



**AIRTEL (SEYCHELLES) LIMITED**  
Airtel House, Perseverance, Mahé, Seychelles

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

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**AIRTEL (SEYCHELLES) LIMITED**  
(Formerly Telecom (Seychelles) Limited)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present herewith their report and audited financial statement of the company for the year ended 31 December 2023.

**Activities**

Airtel (Seychelles) Limited (the 'Company') carries on the business of providing telecommunication service in Seychelles.

**Results**

Revenue declined by 4.7% in current year to SCR 330 Mn (2022: SCR 347 Mn) due to launch of HBB unlimited products, Combo products with unlimited voice and reduction in Local interconnect rate by 41%. Refer Note 4 for breakup.

Direct costs reduced by 24% to SCR 11.3 Mn (2022: SCR 14.9 Mn) due to reduction in the local interconnect rates (IUC cost lower by SCR 1.9 Mn) and lower handset cost (lower by SCR 1.7 Mn). Refer Note 5 for breakup.

Total expenses were lower by SCR 2.5 Mn largely contributed by reduction in Direct costs by SCR 3.6 Mn (mentioned above), lower license fee (by SCR 3.2 Mn) due to increase in data revenue contribution (2% regulatory charges against 10% on voice/other revenue) partially offset by increase in depreciation (by SCR 5 Mn) on account of prior period adjustment for DC.

Operating profit for the current year was SCR 81.3 Mn (2022: SCR 94.4 Mn), lower by SCR 13 Mn mainly contributed by decline in revenue as detailed above.

The Profit before tax was SCR 64.2 Mn (2022: SCR 85.4 Mn) mainly due to decline in revenue by 4.7%.

Tax during the period was SCR 24.2 Mn, reported tax rate was 37.7% as against corporate tax rate of 33% due to disallowed expenses of SCR 12.6 Mn (limit of 3% of revenue on foreign services/technical support).

Profit after tax was SCR 40 Mn during the period (2022: SCR 57.4 Mn), a decline of 30% from previous period.

During the year dividend of SCR 54 Mn was paid pertaining to 2021 (SCR 26 paid 2022). The Board declared a dividend of SCR 66 Mn in the board meeting held on 16 May 2023.

Directors recommended a dividend of SCR 40 Mn for the financial year 2023 to the shareholder for Board approval.

**Share of results in Associate**

The Company is a shareholder (holding 26%) in Seychelles Cable Systems Company Limited. The results of Seychelles Cable Systems Company Limited have been incorporated in the Statement of profit or loss and Other Comprehensive Income. Share of operating profit in associate was SCR 3.5 Mn during the year.

**Capital Expenditure**

Capital expenditure during the period was SCR 42 Mn (2022: SCR 44 Mn) mainly for IT licenses/software's, 2 new sites, transmission upgrade, enterprise and other network upgrade.

**Employees**

As of 31 December 2023, the company employed 93 staff (including 38 off-roll employees). As part of special emphasis on training and development of human resources, provided MS excel training for 30 employees (basic, intermediate and advanced), leadership training for 10 employees and centum training for shop sales agents.

**Statutory disclosures under section 153 of the Companies Ordinance 1972**

Principal Activities

Principal activity of the company continues to be to provide telecommunication services in the Republic of Seychelles.

**AIRTEL (SEYCHELLES) LIMITED**  
(Formerly Telecom (Seychelles) Limited)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

Directors and their interest in the company

The directors of the company during the year and their interest in accordance with register maintained under section 111 of the Companies Act 1972 were as follows: -

		Citizenship	Shares held	
			1 January	31 December
Amadou Mahamat Dina	(resigned on 01 May 2023)	Tchadian	-	-
Alok Bafna	(appointed on 28 November 2017)	Indian	-	-
Ramakrishna Lella	(appointed on 28 November 2017)	Indian	-	-
Michael Patrick Foley	(resigned on 30 June 2023)	Canadian	-	-
Monica Kambo	(appointed on 18 August 2022)	Kenyan	-	-
Eddy Kapuku	(appointed on 15 May 2023)	DRC	-	-
Anwar Soussa	(appointed on 23 August 2023)	Greece	-	-

The directors are of the opinion that all transactions with related parties, further described in note 23 of the financial statements were conducted at arms length.

All non-executive directors will resign and offer themselves for re-election in the next AGM.

**Auditors**

M/S Pool and Patel, Chartered Accountants, retire and being eligible offers themselves for appointment.

**Statement on corporate governance**

Airtel Seychelles Limited takes the issue of corporate governance seriously. The Company's focus is to have a sound corporate governance framework that contributes to improved corporate performance and accountability in creating long term shareholder value.

The Board meets at least four times a year and concerns itself with key matters and the responsibilities for implementing the Company's strategy is delegated to management. The Board of Directors continues to provide considerable depth of knowledge and experience to the business.

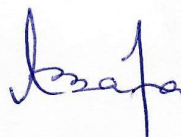
There is strong focus by the Audit Committee on matters relating to financial operations, fraud, application of accounting and control standards and results. The Audit Committee also meets at least four times a year.


The Company has put in place a Code of Conduct and Anti-Bribery & Anti-Corruption Policy that sets out the standards on how staff should behave with all stakeholders. An effective monitoring mechanism to support management's objective of enforcing the Code of Conduct and Anti-Bribery & Anti-Corruption has been developed and is being used across the Company.

None of the Directors had a material interest in any significant contracts concluded during the year. Further, no Director held any shares in the Company during the year.

**Acknowledgements**


The Directors wish to place on record their sincere appreciation of the valuable contribution, unstinted efforts and spirit of dedication shown by all the employees of the company. The Directors would also like to place on record assistance provided by our bankers, the regulators and the Government of Seychelles.

  
Alok Bafna

  
Ramakrishna Lella

  
Monica Kambo

  
Eddy Kapuku

  
Anwar Soussa



**AIRTEL (SEYCHELLES) LIMITED**  
(Formerly Telecom (Seychelles) Limited)

**STATEMENT OF DIRECTORS' RESPONSIBILITY ON THE ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss for the period. In preparing those accounts, the directors are required to: -

- Prepare financial statements on the going concern basis unless inappropriate to assume continuance of business;
- Select appropriate accounting policies and apply them consistently.
- Make judgments and estimates that are reasonable and prudent; and
- Disclose and explain any material departures from applicable accounting standards.

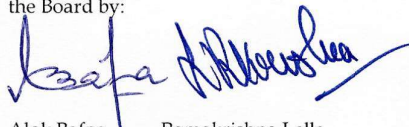
The Companies Act 1972 also requires the directors to keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

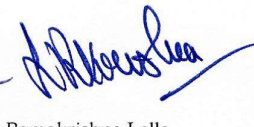
The directors consider they met their responsibilities as set out in the Companies Act 1972.

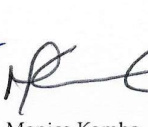
The financial statements are signed by current directors of the company.

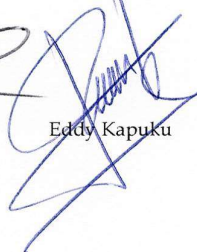
**Approval of the financial statements**

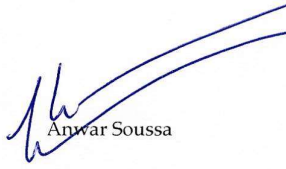
The financial Statements of the Company as indicated above, were approved by the Directors on 18 March 2024 and signed on behalf of the Board by:

  
Alok Bafna

  
Ramakrishna Lella

  
Monica Kambo

  
Eddy Kapuku

  
Anwar Soussa

Date: 18 March 2024



## INDEPENDENT AUDITOR'S REPORT

### AIRTEL (SEYCHELLES) LIMITED

#### Opinion

We have audited the financial statements of Airtel (Seychelles) Limited set out on pages 5 to 29, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a five year financial summary and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRS) and requirements of the Seychelles Companies Act, 1972.

#### 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 ethical requirements that are relevant to our audit of the financial statements in Seychelles, and we have fulfilled our other 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.

#### Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and requirements of the Seychelles Companies Act, 1972, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### 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 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 Company's internal control.

**INDEPENDENT AUDITOR'S REPORT (cont...)**

**Auditor's responsibilities for the audit of the financial statements (cont...)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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.

We communicate with those charged with governance 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.

ICAEW membership number of the engagement partner responsible for signing this independent auditors' report is 6813446.

*Pool Patel*  
**POOL & PATEL**  
**CHARTERED ACCOUNTANTS**  
18 March 2024





## AIRTEL (SEYCHELLES) LIMITED

### Statement of profit or loss and other comprehensive income

Financial statements are prepared in Seychelles Rupees

	Note	For the year ended 31 December	
		2023	2022
<b>Income</b>			
Revenue	4	330,252,831	346,527,934
Other Income	4	804,229	104,618
<b>Expenses</b>			
Direct costs	5	(11,354,556)	(14,944,385)
Network operating expenses	6	(64,176,736)	(65,861,422)
License fee		(13,996,635)	(17,187,903)
Employee benefits expense	8	(46,603,940)	(47,503,733)
Sales and marketing expenses		(11,238,788)	(9,748,956)
Other expenses	7	(33,150,902)	(33,233,736)
Depreciation and amortisation	11	(69,255,205)	(63,743,979)
		(249,776,762)	(252,224,113)
<b>Operating profit</b>		<b>81,280,299</b>	<b>94,408,438</b>
Finance costs	10	(20,525,188)	(13,914,892)
Share of operating (loss)/ profit in associate	13	3,485,655	4,951,538
<b>Profit before income tax</b>		<b>64,240,766</b>	<b>85,445,085</b>
Tax expense	14	(24,213,834)	(28,032,308)
<b>Profit for the year</b>		<b>40,026,932</b>	<b>57,412,777</b>
<b>Other comprehensive income/ (loss)</b>			
Re-measurement gain/ (loss) on defined benefit plans	19	(1,358,875)	(1,591,454)
Deferred tax on re-measurement gain on defined benefit plans		448,429	525,180
Share of associates' other comprehensive income		2,741,904	(5,736,393)
<b>Total comprehensive income for the year</b>		<b>41,858,390</b>	<b>50,610,109</b>

The notes on pages 11 to 29 are an integral part of these financial statements.



## AIRTEL (SEYCHELLES) LIMITED

### Statement of changes in equity

Financial statements are prepared in Seychelles Rupees.

	Share capital (Note 18)	Other reserves Total	Retained earnings Total	Total
<b>At 1 January 2022</b>	<b>35,969,000</b>	<b>(4,487,034)</b>	<b>73,783,607</b>	<b>105,265,574</b>
Profit / (loss) for the year	-	-	57,412,777	57,412,777
Dividend declared	-	-	(65,000,000)	(65,000,000)
Other comprehensive income(1)	-	(6,802,667)	-	(6,802,667)
<b>At 31 December 2022</b>	<b>35,969,000</b>	<b>(11,289,701)</b>	<b>66,196,384</b>	<b>90,875,683</b>
Profit/(loss) for the year	-	-	40,026,932	40,026,932
Dividend Declared	-	-	(66,000,000)	(66,000,000)
Other comprehensive income(1)	-	1,831,458	-	1,831,458
<b>At 31 December 2023</b>	<b>35,969,000</b>	<b>(9,458,244)</b>	<b>40,223,316</b>	<b>66,734,073</b>

(1) Other reserves comprises mainly of currency translation gains and losses in associate.

The notes on pages 11 to 29 are an integral part of these financial statements.

# AIRTEL (SEYCHELLES) LIMITED

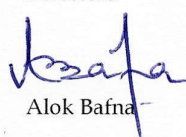
## Statement of financial position

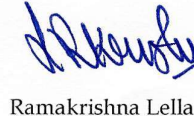
Financial statements are prepared in Seychelles Rupees

	Note	As at 31 December	
		2023	2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	275,479,253	299,950,995
Right of use assets	11.1	10,037,337	9,413,857
Investment in associate	13	67,128,115	60,900,539
Other non-current assets	15	89,348,241	101,747,500
		<b>441,992,946</b>	<b>472,012,891</b>
<b>Current assets</b>			
Inventories	16	2,202,567	4,478,477
Trade and other receivables	17	44,897,628	38,483,292
Other current assets	15	14,676,618	8,956,216
Cash and cash equivalents	22	15,835,113	27,286,168
		<b>77,611,926</b>	<b>79,204,153</b>
<b>Total assets</b>		<b>519,604,872</b>	<b>551,217,044</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	20	150,658,409	140,413,443
Lease liabilities	12.2	8,470,232	8,598,015
Deferred tax liability (net)	14	14,910,076	18,203,525
Employee benefit obligations	19	4,087,825	4,336,445
		<b>178,126,542</b>	<b>171,551,428</b>
<b>Current liabilities</b>			
Borrowings	20	86,994,469	133,568,180
Lease liabilities	12.2	2,980,953	2,542,418
Trade and other payables	21	167,245,919	142,169,436
Deferred Revenue	4	5,137,387	5,307,521
Current tax liabilities (net)	14	10,378,658	2,878,658
Employee benefit obligations	19	2,006,872	2,323,719
		<b>274,744,258</b>	<b>288,789,933</b>
<b>Total liabilities</b>		<b>452,870,800</b>	<b>460,341,361</b>
<b>Equity</b>			
Share capital	18	35,969,000	35,969,000
Retained earnings		40,223,316	66,196,384
Other reserves		(9,458,244)	(11,289,701)
		<b>66,734,073</b>	<b>90,875,683</b>
<b>Total liabilities and equity</b>		<b>519,604,872</b>	<b>551,217,044</b>

The notes on pages 11 to 29 are an integral part of these financial statements.

Directors

  
Alok Bafna

  
Ramakrishna Lella

  
Monica Kambo

  
Eddy Kapuku

  
Anwar Soussa

18 March 2024

# AIRTEL (SEYCHELLES) LIMITED

## Cash flow statement

Financial statements are prepared in Seychelles Rupees.

	Note	For the year ended 31 December	
		2023	2022
<b>Cash flows from operating activities</b>			
Profit before tax		64,240,766	85,445,085
Adjustments for:-			
Depreciation and amortisation	11	69,255,205	63,743,979
Provision for employee benefits	19	1,475,913	504,895
Share of operating loss/(profit) in associate	13	(3,485,655)	(4,951,538)
Provision for bad and doubtful debts	17	623,594	2,239,796
Loss/(profit) on disposal of Property, plant and equipment		-	(55,000)
Finance costs	10	20,525,188	13,914,892
<b>Operating cash flow before changes in working capital</b>		<b>152,635,011</b>	<b>160,842,109</b>
Decrease in inventories	16	2,275,910	810,957
Decrease/(Increase) in trade and other receivables	17	5,361,329	5,295,665
Decrease/(Increase) in other current and non current assets	15	(5,720,403)	3,850,341
(Decrease) in deferred revenue		(170,135)	(1,805,759)
(Decrease)/Increase in trade and other payables	21	10,373,502	(30,784,586)
<b>Net cash generated from operations before tax</b>		<b>164,755,214</b>	<b>138,208,728</b>
Tax paid	14	(20,007,283)	(19,862,142)
<b>Net cash generated from operating activities</b>		<b>144,747,932</b>	<b>118,346,587</b>
<b>Cash flows from investing activities</b>			
Payments to acquire property, plant & equipment	11	(41,872,034)	(44,095,223)
Proceeds from associate	13	(3,485,656)	26,928,621
Proceeds from sale of property, plant & equipment	11	-	55,000
<b>Net cash used in investing activities</b>		<b>(45,357,690)</b>	<b>(17,111,601)</b>
<b>Cash flow from financing activities</b>			
Borrowings	20	102,000,000	194,365,000
Loans paid	20.1/20.2	(134,077,155)	(259,287,406)
Interest paid	20.1/20.2	(20,716,099)	(17,429,303)
Repayment of lease liabilities	12	(4,041,645)	(3,093,863)
Dividend paid		(53,694,614)	(26,315,418)
<b>Net cash used in financing activities</b>		<b>(110,529,513)</b>	<b>(111,760,989)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(11,139,271)</b>	<b>(10,526,004)</b>
Cash & cash equivalent at 1 January		27,286,168	38,660,529
Exchange adjustments on cash & cash equivalent	10	(311,784)	(848,357)
<b>Cash &amp; cash equivalents 31 December</b>	<b>22</b>	<b>15,835,113</b>	<b>27,286,168</b>

The notes on pages 11 to 29 are an integral part of these financial statements.



# AIRTEL (SEYCHELLES) LIMITED

## FIVE YEAR FINANCIAL SUMMARY - 31 DECEMBER 2023

Financial statements are prepared in Seychelles Rupees

	In SCR' 000				
	2023	2022	2021	2020	2019
<b>Statement of financial position</b>					
Share capital					
Authorised	35,969	35,969	35,969	35,969	35,969
Issued and fully paid	35,969	35,969	35,969	35,969	35,969
Retained earnings	40,223	66,196	73,783	(55,458)	48,691
Net assets employed	76,192	102,165	109,752	(19,489)	84,660
<b>Statement of income</b>					
Revenue	331,057	345,926	321,687	302,868	324,666
Profit before income tax	64,241	85,445	189,584	(100,462)	64,757
Tax expense	(24,214)	(28,032)	(60,343)	35,970	(23,550)
Profit for the year	40,027	57,413	129,241	(64,492)	41,207
Dividend Declared	(66,000)	(65,000)	-	(39,657)	(49,659)
	(25,973)	(7,587)	129,241	(104,149)	(8,452)
Retained earnings - 1 January	66,196	73,783	(55,458)	48,691	57,143
Retained earnings - 31 December	40,223	66,196	73,783	(55,458)	48,691

## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

#### 1 Corporate Information

Airtel (Seychelles) Limited is a limited liability company incorporated and domiciled in the Seychelles. The address of the company's registered office is Airtel House, Josephine Cafrine Road, Mahe, Seychelles.

The company provides telecommunication services in Seychelles.

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 18 March 2024.

#### 2 New and amended Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 in relation to 'Disclosure of accounting policies'
- Amendments to IAS 12 in relation to relation to 'deferred tax related to assets and liabilities arising from a single transaction.'
- Amendments to IAS 12 in relation to relation to 'Pillar Two Model rules.'
- Amendments to IAS 8 in relation to Accounting Estimates

##### 2.1 New and revised Standards in issue but not yet effective

- Amendments to IAS 1 in relation to 'classification of liabilities as current and non-current' and 'non-current liabilities with Covenants'.
- Amendments to IAS 7 and IFRS 7 in relation to 'Supplier Finance Arrangements'
- Amendments to IFRS 16 in relation to "Sale and leaseback accounting".
- Amendments to IAS 21 in relation to 'Lack of exchangeability'.

#### 3 Summary of significant accounting policies

The accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated below.

##### 3.1 Basis of presentation

The financial statements of Airtel (Seychelles) Limited are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial Reporting Standard (IFRS). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in the notes below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

##### 3.2 Functional and reporting currency

The financial statements are presented in the Seychelles Rupee, which is the reporting currency under the Companies Act, 1972.

##### 3.3 Foreign currency translation

The functional currency is the Seychelles Rupee, being the currency of the primary economic environment in which the company operates (the functional currency). Transactions in foreign currencies are converted into Seychelles Rupee using the exchange rates prevailing at the dates of the transactions.



## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

#### 3 Summary of significant accounting policies (Cont...)

##### 3.3 Foreign currency translation (Cont...)

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the foreign exchange rate ruling at that date. Exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at the closing date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within "finance income or finance cost".

The Banks closing-rate for the period were:

Currency	Exchange rates at 31 December			Changes in percent (SCR)	
	2023	2022	2021	2023-2022	2022-2021
SCR/US \$	14.58	14.48	15.06	-1%	4%
SCR/Euro	16.13	15.44	17.05	-5%	9%
SCR/UK Pound	18.57	17.45	20.36	-6%	14%

##### 3.4 Comparatives

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year.

##### 3.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner indicated by the management. The cost of property, plant and equipment constructed by the company includes the cost of materials and direct labour.

All categories of property, plant and equipment are initially recorded at historical cost. All property, plant and equipment is subsequently measured at historical cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long term construction projects if the recognition criteria are met. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Impairment losses or reversals of impairment losses on property, plant and equipment are recognized in profit or loss during the period.

When funds borrowed are specifically for the purpose of obtaining a qualifying asset, the entity determines the amount of the borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of the borrowings.

When significant parts of property and equipment are required to be replaced in intervals, the company recognizes such parts as separate components of assets with specific useful lives and provides depreciation over their useful lives. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

The company adds to the carrying amount of an item of property, plant and equipment the cost of replacing parts of such an item when cost is incurred if the replacement part is expected to provide future benefits to the company. The carrying amount of the replaced part is derecognised. All repairs and maintenance are charged to the statement of income during the period in which they are incurred.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. The estimated useful lives range as follows:

Leasehold improvements	20 years
Office equipment	3-10 years
Network equipment	10 years
Motor vehicles	5 years



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

Financial statements are prepared in Seychelles Rupees

**3 Summary of significant accounting policies (Cont...)**

**3.5 Property, plant and equipment (cont...)**

The assets residual values and depreciation methods are reviewed, and adjusted prospectively, if there is an indication or a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of profit or loss within "other income or expenses".

**3.6 Intangibles**

Intangible assets are recognised when the company controls the asset, and it is probable that future economic benefits attributed to the asset will flow to the company and the cost of the asset can be reliably measured.

Amortisation is recognised in statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use or placed in service. The amortisation period and the amortisation method for an intangible asset is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Software is capitalised at the amounts paid to acquire the respective license for use and is amortised over the period of license.

**3.7 Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

At each reporting date, inventories are assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less cost to complete and sell; and the impairment loss is recognised immediately in the statement of income.

**3.8 Tax**

Income tax expense represents the sum of the tax currently payable, deferred tax and tourism marketing tax.

Current tax and deferred tax is recognised as an expense or income in profit or loss, except to the extent that it relates to items credited or debited directly to equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

**(i) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by reporting date. The payment made in excess/ (shortfall)/of the income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable or based on expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**(ii) Deferred tax**

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from the 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 nor taxable profit nor loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

## 3 Summary of significant accounting policies (Cont...)

### 3.9 Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

### 3.10. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

Investment in equity is always measured at fair value.

Despite the foregoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### *Impairment of financial assets*

The company recognises a loss allowance for expected credit losses (ECL) on trade receivable measured at amortised cost.

The company considers that default has occurred when a financial asset is more than 90 days past due.

The company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated based on past experiences where ECL is deemed to be all debts which remain unpaid over 90 days and over 270 days for interconnect debts.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### *Write-off policy*

The company writes off receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the trade receivables has crossed the of limitation period past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.



Financial statements are prepared in Seychelles Rupees

### 3 Summary of significant accounting policies (Cont...)

#### 3.10. Financial assets (Cont...)

##### *Derecognition of financial assets*

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

##### 3.10.1 Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### *Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the bank selling rate at the end of the reporting period.

##### *Derecognition of financial liabilities*

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### 3.11 Share capital and share premium

Issued ordinary shares are classified as 'share capital' in 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 effect. Any premium received over and above the par value of the shares are classified as 'share premium' in equity.

#### 3.12 Employee benefits

##### 3.12.1 Retirement benefit obligations

The company operates a defined contribution scheme for all its employees. The company and all its local employees also contribute to the Seychelles Pension Scheme Fund, which is a defined contribution scheme. A defined contribution plan is a retirement benefit plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions to the defined contribution schemes are recognised in profit or loss in the year in which they fall due.

##### 3.12.2 Other entitlements

The employees of the company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and the availing of leave balances that were earned by the employees over the period of past employment. The liability for employees' annual leave entitlement and compensation as determined by actuaries at the reporting date are recognised as an expense accrual.



## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

#### 3 Summary of significant accounting policies (Cont...)

##### 3.13 Impairment of non-financial assets

Property plant and equipment, right of use assets and intangible assets with definite lives are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ("CGU") level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in statement of profit and loss.

##### *Reversal of impairment losses*

Impairment losses are reversed and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset in previous years.

##### 3.14 Dividends

Dividends payable to the company's shareholders are charged to equity in the period in which they are declared.

##### 3.15 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### 3.16 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

##### 3.17 Critical accounting estimates and judgements

###### 3.17.1 Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### *Receivables*

Critical estimates are made by the Directors in determining the recoverable amount of impaired receivables. The expected credit loss of trade receivables are estimated based on past experiences where ECL is deemed to be all debts which remain unpaid over 90 days.

##### *Taxes*

###### 1 Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Business Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date.

###### 2 Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

##### *Determination of residual values and useful lives*

Judgment and estimations are used when determining the residual values and useful lives of property, plant and equipment on annual basis.



## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

#### 3 *Summary of significant accounting policies (Cont...)*

##### 3.17 *Critical accounting estimates and judgements (Cont...)*

##### 3.17.2 *Critical judgments in applying the entity's accounting policies*

In the process of applying the company's accounting policies, management has made judgments in determining:

- the classification of financial assets and lease liabilities.
- revenue recognition allocation to different components.
- determining whether assets are impaired, or not.

##### (a) *Multiple element contracts with vendors*

The company has entered into multiple element contracts for supply of goods and rendering of services. In certain cases, the consideration paid is determined independent of the value of supplies received and services availed. Accordingly, the supplies and services are accounted for based on their relative fair values to the overall consideration. The supplies with finite life under the contracts have been accounted under Property, Plant and Equipment and / or as Intangible assets, since the company has economic ownership in these assets and represents the substance of the arrangement.

##### (b) *Arrangement containing lease*

The company assesses the contracts entered with telecom operators / passive infrastructure services providers to share tower infrastructure services so as to determine whether these contracts that do not take the legal form of a lease convey a right to use an asset or not. The Company has determined, based on an evaluation of the terms and conditions of the arrangements that such contracts are in the nature of leases.

##### 3.18 *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

##### 3.19 *Trade receivables*

Trade receivables are initially recognised at the transaction price. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to original terms of the receivables.

##### 3.20 *Trade payables*

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is done within one year or less. If not, they are presented as non-current liabilities.

##### 3.21 *Leases*

At inception of a contract, the company assesses a contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether the contract involves the use of an identified asset, the company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the company has the right to direct the use of the asset.

The lease liability is measured at amortised cost using the effective interest method.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Subsequent to initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter.

##### 3.22 *Revenue recognition*

Company's revenue arises from billing customers for monthly subscription, airtime usage, connections and sale of simcards, handsets and accessories, roaming and interconnection revenue.



## AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

### 3 Summary of significant accounting policies (Cont...)

#### 3.22 Revenue recognition (Cont...)

Revenue is measured at the fair value of the consideration received or receivable for the sale/provision of goods and services in the ordinary course of the company's activities. Revenue is shown net of value-added tax (VAT), excise duties, discount and rebates.

Service revenue is derived from the provision of telecommunication services to customers. The majority of the customers of the company subscribe to the services on a pre-paid basis. Telecommunication service revenues mainly pertain to usage, subscription and customer onboarding charges, which include activation charges and charges for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

A contract liability is recognised for amounts received in advance, until the services are provided or when the usage of services becomes remote.

The company recognises revenue from these services when performance obligation has been met. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services consumed.

Subscription charges are recognised over the subscription pack validity period. Customer onboarding revenue is recognised upon successful onboarding of customer i.e. upfront.

Revenues recognised in excess of amounts invoiced are classified as unbilled revenue. If amounts invoiced / collected from a customer are in excess of revenue recognised, a deferred revenue / advance income is recognised.

Service revenues also includes revenue from interconnection / roaming charges for usage of the company's network by other operators for voice, data, messaging and signalling services.

Revenues from long distance operations comprise of voice services and bandwidth services (including installation), which are recognised on provision of services and over the period of respective arrangements.

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer i.e. transferred at a point in time.

The company writes off to revenue credits after six months for prepaid sales which are unutilised by deactivated customers through forfeiture.

### 4 Revenue

	2023	2022
<i>Analysis of revenue by category</i>		
Mobile	168,971,739	185,542,345
Internet (Leaseline & HBB)	108,003,066	99,953,449
Interconnect and roaming revenue	49,638,224	55,411,760
Sale of handsets	3,639,802	5,620,379
<b>Total</b>	<b>330,252,831</b>	<b>346,527,934</b>

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to SCR 5,137,387 at 31 December 2023 and SCR 5,307,521 as at 31 December 2022 will be satisfied within a period of next one year respectively.

Transfers from unbilled revenue recognized at the beginning of the period to receivables is SCR 15,682,117 for 2023 (2022: SCR 16,606,638).

#### 4.1 Other Income

	2023	2022
<i>Other services including sales of other equipment</i>	804229	104618
<b>Total</b>	<b>804,229</b>	<b>104,618</b>

### 5 Direct costs

	2023	2022
Cost of goods sold	3,572,729	5,279,255
Interconnect & roaming expenses	7,781,827	9,665,129
<b>Total</b>	<b>11,354,556</b>	<b>14,944,385</b>



**AIRTEL (SEYCHELLES) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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**6 Network operating expenses**

	2023	2022
Bandwidth charges	28,875,785	24,671,941
Maintenance Charges	14,623,655	18,387,443
Electricity	16,069,967	16,243,473
Other network expenses	4,607,330	6,558,564
<b>Total</b>	<b>64,176,736</b>	<b>65,861,421</b>

**7 Other expenses**

	2023	2022
Repairs and maintenance	3,796,218	3,426,104
Travelling and transport	2,913,888	2,231,328
Rental of offices and showrooms	301,924	372,118
Legal and professional fees	1,603,593	1,290,328
Postage, courier, and stationery	1,616,502	1,487,507
Provision for bad and doubtful debts (note 17)	623,594	2,239,796
Management Fees	17,089,588	15,528,394
Other operational costs	5,205,595	6,658,159
<b>Total</b>	<b>33,150,902</b>	<b>33,233,736</b>

**8 Employee benefits expense**

	2023	2022
Salaries	37,564,160	35,710,547
Employers' contribution to defined contribution scheme	919,440	775,524
Employee benefit obligation (note 19)	2,000,459	2,438,781
Performance linked bonuses	2,805,436	6,489,901
Staff welfare expenses	3,314,446	2,088,981
<b>Total</b>	<b>46,603,940</b>	<b>47,503,733</b>

**9 Profit for the year**

	2023	2022
Profit for the year has been arrived at after charging:		
Auditors remuneration	369,000	369,000
Depreciation and amortisation	69,255,205	63,743,979
Management fees	17,089,588	15,528,394

**10 Finance costs / (Income)**

	2023	2022
Interest on loan (note 20.1 ,20.2 &23.5)	20,212,528	19,260,233
Interest on lease liabilities (note 12)	817,488	828,023
Interest on employee benefit obligations (note 19)	503,571	419,096
Exchange loss / (gain) on borrowings (note 20.1 & 23.5)	(4,335,915)	(22,319,021)
Exchange loss/ (gain) on cash and cash equivalents	311,784	848,357
Exchange loss on others	3,015,732	14,878,205
<b>Total</b>	<b>20,525,188</b>	<b>13,914,892</b>

**11 Property, plant and equipment**

	Leasehold improvements	Office & network equipment	Vehicles	Capital Work In Progress	Total
<b>Cost</b>					
At 1 January 2022	32,466,219	725,849,185	7,373,381	9,796,739	775,485,524
Additions	-	34,194,726	1,043,478	8,857,019	44,095,223
Disposals	-	-	(409,068)	-	(409,068)
Transfers from capital work in progress	-	9,796,739	-	(9,796,739)	-
<b>At 31 December 2022</b>	<b>32,466,219</b>	<b>769,840,650</b>	<b>8,007,791</b>	<b>8,857,019</b>	<b>819,171,678</b>

AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

11 Property, plant and equipment (cont...)

	Leasehold improvements	Office & network equipment	Vehicles	Capital Work In Progress	Total
<b>Accumulated depreciation and impairment</b>					
At 1 January 2022	2,152,913	449,374,134	7,373,381	-	458,900,428
Depreciation charge	45,519	60,632,924	50,881	-	60,729,324
Disposals	-	-	(409,068)	-	(409,068)
<b>At 31 December 2022</b>	<b>2,198,431</b>	<b>510,007,058</b>	<b>7,015,194</b>	<b>-</b>	<b>519,220,683</b>
<b>Carrying amount</b>					
At 1 January 2022	30,313,306	276,475,051	-	9,796,739	316,585,096
<b>At 31 December 2022</b>	<b>30,267,788</b>	<b>259,833,592</b>	<b>992,597</b>	<b>8,857,019</b>	<b>299,950,995</b>
<b>Cost</b>					
At 1 January 2023	32,466,219	769,840,650	8,007,791	8,857,019	819,171,678
Additions	-	29,393,469	-	12,478,557	41,872,026
Disposals	-	(1,283,813)	-	-	(1,283,813)
Transfers from capital work in progress	-	7,379,636	-	(7,379,636)	-
<b>At 31 December 2023</b>	<b>32,466,219</b>	<b>805,329,942</b>	<b>8,007,791</b>	<b>13,955,940</b>	<b>859,759,891</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2023	2,198,431	510,007,058	7,015,194	-	519,220,683
Depreciation charge	45,519	66,077,463	220,794	-	66,343,776
Disposals	-	(1,283,821)	-	-	(1,283,821)
<b>At 31 December 2023</b>	<b>2,243,950</b>	<b>574,800,700</b>	<b>7,235,988</b>	<b>-</b>	<b>584,280,638</b>
<b>Carrying amount</b>					
At 1 January 2023	30,267,788	259,833,592	992,597	8,857,019	299,950,995
<b>At 31 December 2023</b>	<b>30,222,269</b>	<b>230,529,241</b>	<b>771,803</b>	<b>13,955,940</b>	<b>275,479,253</b>

11.1 Right of use assets

	Upon application of IFRS 16		
	Land and Building	Leased Sites	Total
<b>Cost</b>			
At 1 January 2022	6,503,831	18,545,600	25,049,430
Additions	-	198,457	198,457
Deletions	-	-	-
<b>At 31 December 2022</b>	<b>6,503,831</b>	<b>18,744,056</b>	<b>25,247,887</b>
<b>Accumulated depreciation</b>			
At 1 January 2022	4,718,096	8,101,279	12,819,375
Depreciation charge	395,772	2,618,883	3,014,655
<b>At 31 December 2022</b>	<b>5,113,868</b>	<b>10,720,162</b>	<b>15,834,030</b>
<b>Carrying amount</b>			
At 31 December 2022	1,389,963	8,023,894	9,413,857
<b>Cost</b>			
At 1 January 2023	6,503,831	18,744,056	25,247,887
Additions	-	3,534,908	3,534,908
Deletions	-	-	-
<b>At 31 December 2023</b>	<b>6,503,831</b>	<b>22,278,964</b>	<b>28,782,795</b>



# AIRTEL (SEYCHELLES) LIMITED

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

Financial statements are prepared in Seychelles Rupees

### 11.1 Right of use assets (Cont...)

	Upon application of IFRS 16		Total
	Land and Building	Plant & machinery	
<b>Accumulated depreciation</b>			
At 1 January 2023	5,113,868	10,720,162	15,834,030
Depreciation charge	395,772	2,515,656	2,911,428
<b>At 31 December 2023</b>	<b>5,509,640</b>	<b>13,235,818</b>	<b>18,745,458</b>
<b>Carrying amount</b>			
At 31 December 2022	1,389,963	8,023,894	9,413,857
<b>At 31 December 2023</b>	<b>994,191</b>	<b>9,043,146</b>	<b>10,037,337</b>

### 12 Lease liabilities

	2023	2022
<b>Discounted lease liability</b>		
At 1 January	11,140,434	14,035,840
Additions in the year	3,534,908	198,457
Interest cost	817,488	828,023
Repayments	(4,041,645)	(3,921,886)
<b>At 31 December</b>	<b>11,451,185</b>	<b>11,140,434</b>

#### Amounts recognised in the the Statement of financial position

	2023	2022
Current	2,980,953	2,542,418
Non-current	8,470,232	8,598,015
<b>Total</b>	<b>11,451,185</b>	<b>11,140,433</b>

#### Amounts recognised in the Statement of profit or loss

	2023	2022
Interest on lease liabilities (note 10)	817,488	828,023

	2023	2022
<b>Maturity analysis:</b>		
Less than one year	3,854,285	3,498,505
One to five years	7,743,263	7,843,984
More than five years	2,463,903	2,449,736
<b>Total undiscounted lease liabilities</b>	<b>14,061,451</b>	<b>13,792,225</b>
<b>Total discounted lease liabilities</b>	<b>11,451,185</b>	<b>11,140,433</b>

### 13 Investment in associate

Investment is stated at historical cost adjusted for profit/loss retained in Seychelles Cable System Company Limited, an unquoted company incorporated in the Seychelles.

	Holding	2023	2022
Investment in associate at cost	26%	49,861,046	49,861,046
Foreign exchange adjustment (recognized in other comprehensive income)		(8,071,570)	(10,813,491)
Share of profit in associate		25,338,639	48,781,606
Dividend received		-	(26,928,622)
<b>Total</b>		<b>67,128,115</b>	<b>60,900,539</b>
<b>Share of operating profit in associate (recognized in statement of profit or loss)</b>		<b>3,485,655</b>	<b>4,951,538</b>

Seychelles Cable System Company Limited was incorporated to set up a submarine fibre-optic link between Seychelles and Tanzania for improved telecommunication services. The other shareholders of this company are the Government of Seychelles (40.6%) and Cable & Wireless (Seychelles) Limited (33.4%).



**AIRTEL (SEYCHELLES) LIMITED**

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**14 Tax**

(a) The major components of the income tax expense/(credit) are:

	2023	2022
<b>Income tax</b>		
- For the year	27,000,000	19,500,000
- Adjustments for prior periods	(1,149,049)	(367,627)
	<b>25,850,951</b>	<b>19,132,373</b>
<b>Deferred tax</b>	(3,293,449)	7,170,166
<b>Tourism marketing Tax</b>		
- For the year	1,656,332	1,729,769
<b>Total Tax expenses</b>	<b>24,213,834</b>	<b>28,032,308</b>

(b) The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	2023	2022
<b>Profit before tax less share of profit in associate</b>	60,755,111	80,493,547
Enacted tax rate in the country	33%	33%
Tax expense with enacted rate	20,049,187	26,562,870
<i>Effect of:</i>		
Adjustments in respect to previous years	(1,149,049)	(367,627)
Net tax charge on account of permanent differences	3,657,364	107,296
Tourism marketing Tax	1,656,332	1,729,769
<b>Total tax expense</b>	<b>24,213,834</b>	<b>28,032,308</b>

(c) The analysis of deferred tax (assets)/liabilities are as follows:

	2023	2022
<b>Deferred tax liabilities (net)</b>		
i) Deferred tax liability due to		
Depreciation / amortisation on PPE / intangible assets	42,161,018	47,032,755
Fair valuation of financial instruments and exchange differences	826,895	-
ii) Deferred Tax asset arising out of		
Provision for Impairment of trade receivables / advances	(25,827,304)	(25,621,518)
Fair valuation of financial instruments and exchange differences	-	(603,957)
Provision for compensation and obsolete stock	(2,250,533)	(2,603,755)
<b>Total</b>	<b>14,910,076</b>	<b>18,203,525</b>

(d) The analysis of deferred tax (benefit)/ expenses is as follows:

	2023	2022
<b>Deferred tax (benefit)/expenses</b>		
Depreciation / amortisation on PPE / intangible assets	(4,871,737)	695,478
Provision for Impairment of trade receivables / advances	(205,786)	(739,133)
Fair valuation of financial instruments and exchange differences	1,430,852	7,365,277
Provision for compensation,bonus and obsolete stock	353,222	(151,456)
<b>Total</b>	<b>(3,293,449)</b>	<b>7,170,166</b>

(e) The movement in deferred tax liabilities (net) during the year is as follows

	2023	2022
Opening balance	18,203,525	11,033,359
Tax (income)/expense recognised in statement of profit & loss	(3,293,449)	7,170,166
<b>Closing balance</b>	<b>14,910,076</b>	<b>18,203,525</b>

(f) The movement in current tax liabilities (net) during the year is as follows

	2023	2022
Opening balance	2,878,658	1,878,658
Adjustments for prior periods	(1,149,049)	(367,627)
Tax expense recognised for the year	27,000,000	19,500,000
Tourism marketing Tax	1,656,332	1,729,769
Paid during the year	(20,007,283)	(19,862,142)
<b>Closing balance</b>	<b>10,378,658</b>	<b>2,878,658</b>

## AIRTEL (SEYCHELLES) LIMITED

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

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#### 15 Other assets

	2023	2022
Prepayments for STM1s	95,586,664	107,985,924
Other prepayments	8,438,195	2,717,793
<b>Total</b>	<b>104,024,859</b>	<b>110,703,716</b>

Amortisation of prepaid right of use fiber optic network is on a straight-line basis, and is expensed to network costs.

#### Classified as:

Current	14,676,619	8,956,216
Non-current	89,348,241	101,747,500

#### 16 Inventories

	2023	2022
Handsets and accessories	2,074,619	4,180,344
Scratch cards	-	-
Starter packs	213,793	298,133
Less: Provision for obsolescence	(85,845)	-
<b>Total</b>	<b>2,202,567</b>	<b>4,478,477</b>

#### 17 Trade and other receivables

	2023	2022
Trade receivables	103,008,467	102,851,667
Less: Provision for bad debts	(78,264,556)	(77,640,963)
Trade receivable net of provision	24,743,911	25,210,704
Receivable from related parties (note 23.3)	17,158,640	11,933,340
Deposits	-	-
Others	2,995,077	1,339,247
<b>Total</b>	<b>44,897,628</b>	<b>38,483,291</b>

The movement in provision for doubtful debts during the year is as follows:

	2023	2022
1 January	77,640,962	75,401,166
Provisions made/(reversed) in the year	623,594	2,239,796
<b>Total</b>	<b>78,264,555</b>	<b>77,640,962</b>

The carrying amounts of the above receivables approximate their fair values.

#### 18 Authorised & issued capital

	2023	2022
Authorised, issued and allotted 35,969 shares of SCR 1,000 each	35,969,000	35,969,000
<b>Total</b>	<b>35,969,000</b>	<b>35,969,000</b>

#### 19 Employee benefit obligations

	2023	2022
1 January	6,660,164	6,155,269
Current service cost	2,000,459	2,438,781
Interest cost	503,571	419,096
Remeasurements (amount recognised in other comprehensive income)	1,358,875	1,591,454
Benefits paid	(4,428,372)	(3,944,436)
<b>Total</b>	<b>6,094,697</b>	<b>6,660,164</b>

Classified as:

Current	2,006,872	2,323,719
Non-current	4,087,825	4,336,445



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19 *Employee benefit obligations (Cont...)*

Employee benefits obligations are stated at present values of liabilities due for termination indemnities under Employment Amendment Act (1999); Long Service Awards, Retirement Benefits and Compensated Absences. The actuarial assumptions in determining the obligation are:

• Discount rate	-	10% p.a.
• Salary increase rate	-	5.5% p.a.
• Mortality Table	-	implicit withdrawal rate assumption
• Withdrawals	-	11% p.a. (rate of employee turnover)
• Retirement age	-	55 years
• Leave availment rate	-	3% p.a. of accrued leave of employees

20 *Borrowings*

	2023	2022
Due to:		
ABSA Bank - (Seychelles) (note 20.1)	97,500,000	-
Mauritius Commercial Bank (Seychelles) (note 20.2)	140,152,878	221,278,541
Intermediate Parent - Bharti Airtel Africa BV ( note 23.5)	-	52,703,083
<b>Total</b>	<b>237,652,878</b>	<b>273,981,624</b>
Classified as:		
Current	86,994,469	133,568,180
Non-current	150,658,409	140,413,443

20.1 *Loan from financial institution (ABSA)*

	SCR 2023	SCR 2022
At 1 January	-	-
Received in the year	102,000,000	-
Interest accrued during the year	5,482,657	-
Interest paid during the year	(5,482,657)	-
Loan Repaid during the year	(4,500,000)	-
<b>At 31 December</b>	<b>97,500,000</b>	<b>-</b>

The loan matures on 31 March 2027 and attracts interest at a rate of 8% and is secured by corporate guarantee from the Intermediate Parent.

20.2 *Loan from financial institution (MCB)*

	SCR 2023	SCR 2022
At 1 January	221,278,541	80,776,036
Received in the year	-	194,365,000
Interest accrued during the year	13,589,037	10,937,039
Interest paid during the year	(13,504,711)	(10,937,039)
Loan repaid during the year	(81,209,988)	(53,862,496)
<b>At 31 December</b>	<b>140,152,878</b>	<b>221,278,541</b>

The loan matures on 30 November 2025 and attracts interest at a rate of 8.5% less a margin of 1% and is secured by corporate guarantee from the Intermediate Parent.

21 *Trade and other payables*

	2023	2022
Trade payables	-	1,843,044
Payable to related parties (note 23.4)	55,707,435	37,535,831
Interconnect and roaming partners	4,463,254	5,144,881
Security deposits	4,353,519	3,991,236
Accruals for network maintenance & other services	30,020,798	32,980,372
Dividend payable (note 23.4)	68,277,551	55,972,165
Other taxes payable	4,423,362	4,701,907
<b>Total</b>	<b>167,245,919</b>	<b>142,169,436</b>

The carrying amounts of the above payables approximate their fair values.

22 *Cash and cash equivalents*

	2023	2022
Cash at Bank	11,254,324	21,395,278
Cash at Hand and In transit	4,580,789	5,890,891
<b>Total</b>	<b>15,835,113</b>	<b>27,286,168</b>



**AIRTEL (SEYCHELLES) LIMITED**
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**23 Related parties and transactions**
**23.1 Services provided to related parties:**

Name of related party	Relationship to Company	2023	2022
<b>Sale of goods and services</b>			
Airtel Networks Zambia Plc	Fellow subsidiary	4,290	1,047
Airtel Networks Kenya Limited	Fellow subsidiary	1,215,838	591,700
Airtel Malawi plc	Fellow subsidiary	14,874	3,958
Airtel Tanzania Plc.	Fellow subsidiary	24,747	26,001
Airtel Madagascar S.A	Fellow subsidiary	41,842	10,415
Airtel Gabon S.A	Fellow subsidiary	624	58
Airtel Tchad S.A	Fellow subsidiary	1,987	402
Airtel Networks Limited (Nigeria)	Fellow subsidiary	14,877	14,342
Celstel Niger S.A.	Fellow subsidiary	950	243
Airtel Uganda Limited	Fellow subsidiary	167,216	48,612
Airtel Congo (RDC) S.A.	Fellow subsidiary	1,099	5
Airtel Congo S.A.	Fellow subsidiary	-	18
Airtel Rwanda Limited	Fellow subsidiary	350	-
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	333,181	-
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	1	37,019
Jersey Airtel Limited	Other related party	178	278
Bharti Airtel (France) SAS	Fellow subsidiary	-	-
Bharti Airtel Limited	Intermediate Parent	424,451	46,750
Bharti Airtel (UK) Limited	Fellow subsidiary	11,081,292	12,730,163
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	202,328	(110,928)
Nxtra Data Limited	Fellow subsidiary	-	-
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	-	-
Bharti Hexacom Limited	Fellow subsidiary	1,624	312
Emtel Mauritius	Other related party	8,116	12,425
Singapore Telecommunications Limited	Other related party	154,265	63,192
<b>Total</b>		<b>13,694,130</b>	<b>13,476,013</b>

**23.2 Services received from related parties**

Name of related party	Relationship to Company	2023	2022
<b>Purchase of goods and services</b>			
Airtel Networks Zambia Plc	Fellow subsidiary	-	-
Airtel Networks Kenya Limited	Fellow subsidiary	39,479	284,529
Airtel Malawi plc	Fellow subsidiary	2,161	554
Airtel Tanzania Plc.	Fellow subsidiary	3,334,827	3,637,582
Airtel Madagascar S.A	Fellow subsidiary	40,270	54,824
Airtel Tchad S.A	Fellow subsidiary	25,411	3,041
Airtel Networks Limited (Nigeria)	Fellow subsidiary	4,585	191,920
Airtel Uganda Limited	Fellow subsidiary	21,784	695
Celstel Niger S.A.	Fellow subsidiary	483	72
Airtel Congo S.A.	Fellow subsidiary	134	13
Airtel Rwanda Limited	Fellow subsidiary	6,812	143
Network i2i Limited	Intermediate Parent	2,432,941	3,493,199
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	1,826	429
Bharti Airtel Limited	Intermediate Parent	921,865	1,452,326
Bharti International Singapore Pte Limited	Fellow subsidiary	383,982	219,525
Bharti Airtel (UK) Limited	Fellow subsidiary	4,581,456	6,834,654
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	-	1,022,258
Airtel Africa Services (UK) Limited	Fellow subsidiary	14,962,278	12,402,826
Seychelles Cable Systems Company Limited	Associate	6,780,401	5,912,128
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	-	-
Bharti Airtel (France) SAS	Fellow subsidiary	6,814,054	2,055,676
Bharti Hexacom Limited	Fellow subsidiary	804	228



**AIRTEL (SEYCHELLES) LIMITED**
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**23 Related parties and transactions (Cont...)**
**23.2 Services received from related parties (cont...)**

Name of related party	Relationship to Company	2023	2022
Emtel Mauritius	Other related party	6,527	7,128
Jersey Airtel Limited	Other related party	33	9
Singapore Telecommunications Limited	Other related party	73,806	56,007
Airtel Africa Telesonic Limited	Fellow subsidiary	873,419	-
Nxtra Data Limited	Fellow subsidiary	724,474	193,114
<b>Total</b>		<b>42,033,817</b>	<b>37,822,898</b>

**23.3 Receivables from related parties**

Name of related party	Relationship to Company	2023	2022
Airtel Networks Zambia Plc	Fellow subsidiary	913	928
Airtel Networks Kenya Limited	Fellow subsidiary	319,360	183,484
Airtel Malawi plc	Fellow subsidiary	418,105	1,255
Airtel Tanzania Plc.	Fellow subsidiary	7,191	5,089
Airtel Madagascar S.A	Fellow subsidiary	199,865	4,653
Airtel Uganda Limited	Fellow subsidiary	31,204	16,554
Celtel Niger S.A	Fellow subsidiary	131,744	123,332
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	845,008	839,208
Airtel Gabon S.A	Fellow subsidiary	2	-
Airtel Rwanda Limited	Fellow subsidiary	131,503	130,320
Airtel Congo (RDC) S.A.	Fellow subsidiary	1,115	1
Jersey Airtel Limited	Other related party	76	-
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	2,607	207
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	5,700,471	5,832,379
Bharti Airtel (UK) Limited	Fellow subsidiary	6,563,117	3,572,627
Bharti Airtel Limited	Intermediate Parent	532,597	444,362
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	1,761,085	786,487
Bharti Hexacom Limited	Fellow subsidiary	1,323	(42,314)
Airtel Networks Limited (Nigeria)	Fellow subsidiary	4,767	3,350
Emtel Mauritius	Other related party	-	(2,382)
Singapore Telecommunications Limited	Other related party	506,586	33,801
<b>Total</b>		<b>17,158,640</b>	<b>11,933,340</b>

**23.4 Payables to related parties**

Name of related party	Relationship to Company	2023	2022
Airtel Networks Zambia Plc	Fellow subsidiary	10,876	1,627
Airtel Networks Kenya Limited	Fellow subsidiary	2,240,395	2,841,971
Airtel Malawi plc	Fellow subsidiary	-	206,730
Airtel Tanzania Plc.	Fellow subsidiary	12,225,469	9,036,159
Airtel Madagascar S.A	Fellow subsidiary	-	61,569
Airtel Congo (RDC) S.A.	Fellow subsidiary	69,326	70,762
Airtel Rwanda Limited	Fellow subsidiary	-	307
Airtel Tchad S.A	Fellow subsidiary	211,633	183,952
Airtel Uganda Limited	Fellow subsidiary	18,043	5,984
Airtel Networks Limited (Nigeria)	Fellow subsidiary	888,247	875,020
Bharti Airtel Limited	Intermediate Parent	196,955	558,312
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	3,211	(145)
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	1,980,801	1,309,641
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	4,066,791	4,035,184
Airtel Africa Services (UK) Limited	Fellow subsidiary	8,997,075	9,117,468
Seychelles Cable Systems Company Limited	Associate	13,115,840	5,034,368
Singapore Telecommunications Limited	Other related party	109,100	29,666
Network I2I Limited	Intermediate Parent	1,549,961	1,222,494



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

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#### 23 Related parties and transactions (Cont...)

##### 23.4 Payables to related parties (cont...)

Name of related party	Relationship to Company	2023	2022
Bharti Airtel (UK) Limited	Fellow subsidiary	2,494,874	475,703
Bharti Hexacom Limited	Fellow subsidiary	722	(43,342)
Emtel Mauritius	Other related party	532	-
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	-	-
Bharti Airtel (France) SAS	Fellow subsidiary	6,570,794	2,124,513
Nxtra Data Limited	Fellow subsidiary	48,444	387,884
Airtel Africa Telesonic Limited	Fellow subsidiary	908,342	-
Indian Ocean Telecom Limited	Parent	68,277,551	55,972,165
<b>Total</b>		<b>123,984,986</b>	<b>93,507,996</b>

##### 23.5 Loan from Intermediate Parent (Bharti Airtel Africa B.V)

	US\$ 2023	US\$ 2022	SCR 2023	SCR 2022
At 1 January	3,639,876	3,417,590	52,703,083	51,468,965
Received in the year	-	-	-	-
Interest accrued during the year	83,768	222,286	1,140,833	3,078,049
Interest paid during the year	(83,768)	-	(1,140,833)	-
Repaid during the year	(3,639,876)	-	(48,367,168)	-
Exchange difference	-	-	(4,335,915)	(1,843,931)
<b>At 31 December</b>	<b>-</b>	<b>3,639,876</b>	<b>-</b>	<b>52,703,083</b>

The loan has a maturity date of 31 December 2023, is unsecured and attracts interest at a rate of libor + 4.5%

##### 23.6 Directors emoluments, pensions or compensation

Emoluments, pensions or compensation and any other benefits paid to directors during the year are shown below;

Director	Salary for Management		Fees, Pensions & Others	
	2023	2022	2023	2022
Amadou Mahamat Dina (resigned on 01 May 2023)	698,218	2,064,580	793,261	2,010,147
Eddy Kapuku (appointed on 15 May 2023)	1,802,500	-	-	-
Alok Bafna (appointed on 28 November 2017)	-	-	-	-
Michael Patrick Foley (resigned on 30 June 2023)	-	-	-	-
Monica Kambo (appointed on 18 august 2022)	-	-	-	-
Ramakrishna Lella (appointed on 28 November 2017)	-	-	-	-
<b>Total</b>	<b>2,500,718</b>	<b>2,064,580</b>	<b>793,261</b>	<b>2,010,147</b>

##### 23.7 Parent and other controlling interests

The shares of the company are held by Indian Ocean Telecom Limited (99.9%) and Bharti Airtel Africa BV(0.1%).

The Intermediate Parent is Airtel Africa plc a company incorporated in the UK.

#### 24 Capital commitments

Capital commitments in the form of Open Purchase orders as at 31 December 2023 were to the tune of SCR 8M (2022: SCR 5M) dedicated for IT servers and network upgades. These commitments are self financed by the company.

#### 25 Financial risk management objectives and policies

The company's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Financial risk management is carried out by the finance department under policies approved by the Board of Directors.



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

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#### 25 *Financial risk management objectives and policies (Cont...)*

##### Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company and arises from cash equivalents and deposits with financial institutions and principally from credit exposures to customers relating to outstanding receivables. For banks and financial institutions, only reputable institutions are used.

The company is not significantly exposed to credit risk on the retail side since the majority of its customers are on the prepaid plan and majority of the distributors / dealers are primarily on cash basis, or their credit is covered by a bank guarantee.

The interconnection between the company and other telecommunications operators (both local and foreign) is on credit basis and the number of credit days is governed by the agreement between the parties. The utilisation of credit limits is regularly monitored.

The amount that best represents the company's maximum exposure to credit risk at 31 December 2022 is made up as follows:

	Note	SCR 2023	SCR 2022
Cash and cash equivalents	22	15,835,113	27,286,168
Trade receivables (net)	17	24,743,911	25,210,704
Receivable from related parties	17	17,158,640	11,933,340

##### Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the finance department maintain flexibility in funding by maintaining availability under committed credit lines.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

	Note	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>At 31 December 2023</b>					
- Borrowings	20	86,994,469	86,994,469	63,663,940	-
- Trade and other payables	21	167,245,919	-	-	-
- Lease liabilities	11.2	3,854,285	7,743,263	2,463,903	-
<b>At 31 December 2022</b>					
- Borrowings	20	133,568,180	140,413,443	-	-
- Trade and other payables	21	142,169,436	-	-	-
- Lease liabilities	11.2	3,498,508	7,843,984	2,449,736	-

#### 26 *Fair value of financial assets and liabilities (Financial Instruments)*

Set out below is a comparison by class of the carrying amount and fair value of the financial instruments that are recognised in the financial statements. The carrying amount of the financial assets and financial liabilities approximate their fair values because of their short term nature as shown below.

##### Classes and categories of financial instruments and their fair values

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



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**26 Fair value of financial assets and liabilities (Financial Instruments) (Cont...)**

	Carrying value		Fair value		
	FVTPL – mandatorily measured	Amortised cost	Level 1	Level 2	Level 3
<b>31 December 2023</b>					
<b>Financial Assets</b>					
Cash and bank balances	-	15,835,113	-	-	-
Trade and other receivables	-	24,743,911	-	-	-
Amounts due from related parties	-	17,158,640	-	-	-
Investment in Associates	-	67,128,115	-	-	-
<b>Financial Liabilities</b>					
Trade and other payables	-	107,115,121	-	-	-
Amounts due to related parties	-	55,707,435	-	-	-
Lease liabilities	-	11,451,185	-	-	-
Term loans	-	237,652,878	-	-	-
<b>31 December 2022</b>					
<b>Financial Assets</b>					
Cash and bank balances	-	27,286,168	-	-	-
Trade and other receivables	-	25,210,704	-	-	-
Amounts due from related parties	-	11,933,340	-	-	-
Investment in Associates	-	60,900,539	-	-	-
<b>Financial Liabilities</b>					
Trade and other payables	-	99,931,697	-	-	-
Amounts due to related parties	-	37,535,831	-	-	-
Lease liabilities	-	11,140,434	-	-	-
Term loans	-	273,981,624	-	-	-

**27 Contingencies**

The directors are not aware of any outstanding contingent liabilities at 31 December 2023. (2022: Nil)

**28 Events after the balance sheet date:**

No material subsequent events or transactions have occurred since the date of statement of financial position except as disclosed below:

- Additional loan of SCR 71 Mn from ABSA was taken in January 2024 (Drawdown of SCR 30 Mn in Jan'24 and SCR 41 Mn in Feb'24). Additional facility is to finance capital expenditure related to network infrastructure and general corporate purposes.