

**Company number: 13664902**

**AIRTEL AFRICA TELESonic LIMITED**  
**Annual report and financial statements**  
**for the year ended 31 March 2024**

<b>Contents</b>	<b>Page</b>
<b>1. Corporate Information</b>	3
<b>2. Strategic Report</b>	4-6
<b>3. Directors' Report</b>	7-8
<b>4. Directors' Responsibilities Statement</b>	9
<b>5. Independent Auditors' Report</b>	10-12
<b>6. Statement of Financial Position</b>	13
<b>7. Income Statement</b>	14
<b>8. Statement of Changes in Equity</b>	15
<b>9. Notes to the Financials Statements</b>	16-27

<b>REGISTERED NUMBER</b>	13664902
<b>DIRECTORS</b>	Simon O'Hara Pier Alfonso Falcione (resigned on 2 February 2024) Jaideep Kishore Paul Sidhanth Hota (appointed on 25 March 2024)
<b>COMPANY SECRETARY</b>	Simon O'Hara
<b>REGISTERED OFFICE</b>	First floor, 53/54 Grosvenor Street London W1K 3HU United Kingdom
<b>BRANCH OFFICE</b>	101, Second floor 20, Dubai Internet City Dubai United Arab Emirates
<b>BRANCH LICENSE NUMBER</b>	99425
<b>BANKERS</b>	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD United Kingdom  Standard Chartered Bank Emaar Square Downtown Dubai United Arab Emirates
<b>INDEPENDENT AUDITORS</b>	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

## Airtel Africa Telesonic Limited Strategic Report

The Directors present the strategic report and audited financial statements of Airtel Africa Telesonic Limited (the "Company") for the year ended 31 March 2024. The previous year being the first year since incorporation, hence the Company has prepared the financial statement for the period from 06 October 2021 to 31 March 2023 (herein after termed as "previous period")

### Principal activities

The main objective of the Company is the operation and provision of telecommunication facilities and services including international wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers on its own.

### Financial Key performance indicators

As the Company provides telecommunication and network services, the key performance indicator for internal performance analysis is its revenue, operating profit margin and net profit margin as shown below:

Key Performance Indicator	Basis of calculation	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Revenue ('000)		\$22,582	\$14,189
Operating Profit Margin	Operating profit/ Revenue	16.91%	6.10%
Net Profit Margin	Profit before tax/ Revenue	15.96%	5.78%

### Development and financial performance during the period

As reported in the Company's statement of comprehensive income, revenue during the period is \$22,582,000 (previous period \$14,189,000) which comes from provision of telecommunication and network services. The increase in revenue and profit margin is due to increase in international capacity sales to external customers and managed services being provided on new 2Africa cable system.

Operating profit margin is \$3,818,000 (previous period \$865,000) during the period.  
The profit after taxation was \$3,604,000 (previous period \$820,000).

### Financial performance at reporting date

The statement of financial position shows that the net carrying value of the Company's net assets at period-end was \$4,424,000 (previous period \$820,000).

### Future developments

The Company will continue to provide services relating to provision of telecommunication and network services.

### Principal risks and uncertainties

The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the 2024 Annual Report of Airtel Africa plc (the "Group"), which is publicly available from the Group Company Secretary (First floor, 53/54 Grosvenor Street, London W1K 3HU, UK) or on the website [www.airtel.africa.com](http://www.airtel.africa.com). Risks relating specifically to the Company are as follows:

#### Market risk

The trading activity of the Company and its financial position may be adversely impacted by downturns in general economic conditions or any future periods of economic recession.

#### Foreign exchange risk

The amounts payable to and receivable from Group undertakings include amounts denominated in currencies other than United States Dollar, therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

#### Interest rate

The Company has interest-bearing liabilities linked to the financing from Airtel Africa Services (UK) Limited (details of which are disclosed at note 13 of the financial statements). While the SOFR rate expose the Company to cash flow interest rate risk, management believes that this risk is managed as the funding is provided by a related party.

**Statement by the Directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006 ("the Act")**

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and other matters required by Section 172(1)(a) to (f) of the Act. This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making. The Company is a direct subsidiary of Airtel Africa Telesonic Holdings Limited and which in turn is a subsidiary of Airtel Africa plc, the Company supports the wider strategy of the Group. Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent Company Board, ensuring that wider interest of the stakeholders of the Company has been rigorously considered. The Group's annual report can be obtained from [www.airtel.africa.com](http://www.airtel.africa.com).

**General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. They have a clear framework for determining the matters within their remit. Day-to-day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing the execution of the business strategies and related policies, leveraging group frameworks and policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategies, key risks, stakeholder related matters, governance, legal and regulatory compliances, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider in good faith, would mostly likely promote Company's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to Section 172(1)(a) to (f) as described below.

**a) The likely consequences of any decision in the long term**

The Directors understand the Company's business and evolving environment in which it operates including the challenges of a highly competitive marketplace. Refer to page 4 for more details on principal risks and uncertainties.

**b) The interest of the Company's employees**

The Directors recognise that employees are fundamental to the future growth and success of the Company. That success depends on looking after our employees. The Company ensures employees are informed and involved in the business through regular meetings, e-mail updates and intranet to communicate business area updates.

**c) The need to foster the Company's business relationships with suppliers, customers and others**

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them. The Company duly understands the importance of relationships with suppliers, customers and others and up to the extend required, had been supportive of them during their challenging times.

**d) The impact of the Company's operations on the community and the environment**

The Directors appreciate that collaboration with charities and community groups helps to create a stronger community and provide insights that enables the Directors to understand the Company's impact on the community in the environment and the consequences of its decisions in the long-term. Further information about how the Company engages with communities and NGOs can be found in Group's Annual Report. There is no impact on environment.

**e) The desirability of the Company maintaining a reputation for high standards of business conduct**

The Directors adhere to the Group's code of conduct in which all employees are subject to setting out high standards and behaviours we expect from those that work for us or with us.

**f) The need to act fairly as between members of the Company**

After weighing up all relevant factors the Directors consider which course of action best promotes the long-term success of the Company in taking into consideration the impact of stakeholders. In doing so, the Directors act fairly between the Company's members. However, the Directors are not required to balance the Company's

interests with those of other stakeholders and this can sometimes mean certain stakeholders' interest may not be fully aligned.

**Culture**

The Company's culture is set by the Group and embedded in all we do.

**Stakeholder engagement**

Proactive engagement remains a central focus for the Company which ensures the Directors have regard to the matters set out in Section 172(1)(a) to (f) of the Act. Engaging with stakeholders delivers better outcomes for society and for the business. It is fundamental to the Company's long-term success.

**Energy and carbon disclosure**

Energy and carbon disclosure information is not disclosed as the Company is exempt from the disclosure as it consumes less than 40,000 KWH energy.

In discharging our section 172 duties, we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

This Strategic Report was approved by the Directors and signed on their behalf by:

sd-/

Simon O'Hara  
Director  
Date: 28 June 2024

## **Airtel Africa Telesonic Limited**

### **Directors' Report**

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The Company has chosen, in accordance with Section 411C (11) of the Act, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's Report, and forms part of this report by cross-reference. The matters relate to future development, financial performance, financial risk management and future prospects as mentioned under the Act.

#### **Dividends**

The Directors do not recommend any dividend during the current financial period (previous period: Nil). No dividend was declared subsequent to the balance sheet date for the period ending 31 March 2024.

#### **Charitable and political donations**

During the period the Company made no charitable donations.

#### **Directors**

The Directors, who served during the period were as follows:

- Simon O'Hara
- Pier Alfonso Falcione (resigned on 2 February 2024)
- Jaideep Kishore Paul
- Sidhanth Hota (appointed on 25 March 2024)

#### **Branches outside the United Kingdom**

The Company has a branch Airtel Africa Telesonic Limited registered in Dubai, United Arab Emirates. The branch office address is as follows:

101, Second floor  
20, Dubai Internet City  
Dubai  
United Arab Emirates (License no. 99425)

#### **Going concern**

The Financial Statements are prepared on going concern basis as the Directors believe that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of financial statements. The Directors confirm that they have a reasonable expectation that the Company will continue to operate and meets its liabilities, as they fall due, over the next 12 months. The Directors' assessment has been made with reference to the Company's principal risks and how these are managed, therefore, these accounts have been prepared on a going concern basis.

#### **Statement of disclosure of information to auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Act.

#### **Auditor**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with Section 485 of the Act.

**Post Balance sheet events**

Refer note 23 of financial statement, there is no such event to report.

This Directors' Report was approved by the Directors and signed on their behalf by:

sd-/

Simon O'Hara  
Director

Date: 28 June 2024



**Directors' Responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Independent auditor's report to the members of Airtel Africa Telesonic Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Airtel Africa Telesonic Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the material accounting policy information; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the

financial statements themselves. 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**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- There is a presumed risk of revenue recognition, particularly that revenue is not accurately recorded in line with the agreements. Our specific procedures performed to address this risk included testing, on a sample basis, evidence to determine revenue had been recognised accurately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls,

we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in [the strategic report or] the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

sd-/

Daryl Winstone FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

28 June, 2024

**Airtel Africa Telesonic Limited**  
**Statement of financial position as on 31 March 2024**  
(All amounts are in US Dollar thousands, unless stated otherwise)

Company Number - 13664902

	Note	As of 31 March 2024	As of 31 March 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	31	-
<b>Financial assets</b>			
- Loan receivable	6	2,981	-
Other non current assets	7	12,859	-
		<b>15,871</b>	<b>-</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Trade receivables	8	27,606	30,106
- Cash and cash equivalents	9	3,493	3,185
Other current assets	10	701	1,183
		<b>31,800</b>	<b>34,474</b>
<b>Total assets</b>		<b>47,671</b>	<b>34,474</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Trade and other payables	11	15,200	11,816
- Borrowings	12	0	-
Deferred revenue		3,341	2,348
		<b>18,541</b>	<b>14,164</b>
<b>Total Assets less current liabilities</b>		<b>29,130</b>	<b>20,310</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	13	8,036	721
Deferred revenue		16,645	18,769
Others	14	25	-
		<b>24,706</b>	<b>19,490</b>
<b>Net Assets</b>		<b>4,424</b>	<b>820</b>
<b>Capital and reserves</b>			
- Share capital	15	0	0
- Retained earnings		4,424	820
<b>Total equity</b>		<b>4,424</b>	<b>820</b>

The accompanying notes 1 to 23 form an integral part of these financial statements.

The financial statements of the Company were approved by the Directors on 28 June 2024 and were signed on their behalf by:

sd-/  
Simon O'Hara  
Director

**Airtel Africa Telesonic Limited**  
**Income Statement for the period ending 31 March 2024**  
 (All amounts are in US Dollar thousands, unless stated otherwise)

	Note	For the period	
		01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
<b>Income</b>			
Revenue	<b>16</b>	22,582	14,189
		<b>22,582</b>	<b>14,189</b>
<b>Expenses</b>			
Leaseline and bandwidth expense		17,163	12,376
Employee benefits expense	<b>17</b>	1,574	703
Other expenses	<b>18</b>	21	245
Depreciation and amortisation	<b>5</b>	6	-
		<b>18,764</b>	<b>13,324</b>
<b>Operating profit</b>		<b>3,818</b>	<b>865</b>
Finance income	<b>19</b>	105	-
Finance costs	<b>20</b>	319	45
<b>Profit before tax</b>		<b>3,604</b>	<b>820</b>
Tax expense	<b>21</b>	-	-
<b>Profit for the period</b>		<b>3,604</b>	<b>820</b>

All results are derived from continuing operations

The accompanying notes 1 to 23 form an integral part of these financial statements.

There was no other comprehensive income in either the current or the previous year other than as stated above. As such, no separate statement of comprehensive income has been presented.

**Airtel Africa Telesonic Limited**  
**Statement of Changes in Equity for the period ending 31 March 2024**  
 (All amounts are in US Dollar thousands, unless stated otherwise)

	Share Capital		Retained earnings	Total equity
	No of shares	Amount		
Profit for the period	-	-	820	820
<b>Total comprehensive profit</b>	-	-	<b>820</b>	<b>820</b>
Issue of shares*	1	0	-	0
<b>As of 31 March 2023</b>	<b>1</b>	<b>0</b>	<b>820</b>	<b>820</b>
Profit for the period	-	-	3,604	3,604
<b>Total comprehensive profit</b>	-	-	<b>3,604</b>	<b>3,604</b>
<b>As of 31 March 2024</b>	<b>1</b>	<b>0</b>	<b>4,424</b>	<b>4,424</b>

\* Issued, subscribed share capital consist of 1 share with a nominal value of £1.

The accompanying notes 1 to 23 form an integral part of these financial statements.

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

**(All amounts are in US Dollar thousands, unless stated otherwise)**

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## **1. Corporate information and activities**

Airtel Africa Telesonic Limited (the "Company") is domiciled and incorporated in the United Kingdom (UK) and registered in England and Wales under the Companies Act 2006 as a private limited company limited by shares. The principal place of business and registered office of the Company is located at First floor, 53/54 Grosvenor Street, London W1K 3HU, UK.

The Company has a branch office at 101, Second floor, 20, Dubai Internet City, Dubai, United Arab Emirates (License No. 99425).

The main objective of the Company is the operation and provision of telecommunication facilities and services including international wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers on its own.

The Company forms part of the Airtel Africa Group of companies. The Company's immediate parent Company is Airtel Africa Telesonic Holdings Limited which is incorporated in the UK and the ultimate parent Company is Airtel Africa plc which is part of Airtel Africa group.

## **2. Summary of material accounting policies**

### **2.1 Basis of preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council (FRC) as the Company is an indirect wholly owned subsidiary of Airtel Africa plc which prepares publicly available accounts consolidating the results of the Company.

The Company is exempt from the requirement to prepare consolidated financial statements under Section 401 of the Act. These financial statements present information about the Company as an individual undertaking and not about its group.

Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Airtel Africa plc is the parent of the smallest group for which consolidated financial statements are prepared and of which the Company is a member. The largest group to consolidate the results of the Company is Bharti Airtel Limited, which is registered in India and is also ultimate parent of the Company. The Bharti Airtel Limited group and Airtel Africa plc consolidated financial statements are publicly available and can be obtained at [www.airtel.in](http://www.airtel.in). and [www.airtel.africa.com](http://www.airtel.africa.com)

All the amounts included in the Company financial statements are reported in United States Dollars (which is the functional currency of the Company), with all values rounded to the nearest thousands (USD thousands) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available in relation to:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 7 Statement of Cash Flows.
- The statement of compliance with Adopted IFRSs;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of capital management;

The Company financial statements have been prepared on a going concern and historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.



## **2.2 Financial instruments**

### **I. Recognition, classification and presentation**

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instrument at initial recognition.

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial results and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities as measured at amortised cost. Financial assets and liabilities arising from different transactions are offset against each other and the resulted net amount is presented in the Balance sheet, if and only when, the Company currently has a legally enforceable right to set off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

### **II. Measurement- Non - derivative financial instruments**

#### **1. Initial measurement**

At initial recognition, the Company measures the non-derivative financial instrument at its fair value plus, in the case of financial instruments not at fair value through profit and loss, transaction costs. Otherwise, transaction costs are expensed in the income statement.

#### **2. Subsequent measurement – financial assets**

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

##### **a) Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at a motors cost using the effective interest rate ('EIR') method (if the impact of discounting /any transaction cost is significant). Interest income from these financial assets is included in other income.

##### **b) Financial assets at fair value through profit or loss ('FVTPL')**

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and different income from financial asset at FVTPL is recognised in the income statement within other income separately from the other gains / losses arising from changes in the fair value.

### **Impairment**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies a simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **3. Subsequent measurement - financial liabilities**

Financial liabilities are subsequently measured at amortised cost using the EIR method (if the impact of discounting or transaction costs is significant).

### **III. Derecognition**

The financial liabilities are derecognised from the balance sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the Balance sheet when the right to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risk and rewards of ownership. The resultant impact of the recognition is recognised to the income statement.

#### **2.3 Translation of foreign currency**

The financial statements are presented in US dollar, which is also the Company's functional and presentation currency, this based on the currency in which its main transactions are concluded.

Transactions in foreign currencies (other than functional currency of the Company) are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the Balance Sheet date. Foreign exchange differences on subsequent re-statement/settlement are recognised in the Income Statement.

#### **2.4 Non current assets**

Advances in the course of construction is carried at cost and presented separately as capital advances in the statement of financial position until ready for use at which point it is transferred to right of use and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

#### **2.5 Current assets**

Receivables are initially recorded at fair value. The receivables of group companies for maturities less than 12 months after balance sheet date which are included in the current assets. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

#### **2.6 Cash and cash equivalents**

Cash includes cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value).

#### **2.7 Non-current liabilities**

Borrowings are initially recorded at fair value and subsequently held at amortised cost. Payables to Group companies are included in non-current liabilities, except for maturities less than 12 months after the balance sheet date which are included in current liabilities.

#### **2.8 Current liabilities**

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or the Company does not have the unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

#### **2.9 Share capital**

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that affect.

## **2.10 Other expense**

Other expenses are recognized based on the historical cost convention and are allocated to the reporting period to which they relate.

## **2.11 Employee benefits**

The Company's employee benefits mainly include salaries, bonuses. The employee benefits are recognised in the period in which the associated services are rendered by the Company's employees. Short-term employee benefits are recognised in Income Statement at undiscounted amounts during the period in which the related services are rendered.

## **2.12 Income**

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts.

### **Revenue**

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes/ duties, discounts and process waivers. While determining the consideration to which the Company is entitled for providing promised products or services, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

The Company recognises revenue from these services as they are provided. Revenue in excess of invoicing are classified as unbilled revenue while invoicing/ collection in excess of revenue are classified as deferred revenue/ advance from customers.

### **Interest income**

The interest income is recognised using the EIR method.

## **2.13 Taxes**

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss.

### **a. Current tax**

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/(shortfall) of the Company's income tax obligation for the period would be recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest relating to accrued liabilities for potential tax assessments would not be included in the Income tax charge or (credit), but would be recognised within finance costs.

### **b. Deferred tax**

Deferred tax would be recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax would not be recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets would be recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

**(All amounts are in US Dollar thousands, unless stated otherwise)**

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Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred tax would be determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are offset against each other and the resultant net amount would be presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to setoff the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

**3. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 1, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical accounting judgments that would have a significant effect on the amount recognised in the company financial statements.

**a) Key sources of estimation uncertainty**

There are no key sources of estimation uncertainty in the Company.

**b) Critical judgements in applying the Company's accounting policies**

There are no critical judgements in applying the Company's accounting policies

**4. Going concern**

The Financial Statements are prepared on going concern basis as the Directors believe that the Company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of financial statements. The Directors confirm that they have a reasonable expectation that the Company will continue to operate and meets its liabilities, as they fall due, over the next 12 months. The Directors' assessment has been made with reference to the Company's principal risks and how these are managed, therefore, these accounts have been prepared on a going concern basis.

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**  
 (All amounts are in US Dollar thousands, unless stated otherwise)

**5. Property, plant and equipment**

The following table presents the reconciliation of change in the carrying value of PPE for the year ended 31 March 2024:

	<b>Computer</b>	<b>Total</b>
<b>Gross carrying amount</b>		
Balance as at 01 April 2023	-	-
Purchased during the year	37	37
Balance as of 31 March 2024	<b>37</b>	<b>37</b>
<b>Accumulated depreciation</b>		
Balance as at 01 April 2023	-	-
Depreciation charged during the year	6	6
Balance as of 31 March 2024	<b>6</b>	<b>6</b>
<b>Net book value as at 31 March 2024</b>	<b>31</b>	<b>31</b>

The following table presents the reconciliation of change in the carrying value of PPE for the year ended 31 March 2023:

	<b>Computer</b>	<b>Total</b>
<b>Gross carrying amount</b>		
Balance as of 06 October 2021	-	-
Purchased during the year	-	-
Balance as of 31 March 2023	-	-
<b>Accumulated depreciation</b>		
Balance as of 06 October 2021	-	-
Depreciation charged during the year	-	-
Balance as of 31 March 2023	-	-
<b>Net book value as at 31 March 2023</b>	-	-

**6. Loan receivable**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Loan to Airtel Zambia Telesonic Limited	2,981	-
	<b>2,981</b>	-

The calculated interest as at period end is based on 3 months SOFR+ 450 bps. Any outstanding principal loan amounts and accrued interest thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

**7. Other non current assets**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Capital advances	12,859	-
	<b>12,859</b>	-

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

(All amounts are in US Dollar thousands, unless stated otherwise)

**8. Trade receivables**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Trade Receivables	27,739	30,329
Less:- allowance for impairment of trade receivables	(133)	(223)
	<b>27,606</b>	<b>30,106</b>

**9. Cash and cash equivalents**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Cash at bank	3,493	3,185
	<b>3,493</b>	<b>3,185</b>

**10. Other current assets**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Advances to Suppliers	43	73
Service & Sale Tax Recoverable	0	0
Prepaid expenses	357	1,110
Employee receivables	53	-
Others	248	-
	<b>701</b>	<b>1,183</b>

**11. Trade and other payables**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Trade creditors	13,015	9,998
Accrued expenses	1,721	1,570
Dues to employees	464	248
	<b>15,200</b>	<b>11,816</b>

**12. Short term borrowings**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Bank overdraft	0	-
	<b>0</b>	<b>-</b>

**13. Long term borrowings**

	<b>As of</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
Loan from Airtel Africa Services (UK) Limited	8,036	721
	<b>8,036</b>	<b>721</b>

The calculated interest as at period end is based on 3 months SOFR+ 200 bps. Any outstanding principal loan amounts and accrued interest thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

(All amounts are in US Dollar thousands, unless stated otherwise)

**14. Other financial liabilities**

	As of	
	31 March 2024	31 March 2023
Dues to employees	25	-
	<b>25</b>	<b>-</b>

**15. Capital and reserve**

**(i) Share capital**

	As of	
	31 March 2024	31 March 2023
Authorised shares 1 equity share of £1	0	0
Issued, subscribed shares and fully paid-up shares 1 equity share of £1	0	0

**a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of £1 per share. Each holder of ordinary shares is entitled to one vote per share.

**b) Details of shareholding**

	No of shares	As of	
		31 March 2024 Shareholding	31 March 2023 Shareholding
<b>Equity share of £1 fully paid up</b>			
Airtel Africa Telesonic Holdings Limited	1	100%	100%

**(ii) Other equity**

**Retained earnings:** Retained earnings represents the amount of accumulated earnings of the company

**16. Revenue**

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Service revenue	22,582	14,189
	<b>22,582</b>	<b>14,189</b>

**17. Employee benefits expense**

The average monthly number of employees was: 4 (March 2023: 2)

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Salaries	1,018	606
Bonuses	401	97
Other employees welfare	155	-
	<b>1,574</b>	<b>703</b>

None of the directors received remuneration in respect of services provided to the Company.

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

(All amounts are in US Dollar thousands, unless stated otherwise)

**18. Other expenses**

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Legal & Professional Charges	43	11
Bad debts	(90)	223
Fees & Registrations <sup>1</sup>	21	11
Others	47	-
	<b>21</b>	<b>245</b>

<sup>1</sup>These includes registration of branch

\* Details of Auditor's remuneration included in Legal & Professional charges:

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Fees payable to the auditor for the audit of the Company's annual accounts	10	6
	<b>10</b>	<b>6</b>

**19. Finance income**

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Net exchange gain	24	-
Interest on loans	81	-
	<b>105</b>	<b>-</b>

**20. Finance costs**

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
Net exchange loss	-	24
Interest on borrowings	315	21
Bank charges	4	0
	<b>319</b>	<b>45</b>

**21. Tax expense**

	For the period	
	01 April 2023 - 31 March 2024	06 October 2021 - 31 March 2023
<b>Recognised in income statement</b>		
Current tax charge	-	-
Income tax charge	-	-



**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

**(All amounts are in US Dollar thousands, unless stated otherwise)**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

**Reconciliation of tax expense**

Profit before tax for the period	<b>3,604</b>	<b>820</b>
Corporate tax rate	25%	19%
Expected tax based on the standard rate of corporation tax in the UK	901	156
Tax impact on non-taxable income of Dubai branch (*)	(903)	(157)
Deferred tax not recognised on losses	2	1
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

\*The Company has a branch in Dubai, United Arab Emirates (UAE). Based on the local ruling, there is no corporate income tax applicable on the derived income. Also based on the Branch exemption filed by Airtel Africa Telesonic Ltd with HMRC-UK on 31st Mar 2022, any income arising from Branch of the Company will not be taxable in UK.

The Company has losses amounting to \$9,964 which will be utilised under Group relief claim against the taxable income of Airtel Africa plc when the corporate income tax return for FY 24 will be filed on or before the due date. Losses for FY 23 amounting to \$5,600 has been utilised under Group relief claim while filing the taxable income of Airtel Africa plc for FY 23.

**Changes to corporation tax rate**

As part of the Spring budget announced by the UK Government, the main rate of corporate income tax rate has increased from 19% to 25% effective 1st April 2023. In addition, a 19% small profits rate has been introduced for companies whose profits do not exceed GBP 50,000.

**22. Transactions with Related Party**

During the period ended, the Company entered into transactions with related parties. The nature, volume of transactions and balances with related parties are as follows:-

<b>Entity Name</b>	<b>Relationship</b>
Airtel Africa plc	Parent company
Airtel Africa Telesonic Holdings Limited	Immediate parent company
Airtel Africa Services (UK) Limited	Fellow subsidiary
Airtel Tanzania plc	Fellow subsidiary
Airtel Uganda Limited	Fellow subsidiary
Airtel Networks Zambia plc	Fellow subsidiary
Airtel (Seychelles) Limited	Fellow subsidiary
Airtel Congo S.A.	Fellow subsidiary
Airtel Congo (RDC) S.A.	Fellow subsidiary
Airtel Networks Kenya Limited	Fellow subsidiary
Airtel Malawi plc	Fellow subsidiary
Airtel Zambia Telesonic Limited	Fellow subsidiary
Airtel Networks Limited	Fellow subsidiary

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

(All amounts are in US Dollar thousands, unless stated otherwise)

**Related party transaction details for the year ended 31 March 2024**

Particulars	Airtel Africa plc	Airtel Africa Services (UK) Limited	Airtel Congo S.A.	Airtel Congo (RDC) S.A.	Airtel Networks Kenya Limited	Airtel Zambia Telesonic Limited
<b>Transaction during the period</b>						
Interest Expense	-	315	-	-	-	-
Interest income	-	-	-	-	-	81
Purchase of services	-	-	1,423	328	35	-
Sale of services	-	-	-	183	1,422	-
Loan taken	-	7,000	-	-	-	-
Loan given	-	-	-	-	-	2,900
Expenditure incurred on behalf of the Company	-	-	-	-	-	-
<b>Outstanding balances</b>						
Loan payable	-	(8,036)	-	-	-	-
Loan receivable	-	-	-	-	-	2,981
Other receivable/(payable)	(11)	(179)	(1,631)	(973)	1,627	-

Particulars	Airtel Tanzania plc	Airtel Uganda Limited	Airtel Networks Zambia plc	Airtel Malawi plc	Airtel (Seychelles) Limited	Airtel Network Limited
<b>Transaction during the period</b>						
Purchase of services	-	-	236	-	-	-
Sale of services	678	1,141	3,055	1,145	174	661
Loan taken	-	-	-	-	-	-
<b>Outstanding balances</b>						
Loan payable	-	-	-	-	-	-
Other receivable/payable	4,157	1,405	1,992	11,449	20	756

**Airtel Africa Telesonic Limited**  
**Notes to the Financial Statements**

(All amounts are in US Dollar thousands, unless stated otherwise)

**Related party transaction details for the year ended 31 March 2023**

Particulars	Airtel Africa plc	Airtel Africa Services (UK) Limited	Airtel Congo S.A.	Airtel Congo (RDC) S.A.	Airtel Networks Kenya Limited
<b>Transaction during the period</b>					
Interest Expense	-	21	-	-	-
Purchase of services	-	-	1,047	829	-
Sale of services	-	-	-	-	306
Loan taken	-	700	-	-	-
Expenditure incurred on behalf of the Company	11	72	-	-	-
<b>Outstanding balances</b>					
Loan payable	-	(721)	-	-	-
Other receivable/payable	(11)	(72)	(1,047)	(829)	306

  

Particulars	Airtel Tanzania plc	Airtel Uganda Limited	Airtel Networks Zambia plc	Airtel Malawi plc	Airtel (Seychelles) Limited
<b>Transaction during the period</b>					
Purchase of services	-	-	2,237	-	-
Sale of services	268	235	2,274	572	6
Loan taken	-	-	-	-	-
<b>Outstanding balances</b>					
Loan payable	-	-	-	-	-
Other receivable/payable	3,735	235	7,231	11,029	6

**23. Post balance sheet events**

There are no post balance sheet events to report.