Company number: 13664902

AIRTEL AFRICA TELESONIC LIMITED

Annual report and financial statements for the period

06 October 2021 to 31 March 2023

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REGISTERED NUMBER	13664902
DIRECTORS	Simon Andrew O'Hara (appointed on 6 October 2021) Pier Alfonso Falcione (appointed on 6 October 2021) Jaideep Paul (appointed on 6 October 2021)
COMPANY SECRETARY	Simon Andrew O'Hara
REGISTERED OFFICE	First floor, 53/54 Grosvenor Street London W1K 3HU United Kingdom
BRANCH OFFICE	02 Second floor, 20 Dubai Internet City Dubai United Arab Emirates
BRANCH REGISTRATION NUMBER	99425
BANKERS	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD United Kingdom Standard Chartered Bank Emaar Square Downtown Dubai United Arab Emirates
INDEPENDENT AUDITORS	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

The Directors present their strategic report and audited financial statements for Airtel Africa Telesonic Limited (the "Company") for the period from incorporation on 6 October 2021 to 31 March 2023.

Principal activities
The main objective of the company is the operation and provision of telecommunication facilities and services including international wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers on its own.

Financial Key performance indicators
As the company provides telecommunication and network services, the key performance indicator for internal performance analysis is its operating profit margin and net profit margin as shown below:

Key Performance Indicator	Basis of calculation	06 October 2021 - 31 March 2023
Operating Profit Margin	Operating profit/ Revenue	6.10%
Net Profit Margin	Profit before tax/ Revenue	5.78%

As this is the first period of trading, revenue and network operating expenditure is in line with the director's expectations.

Development and financial performance during the period
As reported in the Company's statement of comprehensive income, revenue is $14,189,000 during the period which comes from provision of telecommunication and network services.

The profit after taxation was $820,000. Given that this is the first period of trading, the directors consider the results of the period satisfactory.

Financial performance at reporting date
The statement of financial positions shows that the net carrying value of the Company's net assets at period-end was $820,000.

Future developments
The Company will continue to provide services relating to provision of telecommunication and network services.

Principal risks and uncertainties
The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the Group's annual report, which is publicly available from the Group Company Secretary (First floor, 53/54 Grosvenor Street, London W1K 3HU, UK) or on the website www.airtel.africa.com. Risks relating specifically to the Company are as follows:

Market risk
The trading activity of the Company and its financial position may be adversely impacted by downturns in general economic conditions or any future periods of economic recession.

Foreign exchange risk
The amounts payable to and receivable from Group undertakings include amounts denominated in currencies other than United States Dollar, therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

Interest rate
The company has interest-bearing liabilities linked to the financing from Airtel Africa Services (UK) Limited (details of which are disclosed at note 9 of the financial statements). While the SOFR rate expose the Company to cash flow interest rate risk, management believes that this risk is managed as the funding is provided by the shareholders.

Statement by the directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and other matters required by section 172(1)(a) to (f) of the Companies Act 2006. This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making. Whilst the Company is an independent subsidiary of Airtel Africa Telesonic Holdings Limited and ultimate subsidiary of Airtel Africa group viz Airtel Africa plc, the Company supports the wider strategy of Airtel Africa plc. Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that stakeholders of the Company have been rigorously considered. The annual report of Airtel Africa can be obtained from www.airtel.africa.com.

General confirmation of directors' duties

Directors are fully aware of and understand their statutory duties under the Act. The Board has a clear framework for determining the matters within its remit. Day-to-day authority is delegated to executives and the Directors engaged with management in setting, approving and overseeing the execution of the business strategy and related policies, leveraging group frameworks and policies. The executives consider the company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder related matters, governance, legal and regulatory compliance, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider in good faith, would mostly likely promote the companies success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to make Section 172(1)(a) to (f) as described below.

a) The likely consequences of any decision in the long term

The Directors understand the company's business and evolving environment in which it operates including the challenges of a highly competitive marketplace. Refer to page 4 for more details on principal risks and uncertainties.

b) The interest of the company's employees

The Directors recognise that employees are fundamental to the future growth and success of the company. That success depends on looking after our employees. The company ensures employees are informed and involved in the business via regular meetings, e-mail updates, intranet site and regular meetings to communicate business area updates.

c) The need to foster the company's business relationship with suppliers, customers and others

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them. The company duly understands the importance of relationships with suppliers, customers and others and up to the extend required, had been supportive of them during their challenging times.

d) The impact of the company's operations on the community and the environment

The Directors appreciate that collaboration with charities and community groups helps to create a stronger community and provide insights that enable the Board to understand the companies impact on the community in the environment and the consequences of its decisions in the long-term. Further information about how the company engages with communities and NGOs can be found in Airtel Africa plc's annual report for FY'23. There is no impact on environment.

e) The desirability of the company maintaining a reputation for high standards of business conduct

The Board adheres to Airtel Africa's code of conduct in which all employees are subject to setting out high standards and behaviours we expect from those that work for us or with us.

f) The need to act fairly is between members of the company

After weighing up all relevant factors the Directors consider which course of action best promotes the long-term success of the company in taking into consideration the impact of stakeholders. In doing so, the Directors act fairly between the company's members. However, the Directors are not required to balance the companies interests with those of other stakeholders and this can sometimes mean certain stakeholders' interest may not be fully aligned.

Culture
The company's culture is set by Airtel Africa group and embedded in all we do.

Stakeholder engagement
Proactive engagement remains a central focus for the company which ensures the directors have regard to the matters set out in section 172(1)(a) to (f) of the Companies Act. Engaging with stakeholders delivers better outcomes for society and for business. It is fundamental to the company's long-term success.

Energy and carbon disclosure
Energy and carbon disclosure information is not disclosed as the company is exempt from the disclosure as it consumes less than 40,000 KWH energy.

In discharging our section 172 duties, we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

This strategic report was approved by the board of directors and signed on its behalf by:

sd-/
Simon Andrew O'Hara
Director
Date: 05 July 2023

The Company has chosen, in accordance with section 411C (11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Director's Report, and form part of this report by cross-reference. The matters relate to the development, and financial performance, future prospects of the Companies Act 2006.

Dividends
The Directors do not recommend any dividend during the current financial period. No dividend was declared subsequent to the balance sheet date for the period ending 31 March 2023.

Charitable and political donations
During the period the Company made no charitable donations.

Directors

The directors, who served throughout the period were as follows:

- Simon Andrew O'Hara (appointed on 6 October 2021)
- Pier Alfonso Falcione (appointed on 6 October 2021)
- Jaideep Paul (appointed on 6 October 2021)

Branches outside the United Kingdom
The company has a branch Airtel Africa Telesonic Limited registered in Dubai, United Arab Emirates. The registered office address is as follows:

02 Second floor,
20 Dubai Internet City
Dubai
United Arab Emirates

Going concern
The Financial Statements are prepared on going concern basis as the directors believe that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of financial statements. The Directors confirm that they have a reasonable expectation that Airtel Africa Telesonic Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months. The Directors' assessment has been made with reference to Airtel Africa Telesonic Limited's principal risks and how these are managed, Therefore, these accounts have been prepared on a going concern basis.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This directors report was approved by the board of directors and signed on its behalf by:

sd-/
Simon Andrew O'Hara
Director
Date: 05 July 2023

Independent auditor's report to the members of Airtel Africa Telesonic Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Airtel Africa Telesonic Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial position;
- the income statement;
- the statement of changes in equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the presumed risk of revenue recognition, specifically that the revenue is not accurately recorded in line with the agreements. Our specific procedures performed to addressed to address this risk included testing, on a sample basis, third party evidence to determine whether revenue had been recognised accurately.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

sd-/
Daryl Winstone FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
05 July 2023

Airtel Africa Telesonic Limited
Statement of financial position as on 31 March 2023
(All amounts are in US Dollar thousands, unless stated otherwise)

Company Number - 13664902

	Note	As of 31 March 2023
Assets		
Current assets		
Financial assets		
- Trade receivables	**5**	30,106
- Cash and cash equivalents	**6**	3,185
Other current assets	**7**	1,183
		34,474
Total assets		**34,474**
Current liabilities		
Financial liabilities		
- Trade and other payables	**8**	11,816
Deferred revenue		2,348
		14,164
Total Assets less current liabilities		**20,310**
Non-current liabilities		
Financial liabilities		
- Borrowings	**9**	721
Deferred revenue		18,769
		19,490
Net Assets		**820**
Capital and reserves		
- Share capital	**10**	0
- Retained earnings		820
Total equity		**820**

The accompanying notes 1 to 17 form an integral part of these financial statements.

The financial statements of Airtel Africa Telesonic Limited were approved by the board of directors on 05 July 2023 and were signed on its behalf by:

sd-/

Simon Andrew O'Hara

Director

Airtel Africa Telesonic Limited
Income Statement for the period ending 31 March 2023
(All amounts are in US Dollar thousands, unless stated otherwise)

	Note	For the period 06 October 2021 - 31 March 2023
Income		
Revenue	**11**	14,189
		14,189
Expenses		
Leaseline and bandwidth expense		12,376
Employee benefits expense	**12**	703
Other expenses	**13**	245
		13,324
Operating profit		**865**
Finance costs	**14**	45
Profit before tax		**820**
Tax expense	**15**	-
Profit for the period		**820**

All results are derived from continuing operations
The accompanying notes 1 to 17 form an integral part of these financial statements.

	Share Capital		Retained earnings	Total equity
	No of shares	Amount		
Profit for the period	-	-	820	820
Total comprehensive loss	**-**	**-**	**820**	**820**
Issue of shares*	1	0	-	0
As of 31 March 2023	**1**	**0**	**820**	**820**

* Issued, subscribed share capital consist of 1 share with a nominal value of £1.

1. Corporate information and activities

Airtel Africa Telesonic Limited (the "Company") is domiciled and incorporated in the United Kingdom (UK) under the Companies Act 2006 as a private limited company limited by shares. The principal place of business and registered office of the company is located at First floor, 53/54 Grosvenor Street, London W1K 3HU, UK.

The Company has a branch office at Floor No. 02/20 Dubai Internet City, Dubai, United Arab Emirates (License No. 99425).

The main objective of the company is the operation and provision of telecommunication facilities and services including international wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers on its own.

The Company forms part of the Airtel Africa Group of companies. The Company's immediate parent company is Airtel Africa Telesonic Holdings Limited which is incorporated in the UK and the ultimate parent company is Airtel Africa plc which is part of Airtel Africa group.

The Company was incorporated on 06 October 2021, these are the first financial statements of the Company for the period from 06 October 2021 to 31 March 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council (FRC) as the Company is a wholly owned subsidiary of Airtel Africa plc which prepares publicly available accounts consolidating the results of the Company.

The Company is exempt from the requirement to prepare consolidated financial statements under s401 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

Accordingly, these financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

Airtel Africa plc is the parent of the smallest group for which consolidated financial statements are prepared and of which the company is a member. The largest group to consolidate the results of the company is Bharti Airtel Limited, which is registered in India. The Bharti Airtel Limited Group and Airtel Africa plc consolidated financial statements are publicly available and can be obtained at www.airtel.in. and www.airtel.africa.com

As these are the first financial statements of the Company no comparative figures are available for previous years.

All the amounts included in the Company financial statements are reported in United States Dollars, with all values rounded to the nearest thousands (USD thousands) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 7 Statement of Cash Flows.
- The statement of compliance with Adopted IFRSs;
- The effects of new but not yet effective IFRSs;
- The requirements in IAS 24 "Related party disclosure" to disclose related party transactions entered into between two or more members of a Group; provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- Disclosures in respect of capital management;

The company financial statements have been prepared on a going concern and historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.

2.2 Financial instruments

I. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the company becomes a party to the contractual provisions of the financial instrument.

The company determines the classification of its financial instrument at initial recognition.

The company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial results and the contractual terms of the cash flows.

The company has classified all the non-derivative financial liabilities as measured at amortised cost.
Financial assets and liabilities arising from different transactions are offset against each other and the resulted net amount is presented in the Balance sheet, 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.

II. Measurement- Non - derivative financial instruments

1. Initial measurement

At initial recognition, the company measures the non-derivative financial instrument at its fair value plus, in the case of financial instruments not at fair value through profit and loss, transaction costs. Otherwise, transaction costs are expensed in the income statement.

2) Subsequent measurement – financial assets

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

a) 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 a motors cost using the effective interest rate ('EIR') method (if the impact of discounting /any transaction cost is significant). Interest income from these financial assets is included in other income.

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

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and different income from financial asset at FVTPL is recognised in the income statement within other income separately from the other gains / losses arising from changes in the fair value.

Impairment

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amoritsed cost. 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 a simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

3. Subsequent measurement - financial liabilities

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

III. Derecognition

The financial liabilities are derecognised from the balance sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the Balance sheet when the right to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risk and rewards of ownership. The resultant impact of the recognition is recognised to the income statement.

2.3 Translation of foreign currency

The financial statements are presented in US dollar, which is also the Company's functional and presentation currency, this based on the currency in which its main transactions are concluded.

Transactions in foreign currencies (other than functional currency of the Company) are initially recorded in the functional currency at the exchange rate 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 Balance Sheet date. Foreign exchange differences on subsequent re-statement/settlement are recognised in the Income Statement.

2.4 Current assets

Receivables are initially recorded at fair value. The receivables of group companies for maturities less than 12 months after balance sheet date which are included in the current assets. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

2.5 Cash and cash equivalents

Cash includes cash in hand, 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).

2.6 Non-current liabilities

Borrowings are initially recorded at fair value and subsequently held at amortised cost. Payables to group companies are included in non-current liabilities, except for maturities less than 12 months after the balance sheet date which are included in current liabilities.

2.7 Current liabilities

Liabilities are initially recorded at fair value and subsequently held at amortised cost.

2.8 Share capital

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 affect.

2.9 Other expense

Other expenses are recognized based on the historical cost convention and are allocated to the reporting period to which they relate.

2.10 Employee benefits

The Company’s employee benefits mainly include salaries, bonuses. The employee benefits are recognised in the period in which the associated services are rendered by the Company’s employees. Short-term employee benefits are recognised in Income Statement at undiscounted amounts during the period in which the related services are rendered.

2.11 Income

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts.

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, discounts and process waivers. While determining the consideration to which the Company is entitled for providing promised products or services, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

The Company recognises revenue from these services as they are provided. Revenue in excess of invoicing are classified as unbilled revenue while invoicing/ collection in excess of revenue are classified as deferred revenue/ advance from customers.

Interest income
The interest income is recognised using the EIR method.

2.12 Taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss.

a. Current tax

Current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess/(shortfall) of the Company's income tax obligation for the period would be recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.
Any interest relating to accrued liabilities for potential tax assessments would not be included in the Income tax charge or (credit), but would be recognised within finance costs.

b. Deferred tax

Deferred tax would be recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax would not be recognised if it arises from 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 profit nor taxable profit (tax loss).

Deferred tax assets would be recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, tax losses and tax credits can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

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

Deferred tax would be determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Deferred tax assets and liabilities are offset against each other and the resultant net amount would be presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to setoff the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical accounting judgments that would have a significant effect on the amount recognised in the company financial statements.

a) Key sources of estimation uncertainty

There are no key sources of estimation uncertainty in the Company.

b) Critical judgements in applying the Company's accounting policies

There are no critical judgements in applying the Company's accounting policies

4. Going concern

The Financial Statements are prepared on going concern basis as the directors believe that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of financial statements. The Directors confirm that they have a reasonable expectation that Airtel Africa Telesonic Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months. The Directors' assessment has been made with reference to Airtel Africa Telesonic Limited's principal risks and how these are managed, Therefore, these accounts have been prepared on a going concern basis.

(All amounts are in US Dollar thousands, unless stated otherwise)

5. Trade receivables

	As of 31 March 2023
Trade Receivables	30,329
Less:- allowance for impairment of trade receivables	(223)
	30,106

6. Cash and cash equivalents

	As of 31 March 2023
Cash at bank	3,185
	3,185

7. Other current assets

	As of 31 March 2023
Advances to Suppliers	73
Prepaid expenses	1,110
	1,183

8. Trade and other payables

	As of 31 March 2023
Trade creditors	9,998
Accrued expenses	1,570
Dues to employees	248
	11,816

(All amounts are in US Dollar thousands, unless stated otherwise)

9. Long term borrowings

	As of 31 March 2023
Loan from Airtel Africa Services (UK) Limited	721
	721

The calculated interest as at period end is based on 3 months SOFR+ 200 bps. Any outstanding principal loan amounts and accrued interest thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

10. Capital and reserve

(i) Share capital

	As of 31 March 2023
Authorised shares	
1 equity share of £1	0
Issued, subscribed shares	
1 equity share of £1	0

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of £1 per share. Each holder of ordinary shares is entitled to one vote per share.

b) Details of shareholding

	No of shares	As of 31 March 2023 Shareholding
Equity share of £1 fully paid up		
Airtel Africa Telesonic Holdings Limited	1	100%

(ii) Other equity

Retained earnings: Retained earnings represents the amount of accumulated earnings of the company

(All amounts are in US Dollar thousands, unless stated otherwise)

11. Revenue

	For the period 06 October 2021 - 31 March 2023
Service revenue	14,189
	14,189

12. Employee benefits expense

The average monthly number of employees was: 2

	For the period 06 October 2021 - 31 March 2023
Salaries	606
Bonuses	97
	703

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

13. Other expenses

	For the period 06 October 2021 - 31 March 2023
Legal & Professional Charges	11
Bad debts	223
Fees & Registrations[1]	11
	245

[1]These includes registration of branch

* Details of Auditor's remuneration included in Legal & Professional charges:

	For the period 06 October 2021 - 31 March 2023
Fees payable to the auditor for the audit of the Company's annual accounts	6
	6

(All amounts are in US Dollar thousands, unless stated otherwise)

14. Finance costs

	For the period 06 October 2021 - 31 March 2023
Net exchange loss	24
Interest on borrowings	21
Bank charges	0
	45

15. Tax expense

	For the period 06 October 2021 - 31 March 2023
Recognised in income statement	
Current tax charge	-
Income tax charge	**-**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

Reconcilliation of tax expense	
Loss before tax for the period ended 31 March 2023	**820**
Corporate tax rate	19%
Expected tax based on the standard rate of corporation tax in the UK	156
Tax impact on non-taxable income of Dubai branch (*)	(156)
Deferred tax not recognised on losses	-
Current tax charge	**-**

*The Company has a branch in Dubai, United Arab Emirates (UAE). Based on the local ruling, there is no corporate income tax applicable on the derived income. Also based on the Branch exemption filed by Airtel Africa Telesonic Ltd with HMRC-UK on 31st Mar 2022, any income arising from Branch of the Company will not be taxable in UK.

Changes to corporation tax rate

As part of the Spring budget announced by the UK Government, the main rate of corporate income tax rate will increase from 19% to 25% effective 1st April 2023. In addition, a 19% small profits rate will be introduced for companies whose profits do not exceed GBP 50,000

16. Transactions with Related Party

During the period ended, the Company entered into transactions with related parties. The nature, volume of transactions and balances with related parties are as follows.

Entity Name	Relationship
Airtel Africa plc	Parent company
Airtel Africa Services (UK) Limited	Fellow subsidiary
Airtel Tanzania plc	Fellow subsidiary
Airtel Uganda Limited	Fellow subsidiary
Airtel Networks Zambia plc	Fellow subsidiary
Airtel (Seychelles) Limited	Fellow subsidiary
Airtel Congo S.A.	Fellow subsidiary
Airtel Congo (RDC) S.A.	Fellow subsidiary
Airtel Networks Kenya Limited	Fellow subsidiary
Airtel Malawi plc	Fellow subsidiary

(All amounts are in US Dollar thousands, unless stated otherwise)

Particulars	**Airtel Africa plc**	**Airtel Africa Services (UK) Limited**	**Airtel Congo S.A.**	**Airtel Congo (RDC) S.A.**	**Airtel Networks Kenya Limited**
Transaction during the period					
Interest Expense	-	21	-	-	-
Purchase of services	-	-	1,047	829	-
Sale of services	-	-	-	-	306
Loan taken	-	700	-	-	-
Expenditure incurred on behalf of the Company	11	72	-	-	-
Outstanding balances					
Loan payable	-	(721)	-	-	-
Other receivable/payable	(11)	(72)	(1,047)	(829)	306

Particulars	**Airtel Tanzania plc**	**Airtel Uganda Limited**	**Airtel Networks Zambia plc**	**Airtel Malawi plc**	**Airtel (Seychelles) Limited**
Transaction during the period					
Purchase of services	-	-	2,237	-	-
Sale of services	268	235	2,274	572	6
Loan taken	-	-	-	-	-
Outstanding balances					
Loan payable	-	-	-	-	-
Other receivable/payable	3,735	235	7,231	11,029	6

17. Post balance sheet events

There are no post balance sheet events to report.