AIRTEL MONEY KENYA LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2024

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Company Information

(All amounts are in KSH'000, unless stated otherwise)

DIRECTORS
Ms. Rose Mambo*
Mr. Neeraj Jain**
Mr. Japhet Kinyua Aritho *
Ms. Anne Kinuthia Otieno*

* Kenyan
**Indian

REGISTERED OFFICE
LR No. 209/11880
Parkside Towers, Mombasa Road
P.O. Box 73146 - 00200
NAIROBI, KENYA

COMPANY SECRETARY
Scribe Services Secretaries
P.O. Box 3085 – 00100
NAIROBI, KENYA

AUDITORS
Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place, Waiyaki Way
P.O. Box 40092 – 00100
NAIROBI, KENYA

PRINCIPAL BANKERS
Standard Chartered Bank Kenya Limited
P.O. Box 30003 – 00100
NAIROBI, KENYA

Co-operative Bank of Kenya Limited
CIC Plaza, Upper Hill
P.O Box 48231 – 00100
NAIROBI, KENYA

KCB Bank Kenya Limited
Kencom House, 6th Floor, Wing B
P.O. Box 48400 – 00100
NAIROBI, KENYA

(All amounts are in KSH'000, unless stated otherwise)

The directors submit their report together with the audited financial statements for the year ended 31 December 2024, which discloses the state of affairs of Airtel Money Kenya Limited, (the "Company").

The Company was incorporated as a limited private company on 29 June 2020 in Kenya, under the Companies Act, 2015 (Reg No.PVT-JZU77XQ). It is domiciled in Kenya and is a subsidiary of Airtel Africa Plc.

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is to carry out business as a payment service provider.

2. FINANCIAL RESULTS

The results for the period are set out on page 9.

	For the year ended 31 Dec 2024	For the year ended 31 Dec 2023
Profit before tax	107,378	140,689
Income Tax Expense	(31,352)	(45,521)
Profit after tax	**76,026**	**95,168**

3. DIVIDEND

The directors recommend the payment of a dividend of Ksh 140 per share in the year. (2023: Nil).

4. DIRECTORS

The directors who held office during the period and to the date of this report are as listed below:

Name	**Nationality**	**Role**	**Date of appointment**
Ms. Rose Mambo	Kenyan	Director	Appointed on 25th March 2022
Mr. Neeraj Jain	Indian	Director	Appointed on 25th March 2022
Mr. Japhet Kinyua Aritho	Kenyan	Director	Appointed on 29th June 2020
Ms. Anne Kinuthia Otieno*	Kenyan	Director	Appointed on 16th November 2021

* Executive

None of the Directors have any interest in the Company's shareholding. Details of directors' fees paid during the period are captured in Note 8.

5. GOVERNANCE

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

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

The Company is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

6. BUSINESS REVIEW

Airtel Money Kenya Limited has continued to experience steady growth in business performance and especially led by the growth in the key drivers which are distribution and growth in customer base.

Distribution network has expanded after the partnerships with KCB & Equity Banks agents as well as partnership with Naivas Supermarket. Multi brand agents grew by about 73% with the Airtel Money exclusive channels growing by 12%.

Customer base has grown by 3.7 times during the year ending 31st December 2024. The company has continued to invest in new product development, a robust and stable system and interoperability partnerships with banks as well as other mobile money service providers. We were pleased to have partnered with the government in integration of eCitizen platform, which enables payment to all government departments under one gateway.

For the year 2025, we target double-digit growth in customer base and agent network.

We sincerely thank our customers, government bodies, regulators, business partners and employees for their unwavering support this year and look forward to an even better and stronger working relation in the coming year.

7. DISCLOSURE OF INFORMATION TO AUDITORS

Each director confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware and that each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

8. AUDITORS

Deloitte & Touche LLP having expressed their willingness, continue in office in accordance with the provisions of section 719 (2) of the Kenyan Companies Act, 2015. The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract, which sets out the terms of the auditor's appointment and the related fees.

By order of the Board

SCRIBE SERVICES SECRETARIES
Nairobi, Kenya

24 March 2025

Statement of Directors' Responsibilities on the Financial Statements

The Kenyan Companies Act, 2015 requires the Directors to prepare financial statements for each financial period that give a true and fair view of the financial position of the company as at the end of the financial period and of its profit or loss for that period. It also requires the Directors to ensure that the company maintains proper accounting records that are sufficient to show and explain the transactions of the company and disclose, with reasonable accuracy, the financial position of the company. The Directors are also responsible for safeguarding the assets of the company, and for taking reasonable steps for the prevention and detection of fraud and error.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

(i) designing, implementing and maintaining such internal control as they determine necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;

(ii) selecting suitable accounting policies and applying them consistently; and

(iii) making accounting estimates and judgments that are reasonable in the circumstances.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the Board of Directors on ....24 March. 2025 and signed on its behalf by:

Rose Mambo
Mar.27,.2025.9:58.PM.EAT.........

....

Rose Mambo
Director

Anne Kinuthia Otieno
Director

Deloitte.

Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Deloitte Place
Waiyaki Way, Muthangari
P.O. Box 40092 - GPO 00100
Nairobi
Kenya

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AIRTEL MONEY KENYA LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Airtel Money Kenya Limited (the "Company") set out on pages 9 to 31, which comprise the statement of financial position as at 31 December 2024, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Airtel Money Kenya Limited as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF AIRTEL MONEY KENYA LIMITED

Report on the audit of the Financial Statements (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by IASB, and for such internal control as the 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.
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 judgement 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to 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.

- 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 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.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRTEL MONEY KENYA LIMITED

Report on the audit of the Financial Statements (Continued)

Report on Other matters prescribed by the Kenya Companies Act, 2015.

Report of the directors

In our opinion the information given in the report of directors' report on pages 3 to 4 is consistent with the financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report is **CPA Freda Mitambo,** Practising certificate **No. 2174.**

Freda Mitambo

For and on behalf of Deloitte & Touche LLP
Certified Public Accountants (Kenya)
Nairobi

28 March 2025

Statement of profit or loss and other Comprehensive Income

(All amounts are in KSH'000, unless stated otherwise)

	Notes	For the year ended 31-Dec-24	31-Dec-23
Income			
Service Revenue	5(i)	1,085,739	481,585
Other Income	5(ii)	-	13,994
		1,085,739	**495,579**
Expenses			
Commission, sales and marketing expenses	6	532,217	208,143
Employee benefits expense	7	105,648	103,470
Other operating expenses	8	131,349	88,423
Depreciation and amortization	9	161,149	131,826
License Fees	11	1,000	-
		931,363	**531,862**
Operating Profit/(Loss)		**154,376**	**(36,283)**
Finance cost/(income)	10	46,998	(176,972)
Profit before tax		**107,378**	**140,689**
Current tax	12	54,827	61,390
Deferred tax credit	13	(23,475)	(15,869)
Total tax expense		**31,352**	**45,521**
Profit for the period		**76,026**	**95,168**
Other Comprehensive income for the year		-	-
Total comprehensive income for the year		**76,026**	**95,168**

Statement of Financial Position

(All amounts are in KSH'000. unless stated otherwise)

	Notes	As of 31-Dec-24	As of 31-Dec-23
Assets			
Non-current assets			
Property plant and equipment	14	380,694	430,490
Capital work-in-progress	14	8,064	12,537
Intangible assets	15	13,215	32,537
Financial assets			
Investment in subsidiaries	25	40,000	40,000
Deferred tax asset	13	50,028	26,553
		492,001	**542,117**
Current assets			
Financial assets			
Cash and cash equivalents	16	913,573	805,043
Trade and other receivables	17	153,336	239,768
Other current assets	18	28,316	60,348
		1,095,225	**1,105,159**
Total assets		**1,587,226**	**1,647,276**
Non-current liabilities			
Financial Liabilities			
Other non-current liabilities	22	149,038	134,288
		149,038	**134,288**
Current liabilities			
Financial Liabilities			
Trade and other payables	19	176,396	365,272
Other current liabilities	20	29,049	11,650
Income tax payable	12	19,730	7,808
Provisions	21	8,729	-
		233,904	**384,730**
Total liabilities		**382,942**	**519,018**
Net Assets		**1,204,284**	**1,128,258**
Equity			
Ordinary share capital	23	1,025,000	1,025,000
Retained earnings		179,284	103,258
Equity attributable to owners of the company		**1,204,284**	**1,128,258**
Total equity		**1,204,284**	**1,128,258**

The financial statements on pages 9 to 31 were approved and authorized for issue by the Board of directors on ....24 March..2025 and signed on its behalf by:

Rose Mambo
Mar 27, 2025 9:58 PM EAT..........

....

Rose Mambo
Director

Anne Kinuthia Otieno
Director

Equity attributable to owners of the company

	Ordinary Share capital KShs'000	Retained Earnings KShs'000	Total KShs'000
As at 1 January 2023	1,025,000	8,090	1,033,090
Total comprehensive income for the year	-	95,168	95,168
Balance as at 31 December 2023	**1,025,000**	**103,258**	**1,128,258**
Total comprehensive income for the year	-	76,026	76,026
As at 31 December 2024	**1,025,000**	**179,284**	**1,204,284**

Further explanations on the components of equity are available in Note 23.

Statement of Cash Flows

(All amounts are in KSH'000, unless stated otherwise)

	Notes	For the year ended 31 Dec 2024	31 Dec 2023
Cash flows from operating activities			
Profit before taxation		**107,378**	**140,689**
Adjustments for:			
Depreciation and amortization	9	161,149	131,826
Finance income	10	(18,746)	(35,879)
Foreign exchange loss/(gain)	10	71,842	(148,554)
Other Adjustment*	15	160	-
Operating cash flow before changes in working capital		**321,783**	**88,082**
Changes in working capital			
Decrease in trade receivables	17	86,432	158,100
Decrease/ (increase) in other assets	18	32,032	(26,919)
Decrease in trade and other payables	19	(188,876)	(564,235)
Increase in provisions	21	8,729	-
Increase in other current and non-current liabilities	20,22	32,149	31,715
Net cash generated from operations before tax		292,249	(313,257)
Income taxes paid	12	(42,905)	(58,548)
Net cash generated from operating activities (a)		**249,344**	**(371,805)**
Cash flows from investing activities			
Purchase of property, plant and equipment and capital work-in-progress	14	(87,718)	(152,381)
Purchase of intangible assets	15	-	(10,128)
Interest received	10	18,746	35,879
Net cash used in investing activities (b)		**(68,972)**	**(126,630)**
Increase/ (decrease) in cash and cash equivalents (a+b)		180,372	(498,435)
Currency translation differences relating to cash and cash equivalents		(71,842)	148,554
Cash and cash equivalents as at beginning of the year		805,043	1,154,924
Cash and cash equivalents as at end of the year	16	**913,573**	**805,043**

*Other Adjustment - Relates to credit note received against intangible asset capitalized in prior period.

1. CORPORATE INFORMATION

Airtel Money Kenya Limited (the "company") is incorporated in Kenya under the Kenyan Companies Act, 2015 as a private limited liability company and is domiciled in Kenya. The address of the registered office is:

LR No. 209/1180
Parkside Towers, Mombasa
Road
P.O. Box 73146-00200 City
Square
Nairobi

The parent company of this operation is Airtel Mobile Commerce Kenya B.V. (Incorporated in Netherlands). The principal activity of the Company is to carry out business as a payment service provider.

2. MATERIAL ACCOUNTING POLICES

2.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and the requirements of the Kenyan Companies Act, 2015.

For the purpose of reporting under the Kenyan Companies Act, 2015, the balance sheet in the financial statements is represented by the statement of financial position and the profit and loss statement is presented in the statement of Comprehensive Income.

The financial statements are reported in Kenya Shillings except when otherwise indicated.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is based on the fair value of the consideration given in exchange for goods and services.

Fair value measurement
Fair value is the price at the measurement date at which an asset can be sold or the price paid to transfer a liability in an orderly transaction between market participants.
The Company is required to classify the fair valuation method of the financial/non-financial assets and liabilities either measured or disclosed at fair value in the financial statements using a three level fair-value hierarchy (which reflects the significance of inputs used in the measurement of fair value). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable.

2. MATERIAL ACCOUNTING POLICES (continued)

2.3 Foreign currency transactions

a. Functional and presentation currency

The items included in the financial statements of the company are measured using the currency of primary economic environment in which the company operates (i.e. 'functional currency'). The financial statements are presented in Kenya Shillings, which is also the functional, and presentation currency of the company.

b. Transactions and balances

Transactions in foreign currencies are initially recorded in Kenya Shillings at the rates prevailing at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the Statement of Comprehensive Income within finance costs/finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – with the resulting foreign exchange difference, on subsequent re-statement/settlement, recognised in the profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical exchange rate.

2.4 Current versus non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non-current classification.

All assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Derivatives designated in hedging relationship are classified based on the hedged item and the host contract respectively.

2.5 Property, plant and equipment ('PPE') and capital work-in-progress

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the company and its cost can be measured reliably. PPE is initially recognised at cost.

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Further, it includes assets installed on the premises of customers as the associated risks, rewards and control remain with the company.

2. MATERIAL ACCOUNTING POLICES (continued)

2.5 Property, plant and equipment ('PPE') and capital work-in-progress (continued)

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the statement of financial position and cost of the new item of PPE is recognised.

The expenditures that are incurred after an item of PPE has been put to use, such as repairs and maintenance, are normally charged to the consolidated statement of comprehensive income in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Years
Computer equipment	3 - 5
Furniture, fixtures and office equipment	1 - 5
Licenses	3 - 5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the statement of financial position and the resulting gains/(losses) are included in the consolidated statement of comprehensive income within other expenses/other income.

PPE in the course of construction is carried at cost, less any accumulated impairment and presented separately as capital work-in-progress ('CWIP') including capital advances in the statement of financial position until capitalised. Such cost comprises of purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost.

2.6 Intangible assets

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

Intangible assets are recognised at cost. These assets having a definite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The company has established the estimated useful lives of different categories of intangible assets as follows:

- **Software**

  Software are amortised over the period of the license, generally not exceeding three years.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.6 Intangible assets (continued)

- **Licences**

Acquired licenses are amortised commencing from the date when the related software is available for intended use. The useful lives range from two to fifteen years.

2.7 Impairment of non-financial assets

(a) Property, plant and equipment, Intangible assets and intangible assets under development

At each reporting period date, the company reviews the carrying amounts of its PPE, CWIP and finite lived intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Intangible assets under development are tested for impairment, at-least annually or earlier, in case circumstances indicate that it may be impaired.

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 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 comprehensive income 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.

(b) Reversal of impairment losses

Impairment losses, other than goodwill, are reversed in the statement of comprehensive income 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/CGU in previous years.

2.8 Financial Instruments

a. Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the financial instrument.
The company determines the classification of its financial instruments at initial recognition.
The company classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets and liabilities arising from different transactions are off-set against each other and the resultant net amount is presented in the statement of financial position, if and only when, the Company currently has a legally enforceable right to set-off the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

I. Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. All financial liabilities are recognized at fair value. Other transaction costs are expensed as incurred in the Statement of Comprehensive Income.

2. MATERIAL ACCOUNTING POLICES (continued)

2.8 Financial Instruments (continued)

b. Measurement - Non-derivative financial instruments

II. Subsequent measurement - financial assets

The subsequent measurement of financial assets depends on their classification as follows:

- **Financial assets measured at amortised cost**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.
  EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriates, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

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

  All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ('FVTOCI') are measured at FVTPL.

  Impairment

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

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

III. Subsequent measurement - financial liabilities

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

Derecognition

Financial liabilities are derecognised from the statement of financial position when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the statement of financial position when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount and consideration is recognised in the Statement of comprehensive income.

2.9 Taxes

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

Current tax and deferred tax is recognized 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 recognized directly in equity or other comprehensive income.

2. MATERIAL ACCOUNTING POLICES (continued)

2.9 Taxes (Continued)

a. 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 recognized 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 recognized within finance costs.

A provision is recognized 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 realize the asset and settle the liability simultaneously.

b. Deferred tax

Deferred tax is recognized, 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 are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred tax assets, recognized and unrecognized, 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.

2.10 Cash and cash equivalents

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

2.11 Share capital/Share premium

Ordinary shares are classified as equity when the company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the company and there is no contractual obligation whatsoever to that effect. Share premium account is used to record the premium on issue of shares.

2. MATERIAL ACCOUNTING POLICES (continued)

2.12 Employee benefits

The company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, other long-term benefits including compensated absences and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the employees. Short-term employee benefits are recognized in Statement of comprehensive income at undiscounted amounts during the period in which the related services are rendered.

2.13 Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognized within finance costs.

2.14 Revenue

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the company has received or expects to receive in exchange of those products or services, net of any taxes/duties and discounts. When determining the consideration to which the company is entitled for providing promised products or services via intermediaries, the company assesses whether the intermediary is a principal or agent in the onward sale to the end customer. To the extent that the intermediary is considered a principal, the consideration to which the company is entitled is determined to be that received from the intermediary. To the extent that the intermediary is considered an agent, the consideration to which the company is entitled is determined to be the amount received from the customer; the upfront discount provided to the intermediary is recognised as Commission Sales and Marketing expense.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

- **Service revenue**

  As part of the mobile money services, the company earns commission from merchants for facilitating recharges, bill payments and other merchant payments. It also earns commissions on transfer of monies from one customer wallet to another. Such commissions are recognised as revenue at a point in time on fulfilment of these services by the company.

- **Loan service revenue**

  This constitutes the revenue share earned by the company for offering an alternate channel to lending partners.

2.15 Operating profit

Operating profit is stated as revenue less operating expenditure including depreciation and amortization and operating exceptional items. Operating profit excludes finance income, finance costs and non-operating income.

3. APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

3.1 New and amended Standards that are effective for the current period

No new IFRS issued during the year is applicable to the company. Amendments to existing IRFS have been applied by the Company as required, however, these amendments do not have any material impact on the Company's financial statements.

The list of newly issued amendments is as follows:

- Amendments to IAS 7 and IFRS 7 in relation to "Supplier Finance Arrangements"
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements-Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases-Lease Liability in a Sale and Leaseback

3.2 New and revised Standards in issue but not yet effective

The following pronouncements issued by the IASB are relevant to the Company and are effective for periods on or after I January 2025. The Company's financial statements will be presented in accordance with these requirements, which are being evaluated but are not expected to have a material impact on the results, financial position or cashflows of the Company.

- Amendments to IAS 21- Lack of Exchangeability
- IFRS 18- Presentation and Disclosures in Financial Statements

The directors of the company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods.

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The estimates and assumptions are based on the directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The directors review and agree policies for managing these risks.

The directors have overall responsibility for the establishment and oversight of the company's risk management framework. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

(All amounts are in KSH'000, unless stated otherwise)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued')

(i) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimizing on the return on the risk.

(ii) Foreign Exchange Risk

Foreign exchange risk arises from future investment transactions on recognized assets and liabilities. The company's policy is to record transactions in foreign currencies at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. All gains or losses on changes in currency exchange rates are accounted for in the statement of comprehensive income.

	31-Dec-24	31-Dec-23
Assets in foreign currencies		
Cash and other bank balances	31,074	424,820
Trade receivables	4,270	2,304
Total Assets	**35,344**	**427,124**
Liabilities in foreign currencies		
Trade and other payables	20,359	12,098
Total Liabilities	**20,359**	**12,098**
Net foreign currency Asset	**14,985**	**415,026**
Sensitivity Analysis of 5%	749	20,751

(iii) Interest Rate Risk

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates. The company has no borrowings. The company's exposure to the risk of changes in market interest rates relates primarily to the company's interest-bearing investment in fixed deposit of KSh 200 million (2023: KSh 392 million)

This is at a fixed rate and therefore not exposed to cash flow interest rate risk. The company regularly monitors investment options available to ensure optimum interest rates are obtained.

At 31 December 2024, an increase/decrease of 100 basis points would have resulted in a decrease/increase in pre-tax profit of KSh 2 million (2023: KSh 3.9 million).

(iv) Credit Risk

Credit risk arises from cash and deposits with banks and financial institutions. The company has no significant concentrations of credit risk. Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The tables below detail the credit quality of the Company's financial assets as well as the Company's maximum exposure to credit risk by credit risk rating grade:

As at 31 Dec 2024

Particulars	**Gross carrying amount**	**Loss allowance**	**Net Amount**
Trade and other receivables	153,336	-	153,336
	153,336	**-**	**153,336**

As at 31 Dec 2023

Particulars			
Trade and other receivables	239,768	-	239,768
	239,768	**-**	**239,768**

(All amounts are in KSH'000, unless stated otherwise)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(vi) Credit Risk (Continued)

Trade receivables are typically non-interest bearing unsecured and derived from sales made to many independent customers. As the customer base is widely distributed both economically and geographically, there is no concentration of credit risk.

Based on the industry practices and the business environment in which the company operates, management considers trade receivables are credit impaired if the payments are more than 90 days past due. In determining the amount of impairment, management considers the collateral against such receivables and any amount payable to such customers.

Bank balances are not restricted and include deposits held with banks that have high credit ratings. Bank balances are thus considered investment grade. Impairment loss on the bank balances is therefore not material.

The Cash and Cash equivalents are carried at gross amount – amortized cost. The loss allowance on cash and cash equivalents, if recognized, would pass through the profit and loss account. The current liquid assets have been recognized as the principal amount receivable from the Banks excluding any interest.

The following table details the risk profile of trade receivables based on the company's provision matrix:

Particulars	Less than 30 days	30 to 60 days	60 to 90 days	Above 90 days	Total
Trade Receivable as of 31 Dec 2024	305	-	-	-	305
Trade Receivable as of 31 Dec 2023	299	-	-	-	299

(v) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations from its financial liabilities. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below summarizes the maturity profile of the company's financial liabilities based on contractual undisclosed payments:

	Less than 1 year	Between 1 and 2 years	More than 2 Years	Totals
At 31 December 2024:				
Liabilities				
Accrued expenses	38,882	-	-	38,882
Trade and other payables	5,996	-	-	5,996
Amount due to related parties	131,518			131,518
Total financial liabilities (contractual maturity dates)	**176,396**	**-**	**-**	**176,396**
At 31 December 2023:				
Liabilities				
Accrued expenses	80,856	-	-	80,856
Trade and other payables	6,037	-	-	6,037
Amount due to related parties	278,379	-	-	278,379
Total financial liabilities (contractual maturity dates)	**365,272**	**-**	**-**	**365,272**

(All amounts are in KSH'000, unless stated otherwise)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(vi) Capital Management

Capital includes equity attributable to the equity holders of the company. The company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the company may return capital to shareholders or issue new shares.

Fair Value of financial assets and liabilities

Set out below are the carrying amounts and fair values of the financial instruments that are carried in the financial statements. The Financial assets and financial liabilities are short term in nature so cost or carrying amount approximates the fair value.

	Carrying amount As of 31 Dec 2024	Fair value As of 31 Dec 2024	Carrying amount As of 31 Dec 2023	Fair value As of 31 Dec 2023
Financial Assets				
Trade receivables	305	305	299	299
Other receivables	5,437	5,437	19,531	19,531
Due from related parties	147,594	147,594	218,938	219,938
Cash and other bank balances	913,573	913,573	805,043	805,043
Total financial assets	**1,066,909**	**1,066,909**	**1,044,811**	**1,044,811**
Financial Liabilities				
Trade payables	5,996	5,996	6,037	6,037
Accrued Expenses	38,882	38,882	80,856	80,856
Amounts due to related parties	131,518	131,518	278,379	278,379
Total financial liabilities	**176,396**	**176,396**	**365,272**	**365,272**

5(i). SERVICE REVENUE

	For the year ended 2024	2023
Commission on recharges and collection	783,898	369,521
Money transfer	233,464	88,794
Bill and merchant payments	40,947	17,501
Corporate bulk payments	11,889	2,294
Loan service revenue	9,928	-
Other service revenue	5,574	3,475
Other income	39	-
	1,085,739	**481,585**

5(ii). OTHER INCOME*

	For the year ended 2024	2023
Loan service revenue	-	13,977
Other income	-	17
	-	**13,994**

*Reported as part of the Service revenue in current year to align with Group guidelines.

(All amounts are in KSH'000, unless stated otherwise)

6. COMMISSION, SALES AND MARKETING EXPENSES

	For the year ended	
	2024	**2023**
Advertisement & marketing expenses	197,763	82,941
Commission expense	237,222	77,650
Business promotion	82,095	36,122
Interoperability charges	15,137	11,430
	532,217	**208,143**

7. EMPLOYEE BENEFITS EXPENSE

	For the year ended	
	2024	**2023**
Salaries & bonuses	84,161	80,190
Allowances	9,744	10,109
Staff welfare expenses	6,326	7,943
Contribution to labour funds	4,955	4,209
Recruitment & training	462	1,020
	105,648	**103,470**

8. OTHER OPERATING EXPENSES

	For the year ended	
	2024	**2023**
Administration expenses	2,809	8,171
Repair & maintenance	14,804	6,805
Legal & professional charges*	47,754	28,800
Customer service expenses	8,367	9,400
Billing & software expenses	53,656	29,951
Directors' fees	1,809	2,842
Rates, fees and taxes	2,150	1,954
License fees	-	500
	131,349	**88,423**

*Includes statutory audit fee of Kes1.11m and Ksh 1.26m as on 31 Dec 2024 and 2023 respectively.

9. DEPRECIATION AND AMORTISATION

	For the year ended	
	2024	**2023**
Depreciation	141,987	108,457
Amortization	19,162	23,369
	161,149	**131,826**

10. FINANCE COST AND INCOME

Finance cost

	For the year ended	
	2024	**2023**
Bank charges*	(6,098)	7,461
	(6,098)	**7,461**
Finance income		
Interest income from fixed deposits	(18,746)	(35,879)
Foreign exchange loss/ (gain)	71,842	(148,554)
	53,096	**(184,433)**
Total	**46,998**	**(176,972)**

*The reversal in current year relates to refund of charges incurred in prior year for the virtual card product by Mastercard.

(All amounts are in KSH'000, unless stated otherwise)

11. LICENSE FEES

	For the year ended	
	2024	**2023**
Operating license fees	1,000	-
	1,000	**-**

12. TAX EXPENSE

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

	For the year ended	
	31-Dec-24	**31-Dec-23**
Profit before income tax	107,378	140,689
Tax calculated at the statutory income tax rate of 30%	32,213	42,206
Net tax effect of:		
Expenses not deductible	1,105	3,315
Prior year over provision of current tax	(1,966)	-
Income tax expense	**31,352**	**45,521**

Income tax payable

	31-Dec-24	**31-Dec-23**
Opening income tax payable (a)	7,808	4,966
Current year expense	56,793	61,390
Prior year over provision of current tax	(1,966)	-
Net current expense (b)	54,827	61,390
Tax paid (c)	(42,905)	(58,548)
Income tax payable at year end (a+b+c)	**19,730**	**7,808**

13. DEFERRED TAX

	As of	
	31 Dec 2024	**31 Dec 2023**
Property, plant and equipment	153,296	83,712
Provision for bonus	8,729	7,490
Unrealized exchange loss	3,134	(2,691)
Provision for other current assets	1,601	-
Total timing differences	166,760	88,511
Net deferred tax asset	**50,028**	**26,553**

Deferred tax is calculated using the tax rate of 30% (2023:30%). The movement of the deferred tax asset account is as follows:

	As of	
	31 Dec 2024	**31 Dec 2023**
Opening balance	26,553	10,685
Deferred tax recognized during the year	23,475	15,869
Deferred tax asset as at year end	**50,028**	**26,553**

(All amounts are in KSH'000, unless stated otherwise)

14. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Computers	Furniture & fittings	TOTAL	Capital work in progress
Gross Carrying Value					
At January 1, 2023	250	3,393	421,132	424,775	21,437
Transfer from CWIP	-	14,855	146,426	161,281	(161,281)
Additions	-	-	-	-	152,381
At December 31, 2023	**250**	**18,248**	**567,558**	**586,056**	**12,537**
Transfer from CWIP	-	27,616	64,575	92,191	(92,191)
Additions	-	-	-	-	87,718
At December 31, 2024	**250**	**45,864**	**632,133**	**678,247**	**8,064**
Accumulated Depreciation					
At January 1, 2023	25	973	46,111	47,109	-
Charge for the year	62	3,103	105,292	108,457	-
At December 31, 2023	**87**	**4,076**	**151,403**	**155,566**	**-**
Charge for the year	62	9,567	132,358	141,987	-
At December 31, 2024	**149**	**13,643**	**283,761**	**297,553**	**-**
Net carrying value					
At December 31, 2023	163	14,172	416,155	430,490	12,537
At December 31, 2024	**101**	**32,221**	**348,372**	**380,694**	**8,064**

15. INTANGIBLE ASSETS

	License
Gross Carrying Value	
At January 1, 2023	57,478
Additions	10,128
At December 31, 2023	**67,606**
Adjustment*	(160)
At December 31, 2024	**67,446**
Accumulated Depreciation	
At January 1, 2023	11,700
Charge for the year	23,369
At December 31, 2023	**35,069**
Charge for the year	19,162
At December 31, 2024	**54,231**
NET CARRYING VALUE:	
At December 31, 2023	32,537
At December 31, 2024	**13,215**

* Adjustment - Relates to credit note received against intangible asset capitalized in prior period

(All amounts are in KSH'000, unless stated otherwise)

16. CASH AND BANK BALANCES

CASH AND CASH EQUIVALENTS

	As of	
	31-Dec-24	31-Dec-23
Balance held in wallets	433,364	329,876
Bank balance	280,209	82,692
Fixed deposit*	200,000	392,475
	913,573	**805,043**

*This is a fixed deposit with an original maturity of three months.

17. TRADE AND OTHER RECEIVABLES

	As of	
	31-Dec-24	31-Dec-23
Amounts due from related parties (Note 24(i))	147,594	219,938
Trade receivables	305	299
Interest accrued on investments	4,464	5,673
Unbilled revenue	973	13,858
	153,336	**239,768**

18. OTHER CURRENT ASSETS

	As of	
	31-Dec-24	31-Dec-23
Prepaid expenses	2,588	8,948
Input Value Added Tax	9,605	45,910
Reverse Value Added Tax	15,441	3,954
Withholding Tax receivable	80	743
Employee receivables	602	793
	28,316	**60,348**

19. TRADE AND OTHER PAYABLES

	As of	
	31-Dec-24	31-Dec-23
Trade payables	5,996	6,037
Accrued expenses	38,882	80,856
Amounts due to related parties (Note 24(ii))	131,518	278,379
	176,396	**365,272**

20. OTHER CURRENT LIABILITIES

	As of	
	31-Dec-23	**31-Dec-22**
Other taxes payable	24,657	10,856
Contribution to labour funds	1,781	794
Other current liabilities	2,611	-
	29,049	**11,650**

21. PROVISIONS

	As of	
	31-Dec-24	**31-Dec-23**
Annual performance bonus	8,729	-
	8,729	**-**

22. OTHER NON-CURRENT LIABILITIES

	As of	
	31-Dec-24	**31-Dec-23**
Security deposits	149,038	134,288
	149,038	**134,288**

23. SHARE CAPITAL

Ordinary share capital

The shareholding of the Company as of 31 December 2024 is as stated below: -

	Number of shares	Par value KShs'000	Ordinary Shares KShs'000
At 31 January 2024	1,025,000	1,000	1,025,000
At 31 December 2024	**1,025,000**	**1,000**	**1,025,000**
At 1 January 2023	1,025,000	1,000	1,025,000
At 31 December 2023	**1,025,000**	**1,000**	**1,025,000**

24. RELATED PARTY TRANSACTIONS

Below is a summary of balances with related parties:

(i) Receivable from related parties (Note 17)

	As of		
	31-Dec-24	**31-Dec-23**	**Relationship**
Airtel Networks Kenya Limited	99,191	126,829	Fellow subsidiary
Airtel Money Transfer Limited	44,133	90,805	Subsidiary
Airtel Mobile commerce Kenya B.V	4,270	2,304	Parent Company
	147,594	**219,938**	

(All amounts are in KSH'000, unless stated otherwise)

24. RELATED PARTY TRANSACTIONS

(ii) Payable to related parties (Note 19)

	As of		
	31-Dec-24	**31-Dec-23**	**Relationship**
Airtel Networks Kenya Limited	113,997	266,717	Fellow subsidiary
Airtel Mobile Commerce B.V	17,521	11,023	Immediate parent
Airtel Money Transfer Limited	-	633	Subsidiary
Airtel Mobile commerce Kenya B.V	-	6	Parent Company
	131,518	**278,379**	

25. INVESTMENT IN SUBSIDIARY

				As of	
	Country of incorporation	**Principal business**	**Additional investment**	**31-Dec-24**	**31-Dec-23**
Airtel Money Transfer Limited 100% owned	Kenya	International mobile money transfer	-	40,000	40,000

Airtel Money Transfer Limited started operations in March 2019.

In June 2023, the 4 million shares of this company were transferred from Airtel Networks Kenya Limited and Bharti Airtel Africa B.V to Airtel Money Kenya Limited.
The company has 100% shareholding in Airtel Money Transfer Limited which has been incorporated in Kenya. The financial statements of Airtel Money Transfer Limited have been prepared separately.

Preparation of Separate financial statements and Group financial statements

Exemption from preparation of consolidated financial statements (IFRS10)

The company meets the conditions for exemption from preparation of consolidated financial statements as per IFRS 10, Para 4 which stipulates that an entity that is a parent shall present consolidated financial statements. This IFRS applies to all entities, except as follows:

(a) a parent need not present consolidated financial statements if it meets all the following conditions:

- It is a wholly owned subsidiary or is a partially owned subsidiary of another entity and all its other owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the parent not presenting consolidated financial statements.
- Its debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets).
- It did not file, nor is it in the process of filing, its financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market; and
- Its ultimate or any intermediate parent produces financial statements that are available for public use and comply with IFRSs, in which subsidiaries are consolidated or are measured at fair value through profit or loss in accordance with this IFRS.

25. INVESTMENT IN SUBSIDIARY (Continued)

Preparation of Separate financial statements and Group financial statements (Continued)

Exemption from preparation of consolidated financial statements (IFRS10) (Continued)

(a) a parent need not present consolidated financial statements if it meets all the following conditions:

Accordingly, the company has utilized these exemptions available to it in preparation of separate financial statements. The company holds investment in its sole subsidiary Airtel Money Transfer Limited which is accounted for at cost as indicated above.

Exemption for company included in group financial statement of larger Group (Companies Act, 2015)

The company is also exempt from preparing consolidated financial statements as per section 640(1) of the Kenyan Companies Act, 2015.

Paragraph 640 of this Act stipulates that;

(b) A company that is itself a subsidiary undertaking is exempt from the requirement to prepare a group financial statement in the following cases

a. If the company is a wholly owned subsidiary of that parent undertaking.

b. If that parent undertaking holds more than fifty percent of the allotted shares of the company and notice requesting the preparation of a group financial statement has not been served on the company by shareholders holding in total;

(i) more than half of the remaining allotted shares in the company; or
(ii) five percent or more of the total allotted shares in the company.

(c) Such a notice is not effective unless it is served not later than six months after the end of the financial year before that to which it relates.

The company also complies with all the conditions of exception stated under section 640 (3) of the company's Act, 2015.

The financial information of the subsidiary is included in the consolidated financial statements of Airtel Africa PLC (United Kingdom) which are prepared in accordance with the IFRSs.

Airtel Africa PLC is a company registered in the United Kingdom and its principal place of business is Africa, with their financial statements available to the public at their physical address and on the Company's website in the United Kingdom https://airtel.africa/assets/pdf/annual-report/Airtel_Africa_Annual_Report_FY_2023_2024.pdf

26. COMPARATIVES

Where necessary, comparative figures of 2023 have been reclassified to conform to changes in presentation in the current year.

27. COMMITMENTS AND CONTINGENCIES

(i) Capital commitments

The capital expenditure contracted as at the reporting date is as follows;

	As of	
	2024	**2023**
Capital commitments		
Authorized and contracted for, due within 1 year	227,485	150,073

(ii) Legal claims

There were no known legal cases against the company as at the reporting date.

28. EVENTS AFTER THE REPORTING DATE

There are no material events after the reporting date that would require adjustment to, or disclosure in these financial statements.