

AIRTEL (M) TELESonic LIMITED

Annual Report and Financial Statements
For the sixteen months period ended 31 December 2023

AIRTEL (M) TELESONIC LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the sixteen months period ended 31 December 2023

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AIRTEL (M) TELESONIC LIMITED

DIRECTORS' REPORT

For the sixteen months period ended 31 December 2023

The directors have pleasure in presenting to members audited financial statements for the sixteen months period ended 31 December 2023 and report thereon as follows:

1. REVIEW OF ACTIVITIES

Main Business and Operations

Airtel (M) Telesonic Limited was incorporated under the Companies Act 2013 in August 2022.

The principal activity of the Company is to provide Data Connectivity in form of fibre, duct and bandwidth related services to business users.

Operations

The Company has not yet commenced any operations since incorporation.

2. AUTHORISED AND ISSUED SHARE CAPITAL

Authorized, issued and not paid:

	<u>2023</u>
10 000 000 Ordinary shares of K1 each	10 000 000

The shareholding of the Company as at 31 December 2023 is as stated below:-

Name of Shareholder	No. of Shares	% of Shareholding
Airtel (M) Telesonic Holdings (UK) Limited	<u>10 000 000</u>	<u>100%</u>

3. GOVERNANCE

The Board of Directors consists of one executive director and one non-executive director. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets.

The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability. The Board has never met since inception.

4. DIRECTORS

The following directors appointed in terms of the Articles of Association of the Company served office during the period.

Name	Residence	Nationality	Date of appointment
Charles Mustafa Kamoto*	Malawi	Malawian	18 August 2022
Sanjeet Pokala Kumar**	Dubai	Indian	18 August 2022

*Executive Director

**Non-Executive Director

5. COMPANY SECRETARY

The company secretary of the Company is Mrs Hlupekire Chalamba.

6. FINANCIAL PERFORMANCE

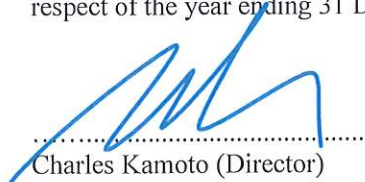
The results and state of affairs of the Company are set out in the accompanying statement of financial position, statement of changes in equity and notes to financial statements, which include a summary of significant accounting policies. The company has not yet commenced trading hence, there are no recorded transactions and cash flows.

7. DIVIDENDS

The Company did not declare any dividends.

9. AUDITORS

The auditors, Deloitte, have signified their willingness to continue in office and a resolution is to be proposed at the forthcoming Annual General Meeting in relation to their appointment as auditors in respect of the year ending 31 December 2024.


.....
Charles Kamoto (Director)


.....
Sanjeet Kumar (Director)

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
For the sixteen months period ended 31 December 2023

The Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Airtel (M) Telesonic Limited as at the end of the financial year and of the operating results for that year.


The directors also acknowledge their duty to ensure the Company keeps proper accounting records which 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.

In preparing the financial statements the directors accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of material accounting policy information and consistent application thereof;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for establishing internal controls that ensure the propriety of transactions and accuracy and reliability of the accounting records and to safeguard the assets of the Company against loss by theft, fraud, defalcation or otherwise.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the for the period ended 31 December 2023.


.....) **Charles Kamoto (DIRECTOR)**


.....) **Sanjeet Kumar (DIRECTOR)**

12 July 2024 **DATE**

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AIRTEL (M) TELESONIC LIMITED

Opinion

We have audited the accompanying financial statements of Airtel (M) Telesonic Limited set out on pages 7 to 11 which comprise the statement of financial position as at 31 December 2023, and the statement of changes in equity for the period then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Airtel (M) Telesonic Limited as at 31 December 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the directors' report and the statement of directors' responsibilities, as required by the Companies Act, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

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

Other Information (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 the directors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The logo for Deloitte, featuring the word "Deloitte" in a stylized, cursive script font.

Chartered Accountants

Christopher Kapenda

Partner

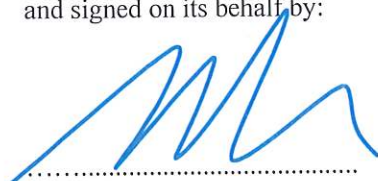
23 July 2024

AIRTEL (M) TELESONIC LIMITED
STATEMENT OF FINANCIAL POSITION
 As at 31 December 2023

	Notes	As at <u>31 December 2023</u> K'000
ASSETS		
Current assets		
Other current assets	5	<u>10 000</u>
Total current assets		<u><u>10 000</u></u>
Capital and reserves		
Share capital	6	<u>10 000</u>
Total equity		<u><u>10 000</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 12 July 2024

and signed on its behalf by:



 Charles Kamoto (Director)



 Sanjeet Kumar (Director)

AIRTEL (M) TELESonic LIMITED
STATEMENT OF CHANGES IN EQUITY
 For the sixteen months period ended 31 December 2023

	No of shares	Share capital amount K'000	Total K'000
Issue of share capital	<u>10 000 000</u>	<u>10 000</u>	<u>10 000</u>
As of 31 December 2023	<u><u>10 000 000</u></u>	<u><u>10 000</u></u>	<u><u>10 000</u></u>

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the sixteen months period ended 31 December 2023

1. Corporate information

Airtel (M) Telesonic Limited (the 'Company') was incorporated under the Companies Act 2013.

The activity of the Company is to provide Data Connectivity in form of fibre, duct and bandwidth related services to business users. The Company's immediate parent company is Airtel Africa Telesonic Holding Limited which is incorporated in the UK and the ultimate parent company is Airtel Africa plc which is part of Airtel Africa group.

The Company was incorporated on 25 August 2022, these are the first financial statements of the Company for the sixteen months period ended 31 December 2023. As at the time of approval of these financial statements, the Company had not yet commenced trading and hence, has no recorded transactions and cash flows.

Registered office and place of business

Airtel Complex, City Centre
Off Convention Drive
P.O Box 57
Lilongwe
Malawi

2. Adoption of new and revised International Financial Reporting Standards

2.1 Standards and Interpretations affecting amounts reported and/or disclosed in the financial statements

In the current period, the Company has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 September 2022. The adoption of these standards did not have a material impact on the financial statements of the Company.

Annual reporting periods beginning on or after 1 January 2023

IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The Company has adopted the amendments to IAS 1 for the first time in the current period. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the sixteen months period ended 31 December 2023

3. Material accounting policy information

The following is a summary of the significant accounting policies adopted by the Company. These policies have been consistently applied to all period presented, unless otherwise stated.

3.1 Basis of accounting

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

3.2 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has access to resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.3 Basis of preparation

The financial statements are prepared on the historical cost basis. The principal accounting policies are set out below in the following paragraphs.

4. Current asset	K'000
Intercompany receivable	<u>10 000</u>
	<u>10 000</u>

In 2022, there were 10 000 000 ordinary shares issued to Airtel Africa Telesonic Holdings Limited at K1 per share for consideration of K10 million. These are unpaid.

5. Capital and reserve

(i) Share capital	K'000
Authorised shares 10 000 000 equity share of K1 each	<u>10 000</u>
Issued, subscribed shares 1 equity share of K1 each	<u>10 000</u>

a) Terms/right attached to equity shares

The Company has only one class of equity shares having par value of K1 per share. Each holder of ordinary shares is entitled to one vote per share.

b) Details of shareholding

	No of shares	<u>31 December 2023</u> shareholding
Equity share of K1 not paid up yet issued Airtel Africa Telesonic Holdings Limited	10 000 000	100%

AIRTEL (M) TELESONIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the sixteen months period ended 31 December 2023

7. Employees and directors' remuneration

There were no employees during the reporting period.

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

8. Transactions with related party

There are no related party transactions to report.

9. Subsequent events

There are no subsequent events to report.

10. Comparatives

There were no comparatives, as this is the first period of operation.