

AIRTEL MONEY TRUST FUND

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2023

AIRTEL MONEY TRUST FUND

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FOR THE YEAR ENDED 31 DECEMBER 2023

CONTENTS	Page
Trust Information	2
Trustees' Report	3-4
Statement of Trustees' Responsibilities	5
Report of the Independent Auditors	6-8
Financial Statements	
Statement of Activities	9
Statement of financial position	10
Statement of changes in Equity	11
Statement of cash flows	12
Notes to the financial statements	13-18

AIRTEL MONEY TRUST FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

TRUST INFORMATION

PRINCIPAL PLACE OF BUSINESS

Airtel House
Plot 16A Clement Hill Road
P O Box 6771
Kampala, Uganda

BANKERS

Absa Bank Uganda Limited
Plot 2/4 Hannington Road
P O Box 7101
Kampala, Uganda

Stanbic Bank (U) Ltd
10th Floor, Short Tower
17 Hannington Road
Crested Towers
Kampala, Uganda

Equity Bank Uganda Limited
Plot 34, Church House, Kampala Road
P O Box 10184
Kampala, Uganda

Standard Chartered Bank Uganda Limited
5 Speke Road
P O Box 7111
Kampala, Uganda

Centenary Bank (U) Ltd
Plot 44-46 Kampala Road,
P.O Box 1892
Kampala, Uganda

Housing Finance Bank Uganda
Investment House, 4 Wampewo Avenue
P.O Box 1539
Kampala, Uganda

KCB Uganda
Commercial Plaza Kampala Road
P.O Box 21091
Kampala, Uganda

DFCU Uganda
Plot 26, Kyadondo Road Nakasero,
P O Box 70
Kampala, Uganda

Post Bank Uganda
Plot 4/6 Nkrumah Road
P.O Box 7189
Kampala, Uganda

AUDITORS

Deloitte & Touche
Certified Public Accountant of Uganda
3rd Floor, Rwenzori House
1 Lumumba Avenue
P O Box 10314
Kampala, Uganda

AIRTEL MONEY TRUST FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

TRUSTEES' REPORT

1. INTRODUCTION

The Trustees submit their report on the activities of the Trust together with the financial statements of Airtel Mobile Trust Fund ("the Trust") and auditor's report for the year ended 31 December 2023

2. INCORPORATION

The Trust is a body corporate by virtue of section 49 (5) of National Payment Systems Act, 2020 and Regulation 13 (3) of the National Payment Systems Regulations, 2021, and is domiciled in Uganda. The Trust was officially incorporated on 13th April 2021 and commenced operation on 17 May 2021.

3. PRINCIPAL ACTIVITIES

The principal activity of the Trust is to manage the Trust Accounts and Interest Accounts opened by Airtel Mobile Commerce Uganda Limited ("AMCUL"), where the funds of AMCUL's Airtel Money Customers (the "Customers") are kept in trust for and on behalf of the Customers.

4. RESULTS

The Trust did not engage in trading or investing activities during the year.

5. TRUSTEE

The Trustees who held office during the year were as follows:

Name	Nationality	
Mr. Geoffrey Kitakule	Ugandan	Appointed effective 14th June 2022
Ms. Emily Gakiza	Ugandan	Appointed effective 14th June 2022
Mr. Charles Rikky Owiny Okello	Ugandan	Appointed effective 12th October 2022.

All the Trustees do not have any interest in the shareholding of AMCUL, the electronic money issuer. During the period, the Trust did not pay any fees to the Trustees in compliance with Section 14(1) of the National Payments Systems (NPS) Regulations 2021. The Trustees' fees were paid by Airtel Mobile Commerce Uganda Limited (AMCUL).

AIRTEL MONEY TRUST FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023

TRUSTEES' REPORT (CONTINUED)

6. GOVERNANCE

The Board of Trustees consists of three non-executive Trustees. The Board takes overall responsibility for the Trust, including responsibility for establishment of safeguard measures to protect the funds deposited on the Trust Accounts from risks that may occasion loss to beneficiaries of the funds; monitoring the Trust Accounts to ensure that the funds in the Trust Accounts are equal in value to the electronic money issued by AMCUL; ensuring that the interest earned on the Trust Accounts is distributed for the benefit of the customers; segregating the trust account funds from any other funds or ensuring that the funds are not used for the operations of AMCUL; auditing and publishing Financial statements in respect of the position of the Trust, and submitting a copy of the annual audited accounts to the central bank not later than the 30th day of the fourth month after the end of the calendar year; and performing any other duties as the Central Bank may prescribe.

The Board of Trustees 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 Trust is committed to the principles of effective corporate governance. The Trustees also recognize the importance of integrity, transparency and accountability.

7. AUDITORS

The auditors, Deloitte & Touche Certified Public Accountant of Uganda, have expressed their willingness to continue in office in accordance with Regulation 15 (a) of the National Payment Systems Regulations, 2021.

By Order of the Board of Trustees

Secretary


22nd MARCH 2024

AIRTEL MONEY TRUST FUND

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Regulation 15 (a) of the National Payment Systems Regulation, 2021 requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust as at the end of the financial year. The Regulations also requires the Trustees to ensure that the Trust keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the funds held in Trust Accounts and Interest Account(s) on behalf of the Customers.

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the National Payment Systems Act, 2020, the National Payment Systems Regulations, 2021 and the directives issued by the Central Bank and for such internal controls as the Trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Payment Systems Regulations, 2021. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the Trust. The Trustees further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Trustees to indicate that the Trust will not remain a going concern for at least the next twelve months from the date of this report.

Approval of the financial statements

The financial statements of the Trust as indicated above, were approved by the Trustees on 22nd day of March 2024 and signed on behalf of the Trust by:



Emily Gakiza
Trustee



Geoffrey Kitakule
Trustee



Charles Rikky Owiny Okello
Trustee

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF AIRTEL MONEY TRUST FUND
REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Airtel Money Trust Fund set out on pages 9 to 18, which comprise the statement of financial position as at 31 December 2023, the statement of activities, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Airtel Money Trust Fund as at 31 December 2023 and of its financial performance, and cash flows for the year then ended and are prepared in accordance with International Financial Reporting Standards ("IFRSs") and the requirements of the National Payment Systems Regulations, 2021.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Guidelines issued by the Institute of Certified Public Accountants of Uganda. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Uganda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Trustees are responsible for the other information. The other information comprises the "Trustees' Report" as required by the National Payment Systems Regulations, 2021. 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.

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



REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF AIRTEL MONEY TRUST FUND (CONTINUED)

Responsibilities of the Trustees for the financial statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the National Payment Systems Regulations, 2021 and for such internal control as the Trustees 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 Trustees are responsible for assessing the Trust'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 Trust either intends to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Trust's financial reporting process.

Auditors' responsibility

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

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

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

REPORT OF THE INDEPENDENT AUDITORS
TO THE TRUSTEES OF AIRTEL MONEY TRUST FUND (CONTINUED)

We also provide the Trustees 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 National Payment Systems Regulations, 2021 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- in our opinion proper books of account have been kept by the Trust, so far as appears from our examination of those books; and
- the Trust's statement of financial position (Balance Sheet) and statement of activities (Profit and Loss) are in agreement with the books of account.

The Engagement Partner responsible for the audit resulting in this independent auditor's report is Paul Ssali Practicing No. P0508.

Deloitte & Touche

Certified Public Accountant of Uganda

30 April 2024

Kampala

Paul Ssali

Paul Ssali
Partner



AIRTEL MONEY TRUST FUND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 Ushs'000	2022 Ushs'000
Income		-	-
Expenditure	5	-	-
		<hr/>	<hr/>
Surplus/(Deficit)		-	-
Taxation charge		-	-
		<hr/>	<hr/>
Net Surplus/(Deficit) for the period		-	-
Other Contributions received		-	-
		<hr/>	<hr/>
Total Surplus for the period		-	-
		<hr/> <hr/>	<hr/> <hr/>

AIRTEL MONEY TRUST FUND

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 Ushs '000	2022 Ushs '000
ASSETS			
Financial Assets			
Balance held under mobile money trust	6	743,208,185	588,097,244
TOTAL ASSETS		743,208,185	588,097,244
EQUITY AND LIABILITIES			
Equity			
Accumulated fund		-	-
Current liabilities			
Other financial liabilities	8	4,335,826	6,612,165
Financial liabilities			
Mobile Money Trust Fund Balance	7	738,872,359	581,485,079
TOTAL EQUITY & LIABILITIES		743,208,185	588,097,244

The financial statements were approved by the Trustees on day of March 2024 and signed on its behalf by:



Emily Gakiza
Trustee



Geoffrey Kitakule
Trustee



Charles Rikky Owiny Okello
Trustee

AIRTEL MONEY TRUST FUND

STATEMENT OF CHANGES IN EQUITY
FOR THE YEA ENDED DECEMBER 31, 2023

	2023 Ushs '000	2022 Ushs '000
At 1 January	-	-
Subscription from Airtel Money Customers	-	-
	<hr/>	<hr/>
At 31 December	<u>-</u>	<u>-</u>

AIRTEL MONEY TRUST FUND

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	31 Dec 2023 Ushs million	31 Dec 2022 Ushs million
Cash flows from operating activities		
Net Income	-	-
Operating cash flow before changes in working capital	<u>-</u>	<u>-</u>
Changes in working capital		
Increase in mobile money trust fund balance	157,387,103	65,045,024
(Decrease)/Increase in other financial liabilities	(2,276,162)	2,317,873
Net cash generated from operating activities	<u>155,110,941</u>	<u>67,362,897</u>
Net increase in cash and cash equivalents	155,110,941	67,362,897
Cash and cash equivalents at beginning of year	588,097,244	520,734,347
Cash and cash equivalents at the end of year*	<u><u>743,208,185</u></u>	<u><u>588,097,244</u></u>

* For the purposes of the statement of cash flows, cash and cash equivalents comprise of bank balances of the Trust accounts. It represents balances held under Mobile Money trust of Ushs 743,208,185 (2022: 588,097,244) on behalf of mobile money customers which are not available for use by the Trust.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. TRUST INFORMATION

Airtel Money Trust Fund is incorporated under the National Payment Systems Act, 2020 and National Payment Systems Regulations, 2021 as a body corporate, and is domiciled in Uganda. The address of its registered office is Airtel House, Plot 16A Clement Hill Road, Kampala, Uganda. The principal activity of the Trust is to hold the funds for Airtel Money E-value account holders, in the trust.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS'S):

2.1 New and amended Standards that are effective for the current year.

None of the new and revised standards and interpretations, which became effective during the year, have resulted in a change in the Trust accounting policies or in presentation. Neither have they had an effect on the reported results for the year.

2.2 New and Revised IFRSs in issue but not yet effective:

At the date of authorisation of these financial statements, several new and revised standards and interpretations were in issue but not yet effective. The management is in process of evaluating the potential effect of these standards and interpretation on the financial statements of the Trust when effective.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

The financial statements of Airtel Money Trust Fund have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and the requirements of the National Payment System Act of Uganda, 2020. The financial statements have been prepared on a historical cost basis except where otherwise indicated. The financial statements are presented in Uganda shillings (Ushs) and all values are rounded off to the nearest thousand (Ushs 000), except when otherwise indicated.

(b) Cash and cash equivalents

Cash and cash equivalents include cash in Trust bank accounts, held on behalf of wallet holders of Airtel Mobile Commerce Uganda Limited. For the purposes of the statement of cash flows, the cash and cash equivalents comprise bank balances held under Trust Banks.

(c) Financial instruments – initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, trade and other receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Trust determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Trust's financial assets include balance held under mobile money trust.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments – initial recognition and subsequent measurement (Continued)

i) Financial assets (Continued)

Subsequent measurement

The subsequent measurement of the Trust's financial assets is at amortised cost.

Impairment of financial assets

The Trust assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Trust has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Trust's continuing involvement in the asset. In that case, the Trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Trust has retained.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial Liabilities (continued)

Initial recognition and measurement (Continued)

The Trust's financial liabilities include amounts due to Airtel money wallet holders. These are classified as financial liabilities at amortised cost.

Subsequent measurement

The Trusts' financial liabilities are subsequently carried at amortised cost.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

iii) Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The income and expenditure earned and incurred by the entity are netted off in these financial statements as they relate to similar transactions.

iv) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction of transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

(d) Statement of cash flows

Cash flows are reported using the indirect method as per IAS-7 "Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT

The Trust's activities expose it to a variety of financial risks i.e. Market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Trust's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance, but the Trust does not hedge any risks.

Risk management is carried out by management under policies approved by the Board of Trustees.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

i) **Foreign exchange risk**

Foreign exchange risk arises from financial instruments held in foreign currencies. The Trust operates wholly within Uganda and its assets and liabilities are only denominated in local currency. As such, the Trust has no exposure to foreign exchange risk.

ii) **Price risk**

The Trust does not hold any financial instruments subject to price risk.

iii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises mainly from the interest rate movements on the borrowings. However, the Trust doesn't engage in borrowing activities as its obligation is to hold cash in trust.

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counter party to a financial instrument fails to meet its contractual obligations and arises principally from trading activities as well as placement and balances with other counterparties, advances to customers, deposits held with various service providers, prepayments and bank balances.

Bank balances best represent the Trust's maximum exposure to the credit risk or concentration of the credit risk. The Trust only holds funds in trust.

	2023 Ushs '000	2022 Ushs '000
Balance held under mobile money trust	743,208,185	588,097,244

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust holds the funds for the Airtel Money e-value holder and hence there is no liquidity risk.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk management.

The Trust's primary objective is to hold, in trust, the funds owing to the E-value holders and safeguard the safety and sanctity of these funds. The Trust does not trade and is not allowed to deal in these funds otherwise than to settle obligations arising from genuine transaction of E-value. The principal obligation of the Trust is not to maximise wealth but to safeguard third party funds. Capital of the Trust is Share capital. Further as the Trust holds funds for e-value holders on behalf and there is no capital risk.

5. OPERATING EXPENSES

	2023 Ushs'000	2022 Ushs'000
Audit Fees	-	-
Closing Balance as at 31 st December	<u>-</u>	<u>-</u>

Audit fees, like all other operating expenses of the Trust, is accrued and paid by Airtel Mobile Commerce Uganda Limited.

6. BALANCE HELD UNDER MOBILE MONEY TRUST

	2023 Ushs'000	2022 Ushs'000
ABSA Bank Uganda Limited	55,483,361	117,638,287
Centenary Bank	7,161,701	85,460,432
Equity Bank Uganda Limited	92,524,576	104,394,500
Stanbic Bank (U) Ltd	31,547,248	107,256,078
KCB Bank Uganda Limited	42,904,526	26,509,758
DFCU Uganda	34,954,889	96,838,189
Fixed Deposits With Banks – Escrow	400,000,000	50,000,000
Housing Finance Bank	34,175,288	-
Post Bank Uganda	33,067,723	-
Standard Chartered Bank	11,388,872	-
Closing Balance as at 31 st December	<u>743,208,185</u>	<u>588,097,244</u>

7. MOBILE MONEY TRUST FUND BALANCE

	2023 Ushs'000	2022 Ushs'000
Amounts due to related party *	19,999,163	12,778,117
Amounts due to E-value holders	718,873,196	568,706,962
Closing Balance as at 31 st December	<u>738,872,359</u>	<u>581,485,079</u>

* Amounts due to related party is equivalent to balances of wallets held by Airtel Uganda Limited and Airtel Mobile Commerce Uganda Limited from their customers.

AIRTEL MONEY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

8. OTHER FINANCIAL LIABILITIES

	2023 Ushs'000	2022 Ushs'000
Unallocated bank credits	498,151	1,769,174
Interest due to customers	3,837,675	4,842,991
Closing Balance as at 31st December	4,335,826	6,612,165

Unallocated bank credits relate to amounts that have been deposited in the bank and awaiting e-value allocation to the franchisee partner wallets/Mobile numbers.

Interest due to customers relates to amounts that will be paid out to the customers in January 2024 as per the National Payments Systems Act. Every customer with an E-value balance with the quarter is entitled to receive interest, the interest disbursed is based on a calculation that incorporates all E-value wallet/mobile number balances during the quarter.

Total Interest earned for the year was Ushs 23,742 million (2022: Ushs 13,547 million), of which Ushs 456 million was credited to the Trust's bank accounts after 31 December 2023. Interest paid as of 31 December 2023 was Ushs 19,448 million. The outstanding amount for the last quarter was paid in January 2024.

9. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Particulars	Carrying value as at Dec 31, 2023, Ushs '000	Fair value as at Dec 31, 2023 Ushs '000	Fair value as at Dec 31, 2022 Ushs '000	Carrying Value as at Dec 31, 2022 Ushs '000
Financial Assets				
Amortised Cost				
Balance held under mobile money trust	743,208,185	743,208,185	588,097,244	588,097,244
Total Assets	743,208,185	743,208,185	588,097,244	588,097,244
Financial Liabilities				
Amortised Cost				
Mobile money wallet balance	738,872,359	738,872,182	581,485,079	581,485,079
Other Financial Liabilities	4,335,826	4,335,826	6,612,165	6,612,165
Total Liabilities	743,208,185	743,208,185	588,097,244	588,097,244

There has been no expected Credit loss.

10. SUBSEQUENT EVENTS

There are no events after the reporting date that require amendment or adjustment to the financial statements as at the date of this report.

11. COMMITMENTS AND CONTINGENCIES

Capital commitments

There were no capital commitments entered into by the Trust as at the reporting date.

Contingent claim

There were no known legal or tax cases against the Trust as at the reporting dates.