

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2024**

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# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## DIRECTORS' REPORT

The directors present herewith their report and audited financial statement of the company for the year ended 31 December 2024.

### Activities

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

### Results

Revenue declined by 1.8% in current year to SCR 324 Mn (2023: SCR 330 Mn), mainly impacted by HBB unlimited products and Combo products with unlimited voice. Refer Note 4 for breakup.

Direct cost was broadly flat at SCR 11.4 Mn (2023: SCR 11.3 Mn). Refer Note 5 for breakup.

Total expenses were higher by SCR 8.6 Mn largely contributed by increase in Employee Expense due to annual increment (approx. LC 2 Mn), increase in off-roll head count (from 38 HC in 2023 to 45 HC in 2024). Further, previous period had bonus actualisation gain of LC 2.5 Mn).

Operating profit for the current year was SCR 66 Mn (2023: SCR 81.3 Mn), lower by SCR 15 Mn due to decline in revenues and increase in expenses.

The Profit before tax was SCR 47 Mn (2023: SCR 64.2 Mn) mainly due to decline in revenue by 1.8% and increase in expenses.

Tax during the period was SCR 22 Mn, reported tax rate was 46.8% as against corporate tax rate of 33% due to disallowed expenses of SCR 23 Mn (limit of 3% of revenue on foreign services/technical support).

Profit after tax was SCR 25.3 Mn during the period (2023: SCR 40 Mn), a decline of 36.8% from previous period.

During the year dividend of SCR 26 Mn was paid pertaining to 2022. The Board declared a dividend of SCR 40 Mn for 2023 in the board meeting held on 18 Mar 2024.

Directors recommended a dividend of SCR 25 Mn for the financial year 2024 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 6.7 Mn during the year.

### Capital Expenditure

Capital expenditure during the period was SCR 52 Mn (2023: SCR 42 Mn) mainly for Praslin FTTX, IT licenses/software's, Capex for IT Augmentation project, enterprise and other network upgrades.

### Employees

As of 31 December 2024, the company employed 101 staff (including 45 off-roll employees) as against 93 employees in previous period (including 38 off-roll employees).

### 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

Airtel House, Perseverance, Mahe, Seychelles

## 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: -

			Shares held	
			1 January	31 December
		Citizenship		
Alok Bafna	(appointed on 28 November 2017)	Indian	-	-
Ramakrishna Lella	(appointed on 28 November 2017)	Indian	-	-
Monica Njeri Kachola	(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 arm's 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



Date: 28 April 2025

Ramakrishna Lella



Monica Njeri Kachola



Eddy Kapuku



Anwar Soussa

Anwar Soussa (May 22, 2025 13:27 GMT+4)

Anwar Soussa

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## STATEMENT OF DIRECTORS' RESPONSIBILITY ON THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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.

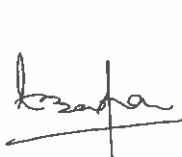
The Companies Act 1972 also requires the directors to keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud 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 28 April 2025 and signed on behalf of the Board by:



Alok Bafna



Ramakrishna Lella

Monicah Kambo

Monica Njeri Kachola



Eddy Kapuku

Anwar Soussa  
Anwar Soussa (May 22, 2025 13:27 GMT+4)

Anwar Soussa

Date: 28 April 2025

**INDEPENDENT AUDITOR'S REPORT****AIRTEL (SEYCHELLES) LIMITED****Opinion**

We have audited the financial statements of Airtel (Seychelles) Limited set out on pages 6 to 35, which comprise the statement of financial position as at 31 December 2024, 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 2024, 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  
CHARTERED ACCOUNTANTS  
28 April 2025

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## Statement of profit or loss and other comprehensive income

Financial statements are prepared in Seychelles Rupees

For the year ended 31 December 2024

	Note	31st December 2024	31st December 2023
<b>Income</b>			
Revenue	4	324,286,907	330,252,831
Other Income	4	107,339	804,229
<b>Expenses</b>			
Direct costs	5	(11,466,547)	(11,354,556)
Network operating expenses	6	(63,480,845)	(64,176,736)
License fee		(13,666,860)	(13,996,636)
Employee benefits expense	8	(56,426,031)	(46,603,940)
Sales and marketing expenses		(7,944,766)	(11,238,788)
Other expenses	7	(40,736,549)	(33,150,902)
Depreciation and amortisation	11	(64,670,674)	(69,255,205)
		(258,392,272)	(249,776,762)
<b>Operating profit</b>		<b>66,001,974</b>	<b>81,280,299</b>
Finance costs	10	(25,724,815)	(20,525,188)
Share of operating profit in associate	13	6,775,315	3,485,655
<b>Profit before income tax</b>		<b>47,052,474</b>	<b>64,240,766</b>
Tax expense	14	(21,752,560)	(24,213,834)
<b>Profit for the year</b>		<b>25,299,914</b>	<b>40,026,932</b>
<b>Other comprehensive income/ (loss)</b>			
Re-measurement gain/(loss) on defined benefit plans	19	109,997	(1,358,875)
Deferred tax on re-measurement gain/(Loss) on defined benefit plans		(36,299)	448,429
Share of associates' other comprehensive (loss)/income		(2,262,998)	2,741,904
<b>Total comprehensive income for the year</b>		<b>23,110,614</b>	<b>41,858,389</b>

The notes on pages 12 to 35 are an integral part of these financial statements.



**Anwar Soussa**

Anwar Soussa (May 22, 2025 13:27 GMT+4)

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## 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 2023</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>(9,458,243)</b>	<b>40,223,316</b>	<b>66,734,073</b>
Profit for the year	-	-	25,299,914	25,299,914
Dividend Declared	-	-	(40,000,000)	(40,000,000)
Other comprehensive loss(1)	-	(2,189,300)	-	(2,189,300)
<b>At 31 December 2024</b>	<b>35,969,000</b>	<b>(11,647,543)</b>	<b>25,523,230</b>	<b>49,844,687</b>

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

The notes on pages 12 to 35 are an integral part of these financial statements.



# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## Statement of financial position

Financial statements are prepared in Seychelles Rupees

As at 31<sup>st</sup> December 2024

	Note	31 <sup>st</sup> December 2024 2024	31 <sup>st</sup> December 2024 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	266,343,571	275,479,253
Right of use assets	11.1	8,588,205	10,037,337
Investment in associate	13	71,640,432	67,128,115
Other non-current assets	15	79,955,109	89,442,921
		<b>426,527,318</b>	<b>442,087,626</b>
<b>Current assets</b>			
Inventories	16	4,510,486	2,202,567
Trade and other receivables	17	33,307,024	44,897,628
Other current assets	15	17,960,180	14,581,939
Cash and cash equivalents	22	11,041,616	15,835,113
		<b>66,819,306</b>	<b>77,517,247</b>
<b>Total assets</b>		<b>493,346,625</b>	<b>519,604,872</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	20	144,816,046	150,658,409
Lease liabilities	12.2	7,344,909	8,470,232
Deferred tax liability (net)	14	7,449,869	14,910,076
Employee benefit obligations	19	4,631,855	4,087,825
		<b>164,242,679</b>	<b>178,126,542</b>
<b>Current liabilities</b>			
Borrowings	20	70,759,469	86,994,469
Lease liabilities	12.2	2,519,538	2,980,953
Trade and other payables	21	183,223,852	165,880,735
Deferred Revenue	4	7,079,382	5,137,387
Current tax liabilities (net)	14	11,378,658	10,378,658
Provisions	19	1,909,376	1,365,183
Employee benefit obligations	19.1	2,388,985	2,006,872
		<b>279,259,259</b>	<b>274,744,258</b>
<b>Total liabilities</b>		<b>443,501,938</b>	<b>452,870,800</b>
<b>Equity</b>			
Share capital	18	35,969,000	35,969,000
Retained earnings		25,523,230	40,223,316
Other reserves		(11,647,543)	(9,458,243)
		<b>49,844,687</b>	<b>66,734,073</b>

The notes on pages 12 to 35 are an integral part of these financial statements.

### Directors



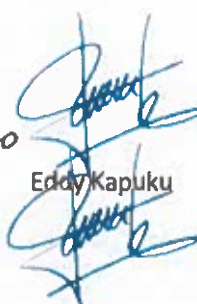
Alok Bafna



Ramakrishna Lella



Monica Njeri Kachola



Eddy Kapuku



Anwar Soussa (May 22, 2025 13:27 GMT+4)

Anwar Soussa

Date: 28 April 2025

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## Cash flow statement

Financial statements are prepared in Seychelles Rupees

For the year ended 31<sup>st</sup> December 2024

	Note	31 <sup>st</sup> December 2024	31 <sup>st</sup> December 2023
<b>Cash flows from operating activities</b>			
Profit before tax		47,052,474	64,240,766
Adjustments for:-			
Depreciation and amortisation	11	64,670,674	69,255,205
Share of operating profit in associate	13	(6,775,315)	(3,485,655)
Provision for bad and doubtful debts	17	3,368,866	623,594
Finance costs	10	25,724,815	20,525,188
<b>Operating cash flow before changes in working capital</b>		<b>134,041,513</b>	<b>151,159,098</b>
(Increase)/Decrease in inventories	16	(2,307,919)	2,275,910
Decrease in trade and other receivables	17	7,396,517	3,441,366
Decrease/(Increase) in other current and non current assets	15	6,109,570	(5,720,403)
Increase/(Decrease) in deferred revenue		1,941,995	(170,135)
Increase in trade and other payables	19/19.1/21	3,955,786	10,146,604
<b>Net cash generated from operations before tax</b>		<b>151,137,463</b>	<b>161,132,440</b>
Tax paid	14	(28,212,767)	(20,007,283)
<b>Net cash generated from operating activities</b>		<b>122,924,695</b>	<b>141,125,158</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	11	(54,893,236)	(41,734,915)
<b>Net cash used in investing activities</b>		<b>(54,893,236)</b>	<b>(41,734,915)</b>
<b>Cash flow from financing activities</b>			
Proceed from Borrowings	20	71,000,000	102,000,000
Repayment of borrowings	20.1/20.2	(93,271,621)	(134,077,155)
Interest on Borrowings and other liabilities	20.1/20.2	(19,691,806)	(20,716,099)
Repayment of lease liabilities	12	(3,980,074)	(4,041,645)
Dividend paid		(26,834,232)	(53,694,614)
<b>Net cash used in financing activities</b>		<b>(72,777,733)</b>	<b>(110,529,513)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(4,746,273)</b>	<b>(11,139,271)</b>
Cash & cash equivalent at 1 January		15,835,113	27,286,168
Exchange adjustments on cash & cash equivalent	10	(47,224)	(311,784)
<b>Cash &amp; cash equivalents 31 December</b>	<b>22</b>	<b>11,041,616</b>	<b>15,835,113</b>

The notes on pages 12 to 35 are an integral part of these financial statements.

## FIVE YEAR FINANCIAL SUMMARY - 31 DECEMBER 2024

Financial statements are prepared in Seychelles Rupees

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

	In SCR' 000				
	2024	2023	2022	2021	2020
<b>Statement of financial position</b>					
<b>Share capital</b>					
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	25,523	40,223	66,196	73,783	(55,458)
Net assets employed	61,492	76,192	102,165	109,752	(19,489)

## Statement of Income

Revenue	324,394	331,057	345,926	321,687	302,868
Profit before tax	47,052	64,241	85,445	189,584	(100,462)
Tax expense	(21,753)	(24,214)	(28,032)	(60,343)	35,970
Profit for the year	25,300	40,027	57,413	129,241	(64,492)
Dividend Declared	(40,000)	(66,000)	(65,000)	-	(39,657)
	(14,700)	(25,973)	(7,587)	129,241	(104,149)
Retained earnings - 1 January	40,223	66,196	73,783	(55,458)	48,691
Retained earnings - 31 December	25,523	40,223	66,196	73,783	(55,458)

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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 is subsidiary of Indian Ocean Telecom Limited. The Intermediate Parent is Airtel Africa plc (listed in London stock exchange and Nigeria stock exchange).

The company provides telecommunication services in Seychelles.

The financial statements for the year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 28 April 2025.

### 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 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 7 Statement of Cash flows and IFRS 7 financial instruments: Disclosures titled 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

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

- Amendments to IFRS18 in relation to "Presentation and Disclosures in Financial Statements"
- Amendments to IAS 21 in relation to 'Lack of exchangeability'.
- Amendments to IFRS 9 and 7 in relation to "classification and measurement of financial instruments".
- Amendments to Annual IFRS improvement in relation to 'Annual Improvements to IFRS Accounting Standards — Volume 11'.

### 3. Summary of material 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.

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

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.

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)	
	2024	2023	2022	2024-2023	2023-2022
SCR/US \$	14.98	14.58	14.48	-3%	-1%
SCR/Euro	15.59	16.13	15.44	3%	-5%
SCR/UK Pound	18.80	18.57	17.45	-1%	-6%

## 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.

# Airtel (Seychelles) Limited

Airtel House, Perseverance, Mahe, Seychelles

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:

Building	20 years
Leasehold improvements	10 or period of lease applicable, whichever is less
Network equipment	3-25 years
Computer	3-5 years
Office equipment	2-5 years
Motor vehicles	5 years

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.

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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.

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

## 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.



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## **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.

## **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.

## **3.11 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.

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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.

### **3.12 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.

### **3.13 Employee benefits**

#### **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.

#### **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.

### **3.14 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.

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## 3.15 Dividends

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

## 3.16 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.

## 3.17 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.

## 3.18 Critical accounting estimates and judgements

### 3.18.1 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

- 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.

- 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

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

## 3.18.2 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.

### 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.

### 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.

## 3.19 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.

## 3.20 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.

## 3.21 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.

## 3.22 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.

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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.

## 3.23 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.

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.

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## 4. Revenue

	2024	2023
<i>Analysis of revenue by category</i>		
Mobile	162,734,371	168,971,739
Internet (Leaseline & HBB)	110,767,132	108,003,066
Interconnect and roaming revenue	48,820,867	49,638,224
Sale of handsets	1,964,538	3,639,802
<b>Total</b>	<b>324,286,907</b>	<b>330,252,831</b>

Performance obligations that are unsatisfied (or partially unsatisfied) amounting to SCR 7,079,382 at 31 December 2024 and SCR 5,137,387 as at 31 December 2023 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 5,676,126 for 2024 (2023: SCR 15,682,117).

### 4.1 Other income

	2024	2023
Other services including sales of other equipment	107,339	804,229
<b>Total</b>	<b>107,339</b>	<b>804,229</b>

## 5. Direct costs

	2024	2023
Cost of goods sold	1,986,215	3,572,729
Interconnect & roaming expenses	9,480,332	7,781,827
<b>Total</b>	<b>11,466,547</b>	<b>11,354,556</b>

## 6. Network operating expenses

	2024	2023
Bandwidth charges	29,667,191	28,875,785
Maintenance Charges	16,623,280	14,623,655
Electricity	18,254,737	16,069,967
Other network expenses	(1,064,363)	4,607,330
<b>Total</b>	<b>63,480,845</b>	<b>64,176,736</b>

## 7. Other expenses

	2024	2023
Repairs and maintenance	3,615,646	3,796,218
Travelling and transport	1,635,867	2,913,888
Rental of offices and showrooms	560,698	301,924
Legal and professional fees	1,393,053	1,603,593
Postage, courier, and stationery	1,449,126	1,616,502
Provision for bad and doubtful debts (note 17)	3,368,866	623,594
Management Fees	25,430,824	17,089,588
Other operational costs	3,282,470	5,205,595
<b>Total</b>	<b>40,736,549</b>	<b>33,150,902</b>

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## 8. Employee benefits expense

	2024	2023
Salaries	44,404,701	37,564,160
Employers' contribution to defined contribution scheme	953,940	919,440
Employee benefit obligation (note 19)	1,029,174	2,000,459
Performance linked bonuses	5,546,046	2,805,436
Staff welfare expenses	4,492,171	3,314,445
<b>Total</b>	<b>56,426,031</b>	<b>46,603,940</b>

## 9. Profit for the year

	2024	2023
Profit for the year has been arrived at after charging:		
Auditors remuneration	369,000	369,000
Depreciation and amortisation	64,670,674	69,255,205
Management fees	25,430,824	17,089,588

## 10. Finance costs / (Income)

	2024	2023
Interest on loan (note 20.1, 20.2 & 23.5)	19,363,411	20,212,527
Interest on lease liabilities (note 12)	806,853	817,488
Interest on employee benefit obligations (note 19)	522,652	503,572
Exchange (gain) on borrowings (note 20.1 & 23.5)	-	(4,335,915)
Exchange loss on cash and cash equivalents	47,224	311,784
Exchange loss on others	4,984,675	3,015,732
<b>Total</b>	<b>25,724,815</b>	<b>20,525,188</b>

## 11. Property, plant and equipment

	Leasehold improvements	Office & network equipment	Vehicles	Capital Work In Progress	Total
<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>
<b>Cost</b>					
At 1 January 2024	32,466,219	805,329,942	8,007,791	13,955,940	859,759,891
Additions	-	39,198,445	430,434	12,870,500	52,499,379
Transfers from capital work in progress	-	12,860,019	-	(12,860,019)	-
<b>At 31 December 2024</b>	<b>32,466,219</b>	<b>857,388,405</b>	<b>8,438,225</b>	<b>13,966,421</b>	<b>912,259,270</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2024	2,243,950	574,800,700	7,235,988	-	584,280,638
Depreciation charge	45,519	61,316,531	273,011	-	61,635,061
<b>At 31 December 2024</b>	<b>2,289,469</b>	<b>636,117,232</b>	<b>7,508,999</b>	<b>-</b>	<b>645,915,699</b>
<b>Carrying amount</b>					
At 1 January 2024	30,222,269	230,529,241	771,803	13,955,940	275,479,253
<b>At 31 December 2024</b>	<b>30,176,751</b>	<b>221,271,174</b>	<b>929,226</b>	<b>13,966,421</b>	<b>266,343,571</b>

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## 11.1 Right of use assets

	Upon application of IFRS 16		Total
	Land and Building	Leased Sites	
<b>Cost</b>			
At 1 January 2023	6,503,831	18,744,056	25,247,887
Additions	-	3,534,908	3,534,908
<b>At 31 December 2023</b>	<b>6,503,831</b>	<b>22,278,964</b>	<b>28,782,795</b>
<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 2023	994,191	9,043,146	10,037,337
<b>Cost</b>			
At 1 January 2024	6,503,831	22,278,964	28,782,795
Additions	-	1,586,481	1,586,481
<b>At 31 December 2024</b>	<b>6,503,831</b>	<b>23,865,445</b>	<b>30,369,276</b>
	Upon application of IFRS 16		Total
	Land and Building	Plant & machinery	
<b>Accumulated depreciation</b>			
At 1 January 2024	5,509,640	13,235,818	18,745,458
Depreciation charge	395,771	2,639,842	3,035,613
<b>At 31 December 2024</b>	<b>5,905,410</b>	<b>15,875,660</b>	<b>21,781,071</b>
<b>Carrying amount</b>			
At 31 December 2023	994,191	9,043,146	10,037,337
<b>At 31 December 2024</b>	<b>598,420</b>	<b>7,989,785</b>	<b>8,588,205</b>



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## 12. Lease liabilities

	2024	2023
<b>Discounted lease liability</b>		
At 1 January	11,451,185	11,140,434
Additions in the year	1,586,481	3,534,908
Interest cost	806,853	817,488
Repayments	(3,980,074)	(4,041,645)
<b>At 31 December</b>	<b>9,864,446</b>	<b>11,451,185</b>
<b>Amounts recognised in the the Statement of financial position</b>		
	2024	2023
Current	2,519,538	2,980,953
Non-current	7,344,909	8,470,232
<b>Total</b>	<b>9,864,446</b>	<b>11,451,185</b>
<b>Amounts recognised in the Statement of profit or loss</b>		
	2024	2023
Interest on lease liabilities (note 10)	806,853	817,488
<b>Maturity analysis:</b>		
	2024	2023
Less than one year	3,226,174	3,498,505
One to five years	6,734,429	7,843,984
More than five years	2,120,663	2,449,736
<b>Total undiscounted lease liabilities</b>	<b>12,081,266</b>	<b>13,792,225</b>
<b>Total discounted lease liabilities</b>	<b>9,864,446</b>	<b>11,451,185</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	2024	2023
Investment in associate at cost	26%	49,861,046	49,861,046
Foreign exchange adjustment (recognized in other comprehensive income)		(7,565,969)	(8,071,570)
Share of profit in associate		29,345,355	25,338,639
Dividend received		-	-
<b>Total</b>		<b>71,640,432</b>	<b>67,128,115</b>
Share of operating profit in associate (recognized in statement of profit or loss)		6,775,315	3,485,655

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%).

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## 14. Tax

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

	2024	2023
<b>Income tax</b>		
- For the year	28,000,000	27,000,000
- Adjustments for prior periods	(408,363)	(1,149,049)
	<b>27,591,637</b>	<b>25,850,951</b>
<b>Deferred tax</b>	<b>(7,460,207)</b>	<b>(3,293,449)</b>
<b>Tourism marketing Tax</b>		
- For the year	1,621,130	1,656,332
<b>Total Tax expenses</b>	<b>21,752,560</b>	<b>24,213,834</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:

	2024	2023
<b>Profit before tax less share of profit in associate</b>	<b>40,277,159</b>	<b>60,755,111</b>
Enacted tax rate in the country	33%	33%
Tax expense with enacted rate	13,291,462	20,049,187
<b>Effect of:</b>		
Adjustments in respect to previous years	(408,363)	(1,149,049)
Net tax charge on account of permanent differences	7,248,330	3,657,364
Tourism marketing Tax	1,621,130	1,656,332
<b>Total tax expense</b>	<b>21,752,560</b>	<b>24,213,834</b>

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

	2024	2023
<b>Deferred tax liabilities (net)</b>		
i) Deferred tax liability due to		
Depreciation / amortisation on PPE / Intangible assets	37,322,328	42,161,018
Fair valuation of financial instruments and exchange differences	(226,015)	826,895
ii) Deferred Tax asset arising out of		
Provision for Impairment of trade receivables / advances	(26,939,029)	(25,827,304)
Provision for compensation and obsolete stock	(2,707,415)	(2,250,533)
<b>Total</b>	<b>7,449,869</b>	<b>14,910,076</b>

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

	2024	2023
<b>Deferred tax (benefit)/expenses</b>		
Depreciation / amortisation on PPE / Intangible assets	(4,838,691)	(4,871,737)
Provision for Impairment of trade receivables / advances	(1,111,726)	(205,786)
Fair valuation of financial instruments and exchange differences	(1,052,909)	1,430,852
Provision for compensation, bonus and obsolete stock	(456,881)	353,222
<b>Total</b>	<b>(7,460,207)</b>	<b>(3,293,449)</b>

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

	2024	2023
Opening balance	14,910,076	18,203,525
Tax (income)/expense recognised in statement of profit & loss	(7,460,207)	(3,293,449)
<b>Closing balance</b>	<b>7,449,869</b>	<b>14,910,076</b>

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

	2024	2023
Opening balance	10,378,658	2,878,658
Adjustments for prior periods	(408,363)	(1,149,049)
Tax expense recognised for the year	28,000,000	27,000,000
Tourism marketing Tax	1,621,130	1,656,332
Paid during the year	(28,212,767)	(20,007,283)
Closing balance	11,378,658	10,378,658

## 15. Other assets

	2024	2023
Prepayments for STM1s*	86,054,082	95,586,664
Deferred Acquisition cost	978,396	859,496
Other prepayments	10,882,810	7,578,700
<b>Total</b>	<b>97,915,289</b>	<b>104,024,859</b>
<b>Classified as:</b>		
Current	17,960,180	14,581,939
Non-current	79,955,109	89,442,921

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

## 16. Inventories

	2024	2023
Handsets and accessories	4,133,636	2,074,619
Starter packs	376,851	213,793
Less: Provision for obsolescence	(0)	(85,845)
<b>Total</b>	<b>4,510,486</b>	<b>2,202,567</b>

## 17. Trade and other receivables

	2024	2023
Trade receivables	89,810,578	85,971,755
Less: Provision for bad debts	(81,633,421)	(78,264,556)
Trade receivable net of provision	8,177,157	7,707,198
Receivable from related parties (note 23.3)	16,526,250	17,158,640
Contract asset	7,120,488	17,036,712
Others	1,483,130	2,995,077
<b>Total</b>	<b>33,307,024</b>	<b>44,897,628</b>

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

	2024	2023
1 January	78,264,556	77,640,962
Provisions made in the year	3,368,866	623,594
<b>Total</b>	<b>81,633,421</b>	<b>78,264,556</b>

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

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## 18. Authorised & Issued capital

	2024	2023
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. Provisions

	2024	2023
Provision for annual performance bonus	1,183,446	639,255
Provision for legal and professional expenses	723,906	723,906
<b>Total</b>	<b>1,909,376</b>	<b>1,365,183</b>

### 19.1 Employee benefit obligations

	2024	2023
1 January	6,094,697	6,660,164
Current service cost	1,029,174	2,000,459
Interest cost	522,652	503,571
Remeasurements (amount recognised in other comprehensive income)	(109,997)	1,358,875
Benefits paid	(515,687)	(4,428,372)
<b>Total</b>	<b>7,020,839</b>	<b>6,094,697</b>
<b>Classified as:</b>		
Current	2,388,985	2,006,872
Non-current	4,631,855	4,087,825

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

	2024	2023
Due to:		
ABSA Bank - (Seychelles) (note 20.1)	157,646,100	97,500,000
Mauritius Commercial Bank (Seychelles) (note 20.2)	57,929,414	140,152,878
Intermediate Parent - Bharti Airtel Africa BV (note 23.5)	-	-
<b>Total</b>	<b>215,575,514</b>	<b>237,652,878</b>
<b>Classified as:</b>		
Current	70,759,469	86,994,469
Non-current	144,816,046	150,658,409

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## 20.1 Loan from financial institution (ABSA)

	2024	2023
At 1 January	97,500,000	-
Received in the year	71,000,000	102,000,000
Interest accrued during the year	12,130,219	5,482,657
Interest paid during the year	(11,942,452)	(5,482,657)
Loan Repaid during the year	(11,041,667)	(4,500,000)
<b>At 31 December</b>	<b>157,646,100</b>	<b>97,500,000</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)

	2024	2023
At 1 January	140,152,878	221,278,541
Interest accrued during the year	7,233,192	13,589,037
Interest paid during the year	(7,226,702)	(13,504,711)
Loan repaid during the year	(82,229,954)	(81,209,988)
<b>At 31 December</b>	<b>57,929,414</b>	<b>140,152,878</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

	2024	2023
Equipment supply payables	2,555,709	4,484,321
Payable to related parties (note 23.4)	66,396,389	55,707,435
Interconnect and roaming partners	1,824,407	4,463,254
Security deposits	4,742,403	4,353,519
Accruals for network maintenance & other services	21,568,505	23,604,971
Dividend payable (note 23.4)	81,443,319	68,277,551
Other payable	844,713	566,322
Other taxes payable	3,848,407	4,423,362
<b>Total</b>	<b>183,223,852</b>	<b>165,880,735</b>

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

## 22. Cash and cash equivalents

	2024	2023
Cash at Bank	7,956,294	11,254,324
Cash at Hand and In transit	3,085,322	4,580,789
<b>Total</b>	<b>11,041,616</b>	<b>15,835,113</b>

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## 23. Related parties and transactions

### 23.1 Services provided to related parties:

Name of related party	Relationship to Company	2024	2023
<b>Sale of goods and services</b>			
Airtel Networks Zambia Plc	Fellow subsidiary	5,312	4,290
Airtel Networks Kenya Limited	Fellow subsidiary	583,988	1,215,838
Airtel Malawi plc	Fellow subsidiary	8,912	14,874
Airtel Tanzania Plc.	Fellow subsidiary	18,670	24,747
Airtel Madagascar S.A	Fellow subsidiary	31,496	41,842
Airtel Gabon S.A	Fellow subsidiary	73	624
Airtel Tchad S.A	Fellow subsidiary	983	1,987
Airtel Networks Limited (Nigeria)	Fellow subsidiary	4,553	14,877
Celitel Niger S.A.	Fellow subsidiary	377	950
Airtel Uganda Limited	Fellow subsidiary	157,821	167,216
Airtel Congo (RDC) S.A.	Fellow subsidiary	2,446	1,099
Airtel Congo S.A.	Fellow subsidiary	73	-
Airtel Rwanda Limited	Fellow subsidiary	1,019	350
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	339,336	333,181
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	10	1
Jersey Airtel Limited	Other related party	68	178
Bharti Airtel Limited	Intermediate Parent	358,964	424,451
Bharti Airtel (UK) Limited	Fellow subsidiary	11,626,782	11,081,292
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	231,961	202,328
Bharti Hexacom Limited	Fellow subsidiary	4,867	1,624
Emtel Limited	*Other related party	3,566	8,116
Singapore Telecommunications Limited	*Other related party	845,786	154,265
<b>Total</b>		<b>14,227,062</b>	<b>13,694,130</b>

### 23.2 Services received from related parties:

Name of related party	Relationship to Company	2024	2023
<b>Purchase of goods and services</b>			
Airtel Networks Zambia Plc	Fellow subsidiary	12,015	-
Airtel Networks Kenya Limited	Fellow subsidiary	454,945	39,479
Airtel Malawi plc	Fellow subsidiary	868	2,161
Airtel Tanzania Plc.	Fellow subsidiary	2,144,521	3,334,827
Airtel Madagascar S.A	Fellow subsidiary	62,594	40,270
Airtel Tchad S.A	Fellow subsidiary	29	25,411
Airtel Networks Limited (Nigeria)	Fellow subsidiary	4,945	4,585
Airtel Uganda Limited	Fellow subsidiary	13,222	21,784
Celitel Niger S.A.	Fellow subsidiary	41	483
Airtel Congo S.A.	Fellow subsidiary	1,140	134
Airtel Rwanda Limited	Fellow subsidiary	388	6,812
Network i2i Limited	Intermediate Parent	2,660,157	2,432,941
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	6,704	1,826
Bharti Airtel Limited	Intermediate Parent	3,490,553	921,865
Bharti International Singapore Pte Limited	Fellow subsidiary	409,351	383,982
Bharti Airtel (UK) Limited	Fellow subsidiary	4,321,408	4,581,456
Airtel Congo (RDC) S.A.	Fellow subsidiary	1,265	-
Airtel Africa Services (UK) Limited	Fellow subsidiary	21,618,397	14,962,278
Seychelles Cable Systems Company Limited	Associate	8,526,767	6,780,401
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	64,250	-
Bharti Airtel (France) SAS	Fellow subsidiary	5,207,825	6,814,054
Bharti Hexacom Limited	Fellow subsidiary	1,342	804
Emtel Limited	*Other related party	8,238	6,527
Jersey Airtel Limited	*Other related party	73	33
Singapore Telecommunications Limited	*Other related party	3,440	73,806
Airtel Africa Telesonic Limited	Fellow subsidiary	1,865,943	873,419
Nextra Data Limited	Fellow subsidiary	-	724,474
<b>Total</b>		<b>50,880,451</b>	<b>42,033,817</b>

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## 23.3 Receivables from related parties:

Name of related party	Relationship to Company	2024	2023
Airtel Networks Zambia Plc	Fellow subsidiary	2,381	913
Airtel Networks Kenya Limited	Fellow subsidiary	77,492	319,360
Airtel Malawi plc	Fellow subsidiary	432,160	418,105
Airtel Tanzania Plc.	Fellow subsidiary	8,024	7,191
Airtel Madagascar S.A	Fellow subsidiary	216,960	199,865
Airtel Uganda Limited	Fellow subsidiary	43,534	31,204
CelTel Niger S.A	Fellow subsidiary	127,565	131,744
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	868,197	845,008
Airtel Gabon S.A	Fellow subsidiary	10	2
Airtel Rwanda Limited	Fellow subsidiary	135,860	131,503
Airtel Congo (RDC) S.A.	Fellow subsidiary	2,524	1,115
Jersey Airtel Limited	*Other related party	(66)	76
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	2,721	2,607
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	5,934,691	5,700,471
Bharti Airtel (UK) Limited	Fellow subsidiary	5,426,209	6,563,117
Bharti Airtel Limited	Intermediate Parent	960,259	532,597
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	1,531,525	1,761,085
Bharti Hexacom Limited	Fellow subsidiary	1,840	1,323
Airtel Networks Limited (Nigeria)	Fellow subsidiary	5,104	4,767
Eritel Limited	*Other related party	2,658	-
Singapore Telecommunications Limited	*Other related party	746,602	506,586
<b>Total</b>		<b>16,526,250</b>	<b>17,158,640</b>

## 23.4 Payables to related parties:

Name of related party	Relationship to Company	2024	2023
Airtel Networks Zambia Plc	Fellow subsidiary	11,925	10,876
Airtel Networks Kenya Limited	Fellow subsidiary	2,445,781	2,240,395
Airtel Malawi plc	Fellow subsidiary	-	-
Airtel Tanzania Plc.	Fellow subsidiary	14,821,649	12,225,469
Airtel Madagascar S.A	Fellow subsidiary	66,889	-
Airtel Congo (RDC) S.A.	Fellow subsidiary	71,748	69,326
Airtel Rwanda Limited	Fellow subsidiary	-	-
Airtel Tchad S.A	Fellow subsidiary	37,967	211,633
Airtel Uganda Limited	Fellow subsidiary	22,635	18,043
Airtel Networks Limited (Nigeria)	Fellow subsidiary	917,863	888,247
Bharti Airtel Limited	Intermediate Parent	233,106	196,955
Bharti Airtel Lanka (Pvt Ltd), Sri Lanka	Fellow subsidiary	5,961	3,211
Bharti International (Singapore) Pte Ltd	Fellow subsidiary	135,877	1,980,801
Bharti Airtel International (Netherlands) B.V.	Intermediate Parent	4,177,817	4,066,791
Airtel Africa Services (UK) Limited	Fellow subsidiary	22,076,578	8,997,075
Seychelles Cable Systems Company Limited	Associate	8,130,162	13,115,840
Singapore Telecommunications Limited	*Other related party	112,455	109,100
Network IZI Limited	Intermediate Parent	1,525,705	1,549,961
Bharti Airtel (UK) Limited	Fellow subsidiary	1,883,825	2,494,874
Bharti Hexacom Limited	Fellow subsidiary	237	722
Eritel Limited	*Other related party	2,294	532
Airtel Mobile Commerce Seychelles Ltd	Fellow subsidiary	23,718	-
Bharti Airtel (France) SAS	Fellow subsidiary	7,953,070	6,570,794
Nextra Data Limited	Fellow subsidiary	38,612	48,444
Airtel Africa Telesonic Limited	Fellow subsidiary	1,699,334	908,342
Indian Ocean Telecom Limited	Parent	81,443,319	68,277,551
<b>Total</b>		<b>147,839,708</b>	<b>123,984,986</b>

\* Other related parties' though not 'Related Parties' as per the definition under IAS 24, 'Related party disclosures', have been included by way of a voluntary disclosure, following the best corporate governance practices, these are investments done by the group companies.

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

	US\$ 2024	US\$ 2023	SCR 2024	SCR 2023
At 1 January	-	3,639,876	-	52,703,083
Interest accrued during the year	-	83,768	-	1,140,833
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)
At 31 December	-	-	-	-

The loan has a maturity date of 31 December 2024, is unsecured and attracts interest at a rate of  $\text{libor} + 4.5\%$

## 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	
	2024	2023	2024	2023
Amadou Mahamat Dina (resigned on 01 May 2024)	-	698,218	-	793,261
Eddy Kapuku (appointed on 15 May 2024)	5,136,793	1,802,500	810,908	-
Alok Bafna (appointed on 28 November 2017)	-	-	-	-
Anwar Soussa (appointed on 23 August 2023)	-	-	-	-
Monica Njeri Kachola (appointed on 18 August 2022)	-	-	-	-
Ramakrishna Lella (appointed on 28 November 2017)	-	-	-	-
Total	5,136,793	2,500,718	810,908	793,261

## 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 2024 were to the tune of SCR 13M (2023: SCR 8M) dedicated for IT servers and network upgrades. 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.

### Market Risk

**Market risk** It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk-currency rate risk, interest rate risk and other price risks, such as equity risk. Financial instruments affected by market risk includes loans and borrowings, deposits.

- Foreign currency risk management-** Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company primarily transacts business in U.S. dollars with parties of other countries. The Company imports equipment and services; and is therefore, exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States dollar. The company's policy to manage the foreign currency risk is



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to settle all its foreign liabilities as they fall due for payment in order to mitigate the risk associated with the Seychelles rupees depreciating significantly in value against the respective currencies of the suppliers.

- ii) Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's interest-bearing debt obligations with floating interest rates. Further, the Company engages in financing activities which are dependent on market rates and any changes in the interest rates environment may impact future rates of borrowing. The Company monitors the interest rate movement and manages the interest rate risk based on its risk management policies.
- iii) Price risk -The Company does not hold any financial instruments subject to price risk.

## 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 2024 is made up as follows:

	Note	SCR 2024	SCR 2023
Cash and cash equivalents	22	11,041,616	15,835,113
Trade receivables (net)	17	8,177,157	7,707,198
Receivable from related parties	17	16,526,250	17,158,640
Contract assets and other receivables	17	8,603,617	20,031,790

The ageing of the trade receivables is shown below:

	SCR			
	2024	2024	2023	2023
	Gross Amount	Impaired	Gross Amount	Impaired
30 days	1,124,149	-	353,904	-
60 days	1,594,909	-	1,337,239	-
90 days and above	87,091,520	81,633,421	84,280,611	78,264,556
	<b>89,810,578</b>	<b>81,633,421</b>	<b>85,971,755</b>	<b>78,264,556</b>

## 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.

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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 2024</b>					
- Borrowings**	20	85,357,305	113,851,736	42,543,288	-
- Trade and other payables*	21	179,375,445	-	-	-
- Lease liabilities	11.2	3,226,174	6,734,429	2,120,663	-
<b>At 31 December 2023</b>					
- Borrowings**	20	86,994,469	86,994,469	63,663,940.21	-
- Trade and other payables*	21	165,880,735	-	-	-
- Lease liabilities	11.2	3,854,285	7,743,263	2,463,903	-

\*Trade and Other payable is exclusive of Other tax payable.

\*\*Borrowings is inclusive of Interest payable

## 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.

	Carrying value		Fair value		
	FVTPL – mandatorily measured	Amortised cost	Level 1	Level 2	Level 3
<b>31 December 2024</b>					
<b>Financial Assets</b>					
Cash and bank balances	-	11,041,616	-	-	-
Trade and other receivables *	-	15,297,645	-	-	-
Amounts due from related parties	-	16,526,250	-	-	-
Investment in Associates	-	71,640,432	-	-	-
<b>Financial Liabilities</b>					
Trade and other payables **	-	112,979,057	-	-	-
Amounts due to related parties	-	66,396,389	-	-	-
Lease liabilities	-	9,864,446	-	-	-
Term loans	-	215,575,514	-	-	-
<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 **	-	105,749,937	-	-	-
Amounts due to related parties	-	55,707,435	-	-	-
Lease liabilities	-	11,451,185	-	-	-
Term loans	-	237,652,878	-	-	-

\*Trade and other receivable is exclusive of amount due from related parties.

\*\*Trade and other payable is exclusive of other taxes payable and amount due to related parties.

## 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;

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- 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).

## 27. Contingencies

'The directors are not aware of any outstanding contingent liabilities at 31 December 2024. (2023: Nil)

## 28. Events after the balance sheet date:

'No material subsequent events or transactions have occurred since the date of statement of financial position.