blue Topaz Limited

STANDARD

1. Ennovate Nigeria Limited

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- 2. Icecool Contracts Limited
- 3. Digital Fusion Limited
- 4. Pinet Informatics Limited
- 5. Creotec Limited
- 6. Demsat Systems Limited
- 7. Kheweul
- 8. ITClick
- 9. Ghotek Limited
- 10. Generis Universal Limited
- 11. Trefoil Network Limited
- 12. Global Trend Limited
- 13. Komtemporary Komputers Limited
- 14. Signon Africa Limited
- 15. Quality Information Limited
- McReal Online Network Systems Limited
- 17. Steineng Nigeria Limited.

Registrars choose the category they operate from. The various categories carry varying financial commitments, and attract differential pricing of domains.

Suffice it to say that less than 50% of pioneer Registrars are actively involved in the business of domain name registration, presently.

2.2.2 ADDITIONAL SECOND LEVEL DOMAINS

NIRA has enlarged the playing field for NIRA Registrars by its creation of additional second Level Domains (SLDs). In addition to the existing six second Level Domains in the country - .com, .edu, .gov, .mil, .net, and .org,

NIRA has created three new Second Level Domains. They are .mobi, .sch., and .name. The subsidiary domains that could accrue from these, and the teaming mass of persons who would have access to the internet, but may not necessarily have access to computers, herald pragmatic services to the internet community.

2.2.3 NEW REGISTRARS:

On July 6, 2009 and more recently on December 8, 2009, the Accreditation Evaluation Committee approved the provisional accreditation of 7 new registrars and the full accreditation of 4 new registrars. The training programme for the provisionally accredited registrars took place on the 18-19th December, 2009 at the impressive facilities of Chamscity, Ikeja, Lagos. It should be noted that the facility was made available to us at no financial cost, and NITDA sponsored a senior Legal Officer, Mr. Emmanuel Edet as one of the facilitators of the programme.

The following Organisations attended the two-day training programme:

- 1. Chams PIC.
- 2. Cyberspace Ltd Platinum
- 3. Galaxy Backbone PLC.
- 4. Peace Global Ltd
- 5. Syscomptech Standard6. Technovation Standard
- 7. Yamaguchi Standard

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Cyberspace, Technovation, Yamaguchi Group, and Syscomptech have completed their documentation and have received full accreditation in the categories as specified above. Having passed the certification test, we await the submission of the required documentation in order for the other three to receive full accreditation.

Also, applications that were received from foreign and duly accredited ICANN registrars were evaluated, and were given full accreditation. These are

- Safenames (U.K) Standard ICANN accredited
- InternetX (Gmbh) Standard ICANN accredited
- 3. Aeiou Standard
- IP Mirror (Singapore) Platinum ICANN accredited

This brings the number of non-Nigerian Registrars to 5, and ICANN accredited Registrars in the .ng registry to 4, the first being Kheweul of Senegal, a NIRA pioneer Registrar, and the total number of Registrars who have received full accreditation to 37. Currently, there are 6 Platinum, 1Gold, 7 Silver, and 23 Standard Registrars.

2.2.4 FURTHER ACCREDITATIONS

It is a general consensus that the list of NIRA accredited Registrars should not be restricted to a closed group, but should be open to new entrants quarterly. It is cheery to hear that the .ng registry receives quite an impressive

NIRA accredited Registrar. But, these enquiries are not often matched by a corresponding completion of the application process. For instance, no accreditation process has been conducted in 2010 as only a handful of application packages have been returned; and the attendant administrative costs in the accreditation process cannot be borne by only some few applicants.

However, the next round of accreditation shall hold without further delay shortly after this AGM.

2.2.5 FORUM WITH REGISTRARS

Having observed that quite a handful of the pioneer Registrars had challenges with the task at hand, interactive fora were organized in order to discuss and proffer solutions. Two of such forum was organized successfully in Lagos in 2009, and with some support from NITDA in sending one of its officers, Mr. Preye Itoye as a facilitator. NIRA plans to make the face to face Registrar Forum a regular event with a possibility of convening the meetings in other locations as well as Lagos.

There is also the on-line NIRA Forum where events on .ng and Nigeria on Cyberspace are discussed. It caters to different levels of interest and needs. This can be accessed from the NIRA website: www.nira.org.ng.

2.3 TECHNICAL INFRASTRUCTURE:

The NIRA technical infrastructure was first set up in September, 2008 with a N3, 344, 000.00

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Finance facility from Resort Savings & Loans Plc at an interest rate of 21%, and with NIRA contributing an equity of N1, 000, 000.00. The facility was to be paid back over a 14-month period, beginning in October 2008. Although we started off well, there were defaults after the first two months of 2009. Your Association has been able to pay off for the lease facility in full as at November, 2009, facilitated by the release of a N5 Million funding from NCC, thereby enabling the Association adhere to the terminal date.

Since that initial investment, further investments have been made in the technical infrastructure. This runs to well over N4m. The additional expenditure has gone into upgrading the power issues such as inverters, batteries; and other equipment as router boards, radio equipment, and consumables such as bandwidth and some maintenance costs.

The infrastructure is currently collocated at Medallion, 8 Saka Tinubu Street, Victoria Island, Lagos, otherwise called the Network Operations Centre (NOC). The back-up sited at the Nigeria Internet Exchange Point is being set up, gradually. Both the NSA and NS1 are localised. In other words, the Authoritative DNS server and the Registry server have been domesticated. The implication for all registrars that are connected to the NIXP is that when there are such hiccups as often experienced with SAT-3, there would be no loss of connectivity.

Our technical infrastructure is designed to ensure full protection of registrant data. Junk mails are not sent to registrants on .ng. This is well articulated in the NIRA privacy policy.

2.4 THE RE-DELEGATION OF NIRA REGISTRY AND SURVIVAL OF .NG:

A request for the re-delegation of the .ng Top Level Domain was made with IANA on January 15, 2009. On May 13, 2009, the Internet Assigned Numbers Authority (IANA) completed the process of re-delegation of the .ng domain name from the temporary authorities to NIRA. The registry runs on the Cocca Registry software which is EPP compliant.

The Registry is under the direct supervision of the Technical Advisory Committee of NIRA, with Mr. Mohammed Rudman of NIXP as chairman. There is a growing confidence in the .ng registry as complaints are attended to, much faster, and with less down time. Currently, the number of registered domains in the registry is 10,727 as at August 17, 2010. This is still a far cry from the desired output.

The Board of Directors of NIRA are of the opinion that it is paramount to have the .ng registry populated in the shortest possible time; particularly with the threatening encroachment of the new gTLDs to various geographical frontiers, and the huge cost of registration of same. Either way, there are huge financial implications to attaining this

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goal, and has far-reaching implications to the firm rooting of .ng.

2.5 FINANCE:

The Association is hamstrung by the dearth of funds. It is yet to attain its goal of being selffunding. Until the third quarter of 2009, many members of the Board of Directors have had to tax themselves now and again to augment the expenses of the Association. And prior to May 2010 when NITDA released a subvention of N10 Million to the Association, NiRA's creditors did include some local and international service providers and vendors such as Cocca, DYNTLD, ITClick Network, Medallion, Amsco Telecoms, some members of the Board of Directors, et cetera. Since then, some of the creditors have been paid up after a re-negotiation of the debts to between 50% and 70%.

The Nigeria Communications Commission working in tandem with the Vice President of NIRA must be commended for having given us sustained support in terms of funding. On February 1, 2008, the Commission gave the Association the sum of N4, 000,000.00. Again, on October 30, 2008, NIRA received a subvention of N1,398,600 from the NCC to fund the Association's attendance at the 34th ICANN Public meeting held in Cairo, Egypt in November 2008. Some members of the Board of Trustees and the Board of Directors were to attend the meeting in Cairo. NCC also gave NIRA the sum of N5, 000,000 on October 29, 2009. We intently expect that

this support will be sustained in 2010 and the years ahead.

NITDA has been quite supportive, too. In response to an appeal in the course of setting up the technical infrastructure in 2008, the Agency gave NIRA the sum of N700, 000.00 on August 13, 2008. The sum of N791,000.00 was received from NITDA towards the burial arrangements of Engr. Ndukwe Kalu, the pioneer President of the Association. NITDA also provided a one-room office space in Victoria Island for the Association's Secretariat.

As earlier mentioned, a subvention of N10 Million was received from NITDA in the month of May, 2010. We believe that this is the beginning of good things from NIRA's supervising Agency as we expect the subvention from NITDA to continue for a reasonable time, particularly, since the Association did not receive any seed money from the supervising Agency at inception.

Although the Association has generated some funds on its own, it is yet to scratch its real potentials in this regard. For instance, the process of recruiting pioneer Registrars in 2008 generated the sum of N4.1m as application fees and deposits for the various categories, and N1.9m in the next batch of Registrars as Application, Certification fees and Deposits for their categories of choice. The said income is exclusive of the income generated from the registration, renewal and

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transfers of domain names. This could be surpassed several times over if the registry runs much more efficiently, and with enhanced integrity and activity from Registrars, and if Registrars get timely service and value for their money. A detailed financial report is captured in the audited Financial Report.

2.5.1 EFFORTS AT SELF-FUNDING

The potential of NIRA becoming self-sustaining and self-funding is not in doubt, however, the support of its stakeholders at this infancy level must be emphasized, especially supports from the Government of Nigeria through the supervising Agency and others like the Nigerian Communications Commission.

Efforts have been made at generating funding from the sale of Premium domains in various categories. The first attempt at this is the Gold Domains where a list of Premium domains was released on March 1, 2010. They consist, mainly, generic words in the English language, and are available at the 3rd Level. The list is finite. The list is available at the NIRA website: www.nira.org,ng.

The other effort was the release of the NIRA Auction Process and Procedure document, and the attempt to jumpstart the Sale of Platinum domains by offering a concessionary Buy Now Price. In order to initiate the platinum domains auction (that is, domains in the second (2nd) level, NIRA gave a concessionary buy now bid price of

Six Million Naira (N6,000,000.00) for the first 10 successful offers.

The auction of Diamond domains is still in view. This is where the registry intends to exploit the uniqueness of this ccTLD as .ng. As rightly articulated in the NIRA AUCTION PROCESS AND PROCEDURE document, "Nigeria's country code - .NG - assumes a global significance for many words by the coupling of .ng with any of the five vowels of the English Language. The introduction of such unique new 2nd Level domains as a.ng; e.ng; i.ng; o.ng; u.ng, would lead to combinations that would form action verbs that are only possible with the .ng ccTLD".

The attempts so far are yet to yield the desired results. There might be need to review some of the strategies.

2.6 ADMINISTRATION:

Atemporary office has remained in place over the period. The plan to set up a proper organizational structure was delayed, due largely to the non-availability of funds. The project is in view, and shall be implemented shortly.

The Secretariat has been housed in various one-room offices provided first by the Secretary, Board of Directors, the President, Board of Directors, and currently at the Lagos offices of NITDA at 9, Kofo Abayomi Street, Victoria Island, Lagos. NIRA has never had the resources to invest in renting adequate office space, nor in office furnishing, but has

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depended largely on whatever bare furnishing and infrastructure the host provides. For instance, the current environment is such that electricity can hardly be guaranteed for 4 hours per day and 5 days per week. The Association has not been able to meet its obligation to the host company where the technical infrastructure is located.

The current status of a temporary office makes it difficult for the office to operate a vote. A proper institution is yet to be in place in terms of staffing and administration of the office. All approvals for project or programs would wait for the approval of the Board (or some of its members) even on the minutest issue beyond materials that could be accommodated within the imprest. Needless to say that this poses great challenges on the productivity of the Registry and the Secretariat!

Consequently, the Board of Directors has considered the option of outsourcing the management of NIRA's technical infrastructure to the Nigeria Internet Exchange Point on a complimentary basis as a stop-gap measure towards ensuring some form of efficiency pending when NIRA can attract the right and competent Chief Technical Officer with sound technical knowledge. However, in doing this, the Board is aware that this function should remain within the registry as it constitutes the core business of the Association.

2.6.1 STAFFING

Currently, NIRA is administered under the close supervision of the Executive Board of Directors through a temporary Administrative Executive. The other members of staff include an Account officer, a Technical support staff and three corps members. The Board of Directors is making concerted efforts at recruiting a competent Chief Operating Officer, a Chief Technical Officer, a Chief Finance Officer, et cetera, and also to remunerate the staff appropriately.

2.6.2 MANPOWER DEVELOPMENT

Some aggregated efforts are being made towards the development of the current human capital in NIRA. A three-man team from NIRA participated in the AfTLD-initiated training, IROC (an acronym for Initial Registry Operations Course) for Anglophone countries in Africa. The week-long training preceded the 37th ICANN public meeting held in Nairobi, Kenya, which the NIRA team also attended. This meeting was an eye-opener to the level of convergence that is taking place in the ICT industry, and to the technicalities of hosting such world-class event. recently, a two-man team of NIRA attended a Cocca-initiated Africa regional training on the use of the Cocca registry software held in Cape Town, South Africa.

2.7 TECHNICAL RELATIONS

NIRA signed technical contracts with Dynamic Network Services (DYNTLD) for secondary DNS services on January 12,

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2009. Over the months of March and June 2010, the attendant fee for the contract was re-negotiated downwards by 50%.

The .ng registry migrated to the Cocca registry system in May, 2009. Over the period it has become pertinent that NIRA enters into technical services contract with the Organisation. It covers a software maintenance and registry support services. An initial 5-year contract has been negotiated at a discounted cost of over 40%. This is already beginning to yield positive results with the recent participation of NIRA in the regional training organized by CoCCa.

The goodwill of the Vice President, Mrs. Mary Uduma, in the industry has yielded very positive results for the Association. After the expiration of a contract agreement with ITClick for the provision of bandwidth to the NIRA NOC, Suburban Telecoms agreed to provide bandwidth to the registry for free. We have enjoyed this largesse for nearly 11 She is also bringing her months now. goodwill and astuteness to bear in the ongoing negotiations for the outsourcing of the management of NIRA's technical infrastructure as she is insistent that the Internet Exchange Point renders this service free of all charges for the initial three years.

2.9 BID TO HOST ICANN PUBLIC MEETING

The Internet Corporation for Assigned Names and Numbers (ICANN) coordinates the unique identifiers on the internet across the

world. Their activity makes it possible for us to have one global internet. ICANN was formed in 1998. It is a not-for-profit public-benefit corporation with participants from all over the world dedicated to keeping the Internet secure, stable and interoperable. It promotes competition and develops policy on the Internet's unique identifiers. Its coordination role of the Internet's naming system has carved for it a niche on the expansion and evolution of the Internet.

ICANN holds three public meetings annually. These meetings are rotated among the various continents. Alongside Kenya, Nigeria bid to host the 37th ICANN Meeting scheduled for 7-12 March, 2010. At the announcement of the result, Kenya won that bid. Although the Nigerian Regulator, NCC, was the arrowhead for the bid, the collaboration of NIRA was required, and received.

The idea of bidding to host the next ICANN meeting zoned to the African Region was considered not very viable, considering the fact that it is election year come 2011 in Nigeria. The preferred option is to bid to host ICANN 47th Meeting on 14-19 July, 2013 when it will be Africa's slot again. NIRA intends to sell this idea to NCC, NITDA, and the ICT community in Nigeria.

3.0 CONSTITUTION REVIEW:

The Constitution of the Association was reviewed at the Second Annual General

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Meeting of the Association held on August 20, 2008. But the said review is yet to take effect as it is yet to be ratified, announced by the Board of Trustees; and filed with the Corporate Affairs Commission.

2.8 LIABILITIES AND EXPENSES

NIRA operations are tied to certain necessities, and some of the Service providers are located overseas. As a result, the Association has amassed international and local debts. An overview of NIRA's liability to its creditors is articulated in the Auditors Report.

2.9 CHALLENGES

The major handicap of NIRA is the acute shortage of funds to ensure its proper establishment. The dire need to attract competent and build the requisite human capacity for its operations would be tackled if well funded. Efficient and effective communication is needed to its publics in order to inform and educated the teaming Nigerian populace on this unique identifier.

NIRA has from time to time received threats of being cut-off by service providers and experienced down time emanating from inadequate power supply.

The Association, presently, can hardly afford the cost of a well-remunerated staff who are more likely to be productive and dedicated.

There is also the constraint of space such that NIRA's operations are housed at different locations. For instance, the Network

Operations Centre is at a different location from the Secretariat, thus creating some logistic difficulties in coordinating the operations.

If these grave challenges are addressed, the issue of outsourcing the management of the technical operations of this critical resource will not arise. The Association will strive hard to address these needs in the coming year in order to provide a world-class service to its customers

3.0 PROJECTIONS

It is our projection that the .ng registry would have about 250,000 registered domain names by 2011. This requires intensive and aggressive marketing strategies. This might not translate to immediate financial gains as the Association is considering collaborating with accredited Registrars who may be willing to register and host some registrants free of all charges in the initial year. The modalities for this are being fine-tuned.

Already, discussions have commenced with Google on a partnership on the implementation of a Google – initiative: Get Nigeria Businesses Online. This is part of a continent-wide initiative – Get Africa Businesses Online (GABO). In Get Nigerian Businesses Online; and the larger project - Get African Businesses Online (GABO) Initiative, Google is launching an initiative to provide a technology platform for SMEs across Africa to create an online presence

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quickly and easily. The target is to get 1 million businesses online across Africa 24 months from launch and 250,000 businesses in Nigeria within a similar time period. Google is to commence a pilot programme on this with one of NIRA's accredited Registrars in October and the entire project in 2011. Get Nigeria Businesses Online will entail a partnership with small businesses at no cost to the business with a goal to hosting 250,000 small businesses online.

Google has accomplished this successfully in the U.K in the Get British Business Online initiative. This could be accessed at www.gbbo.co.uk.

A prospective Registrar is set to commence registration and hosting of free domains as a social service to another sector of the economy.

NIRA also projects to raise its internally generated funds in the current year from a successful auction bid for slots in the second level, sale of premium domains in the third level, and the regular registrations and renewals of domain names.

4.0 COMING EVENTS:

4.1 NIRAAUCTION

The effort to deliver NIRA from the debilitating condition of living on uncertain subventions which come far between, and in tune with the best practices in the industry, a NIRA Auction

Committee was inaugurated on December 2, 2008. It had the mandate of producing the NIRA Auction Document. After the sittings of the Committee, it was adopted by the Board of Directors that NIRA would hold quarterly auctions of 11 slots of new Premium Second level domains, et cetera, with the first scheduled to have held on June 25, 2009. This was to be collocated with the CPN IT Professionals Assembly in Abuja. Unfortunately, this is yet to materialize. It is envisaged that this feat shall be accomplished sometime in 2010. A successful Auction will indeed bring in the much needed funds to get the Association functioning properly in every wise.

4.3 CORPORATE 1000

The Association hopes to market high networth organizations in Nigeria including the Print Media and broadcasting Institutions to take up the .ng domain names as corporate and national identity.

4.4 RE-DELEGATION OF CLOSED DOMAIN NAMES

Plans are on the way to activate existing and new closed domain names like .edu .ng, .mil .ng, .gov.ng, and .police.ng to sub-registry operators to manage. Toward this end, NiRA would conduct workshops with the relevant stakeholders to develop the necessary standards and naming conventions, including authorisation levels to govern the registration of these closed domains in the .ng domain

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name space. This, by no means, translates to an endorsement of a balkanization of the .ng registry.

4.5 MEMBERSHIP OF AFRINIC

It is proposed that NIRA would subscribe to be become a member of AfriNIC; and efforts are top gear for the registry to have its own block of IP, be it on the IPv4 or IPv6 allocation.

4.6 THIRD ANNUAL GENERAL MEETING:

The Third Annual General Meeting of the Association could not hold as slated on September 2, 2009. It was rescheduled for a later date in September, and could not hold due to several extraneous factors, and the demise of the pioneer President of the Board of Directors, Engr. Ndukwe Kalu. We are all here for it today, August 26, 2010.

5.0 PASSAGES:

The pioneer President of the Board of Directors, Engr. Ndukwe Ogbogu Kalu, passed on to the great beyond on Tuesday, September 8, 2009 in his office. This was, indeed, very shocking, particularly, since he had not been reported ill. His body has since been buried. The Association played very prominent roles in contributing its quota towards giving the pioneer president a befitting burial. Contributions were made in cash and in kind by members of the BOT, the BOD, NITDA, NIXP, an ICANN official, Registrars, Registrants, et cetera. An

Ndukwe Kalu Foundation shall be launched on September 8, 2010 to immortalize his contributions to the development of ICT in Nigeria. The Trustees of the Foundation are drawn from the ICT community.

CONCLUSION:

The Association has a bright future in the domain name registry service. It only needs the seed fund from the sponsors to take off fully as a thriving Institution. It is hoped that with the calibre of BOT members and Executive Board members, including the supporting organizations like NCC and NITDA, it can realize its full potentials in the shortest possible time.

NIRA aims at becoming a reference Domain Name Registry in Africa and indeed in the world just like the mobile phone market has succeeded in Nigeria, with the support of the Stakeholders.

SIGNED

MRS. MARY UDUMA

VICE PRESIDENT, EXECUTIVE BOARD OF DIRECTORS

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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, 2010 set out on pages 4-6 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 the 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, 2010 and of the surplus for the period ended on that date.

Lagos, Nigeria 5 August 2010

Derogba Ola & Co. (Chartered Accountants)

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NIGERIA INTERNET REGISTRATION ASSOCIATION PERIOD ENDED 31ST MAY, 2010

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. Basis Of Accounting

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

2. Fixed Assets

Fixed Assets are stated at cost less depreciation.

3. Revenue Recognition

Revenue is recognized on accrual basis.

4. Depreciation

Depreciation is calculated on a straight line basis 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.

%

Office Equipment	20
Computer	33 1/3
Furniture, Fittings & Equipment	20

5. Exchange Rates

1. Transaction

Transactions in foreign currency are translated to Naira at the rates of exchange ruling at the dates of the transactions.

2. Conversion

Balances in foreign currency at the end of the year are converted to Naira at the rate of exchange ruling on that date. All differences arising from the conversion of balances in foreign currency to naira are taken to the profit and loss account.

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NIGERIA INTERNET REGISTRATION ASSOCIATION BALANCE SHEET AS AT 31ST MAY, 2010

	Note		2010 =N=		2009 =N=
Fixed Assets	1		2,068,828		2,789,500
Current Assets					
Prepi yments		-		5,685	
Short Term Investments	2.	2,257,745			
Pank Balance	3	12,036,570		62,520	
Cash Balance		22,290		-	
		14,316,605		68,205	
Less:					
Current Liabilities					
Accrued Expenses	4	200,000		736,000	
Equipment Lease		-		836,136	
Trade Creditors	5	6,140,788		-	
Overdraft		-		409,533	
Short Term Loan	6	2,905,730		2,009,689	
		9,246,518		3,991,358	
			5,070,087		(3,923,153)
NET ASSETS		_	7,138,915		(1,133,653)
Financed by:					
Accumulated Fund					
Domain Subscription			5,497,362		3,430,000
Kalu Foundation			666,370		
Surplus/Deficit			975,183		(4,563,653)
			7,138,915		(1,133,653)
Mary Uduma	-	President			
		Treasurer			
Adimbola Olayinka					

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

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NIGERIA INTERNET REGISTRATION ASSOCIATION INCOME & EXPENDITURE ACCOUNT, YEAR ENDED 31ST MAY, 2010

			2010		2009
	Note	=N=		=N=	
Revenues					
Registrar registration Fees		225,000		1,433,750	
Donations	7	15,400,000		1,398,600	
Domain Fees		5,177,198		700,000	
Membership Fees		100,000		-	
Interest Income		35,344			
Other Income		733,789		557,134	
Total Revenues			21,671,331		4,089,484
Expenses					
Staff Cost		2,929,359		2,185,160	
Printing & Stationery		44,060		132,710	
Management Retreat		,		1,121,130	
Conference Expenses		100,000		1,156,274	
Newspapers				49,020	
Training		269,000		448,845	
Insurance Expenses		5,685		22,739	
Travelling Expenses		2,852,240		779,530	
Advertisement & Publicity		92,619		990,905	
AGM Expenses		95,000		98,880	
Technical Maintenance - Infrastructure		4,907,500			
Repairs & Maintenance		66,574		140,200	
Telephone & Postages		196,460		325,247	
General Office Expenses		414,220		265,850	
Bank Charges		96,318		248,624	
Interest on Loan		186,118		270,722	
Audit Fees		150,000		150,000	
Legal Expenses				150,000	
Entertainment Expenses		254,760		302,420	
Bandwidth		1,901,750		937,480	
Depreciation		1,570,832		754,500	
Total Expenses			(16,132,495)		(9,775,736)
Net Income (Surplus of Revenue over					(7)
Expenses)			5,538,836		(5,686,252)
Surplus Brought forward			(4,563,653)		1,122,599
Surplus Carried forward			975,183		(4,563,653)

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NIGERIA INTERNET REGISTRATION ASSOCIATION STATEMENT OF CASH FLOWS, YEAR ENDED 31ST MAY, 2010

	2010	2009
	N	N
OPERATING ACTIVITIES		
Excess of Income over Expenditure	5,538,836	(5,686,252)
Adjustments for non-cash items		
Depreciation	1,570,832	754,500
	7,109,668	(4,931,752)
Other adjustments to reconcile expenses		
for the year to cash from operating activities		
Increase in Trade Creditors	6,140,788	
Increase in Loans	896,041	1,157,259
Prepayments	5,685	(5,685)
Bank Overdraft	(409,533)	409,533
Decrease in Accrued Expenses	(536,000)	
Cash used in operating activities	13,206,649	(3,370,645)
INVESTING ACTIVITIES		
Purchase of fixed assets	(850,160)	(3,544,000)
Short Term Deposit	(2,257,745)	
Cash used for investing activities	(3,107,905)	(3,544,000)
FINANCING ACTIVITIES		
Domain Subscription	2,067,362	3,430,000
Funds from Kalu Foundation	666,370	
Equipment Lease	(836,136)	836,136
	1,897,596	4,266,136
Cash from financing activities Net Increase in Cash	11,996,340	(2,648,509)
THE SHOT CLOSE IT COUNTY	11,750,540	(2,040,309)
Cash at the beginning of the year	62,520	2,711,029
Cash at the end of the year	12,058,860	62,520
Represented by the following:		
Petty Cash Balance	22,290	
Bank Balance	12,036,570	62,520
	12,058,860	62,520

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NIGERIA INTERNET REGISTRATION ASSOCIATION NOTES TO THE ACCOUNTS, YEAR ENDED 31ST MAY, 2010

1 Fixed Assets

	Balance	Additions	Disposal	Balance
	01/06/09			31/05/2010
Cost	=N=	=N=	=N=	=N=
Office Equipment	1,200,000	850,160		2,050,160
Computer	2,229,000			2,229,000
Furniture & Fittings	115,000			115,000
	3,544,000	850,160	Mile THE	4,394,160
	Balance	Charge for	Disposal	Balance
Depreciation	01/06/2009	the Year		31/05/2010
Office Equipment	180,000	804,832		984,832
Computer	557,250	743,000	-	1,300,250
Furniture & Fittings	17,250	23,000	-	40,250
	754,500	1,570,832		2,325,332
Net Book Value	01/06/2009			31/05/2010
Office Equipment	1,020,000			1,065,328
Computer	1,671,750			928,750
Furniture & Fittings	97,750			74,750
	2,789,500	-		2,068,828
	2010			2009
2 Short Term Investments				
Zenith Bank Plc	1,395,659			
Intercontinental Bank Plc	862,086			
	2,257,745			
3 Bank Balances				
Current Accounts				
Intercontinental Bank	63,439			49,761
Zenith Bank Plc	10,069,735			12,759
Resort Savings and Loans	101,088	10,234,262		
Domiciliary Accounts				
Zenith Bank Plc - Dom Account	1,727,308			
Intercontinental Bank Plc - Dom Accounts	75,000	1,802,308		
	纳福曼等等	12,036,570		62,520

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NIGERIA INTERNET REGISTRATION ASSOCIATION

Notes to the Accounts, Year Ended 31st May, 2010

		2010	2009
4	Accrued Expenses	=N=	=N=
	Salary Payable	-	586,000
	Audit Fees	200,000	150,000
		200,000	736,000
5	Trade Creditors		
	IT Click Network	1,233,288	
	Dynamic Network Services Limited	1,887,500	
	COCCA Registry Services Ltd	3,020,000	
		6,140,788	
6	Loan		
	Bimbo Olayinka	250,000	250,000
	Mrs. Uduma	505,990	
	Others	1,526,310	250,259
	Tope Fashedemi	520,000	520,000
	Computer Professionals of Nigeria	-	400,000
	AMSCO Telecomms	-	436,000
	Chima Onyekwere	100,000	100,000
	Vincent Akhimien	3,430	3,430
	Sundry		50,000
		2,905,730	2,009,689
7	Donations		
	Nigerian Communications Commission	5,000,000	1,398,600
	Nigerian Information Technology Agency	10,000,000	
	Grant from Nigerian Computer Society		
	Grant from Computer Professionals	400,000	
		15,400,000	1,398,600
			NOTE OF BUILDING POR

