



AIRTEL MOBILE COMMERCE  
(SEYCHELLES) LIMITED

Airtel House, Perseverance, Mahé  
The Seychelles

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

CORPORATE INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS

**The directors who served during the year and to the date of this report were:**

Name	Role	Date of appointment/resignation
Amadou Mahamat Dina	Managing Director	Appointed on 25 July 2016
Alok Bafna	Non-Executive Director	Resigned on 24 October 2022
Ramakrishna Lella	Non-Executive Director	Appointed on 07 February 2019

PRINCIPAL PLACE OF  
BUSINESS AND  
REGISTERED OFFICE

Airtel Mobile Commerce (Seychelles) Limited  
Providence  
P.O. Box 1358  
Victoria  
Mahe  
Seychelles

AUDITORS

Pool and Patel Chartered Accountants  
Maison La Rosiere  
P.O.Box 117  
Victoria  
Mahe  
Seychelles

BANKERS

Bank of Baroda Albert St, Victoria Victoria Mahe Seychelles	Seychelles Commercial Bank Orion Mall Palm Street Victoria Mahe Seychelles
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SECRETARY

Mr. Keiran Bhogilal Shah  
Barrister At Law & Attorney At Law  
PO Box 2,  
House of Ansuya Revolution  
Victoria  
Mahe  
Seychelles

LEGAL ADVISORS

Mr. Keiran Bhogilal Shah  
Barrister At Law & Attorney At Law  
PO Box 2,  
House of Ansuya Revolution  
Victoria  
Mahe  
Seychelles

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present herewith their report and audited financial statements of the company for the year ended 31st December 2022.

### Activities

Airtel Mobile Commerce (Seychelles) Limited (the 'Company') carries on the business of electronic money services under the National Payment Act 2014. The Company is the pioneer and only company offering electronic mobile money service and is regulated by the Central Bank of Seychelles.

During the financial year 2022, subscribers' base de-grew by 14% to 1,576 (2021: 1,827) arising from churn of non-active customers. The number of agents remained flat at 63 (2021: 63).

Of the total e-value in circulation (Note 16), agents hold 66% (2021: 68%) and 34% (2021: 32%) is held by active subscribers and merchants.

### Results

Airtel Mobile Commerce (Seychelles) Limited reported operating income of SCR 0.16 million (2021: SCR 0.61Mn) due to lower uptake of the products during the year.

As described in the Statement of Profit or Loss and Other Comprehensive Income – by nature of expenses on page 6, activities for the year (Note 4) resulted in a drop in revenue to SCR 0.55 million (2021: 0.88 million) generated from service charges earned through subscriber transactions and commission earned from merchant transactions.

### Employees

As at 31st December 2022 the company has two staff (2021: two staff) actively engaged in driving the product to market and delivering the first and best electronic mobile money service in the country. These are also shared resources with the mobile business.

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

#### Principal Activities

Principal activity of the company is to provide electronic money services in Seychelles.

#### Directors and their interest in the company

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

		Citizenship	Shares held	
			1 January	31 December
Amadou Mahamat Dina	(appointed on 25 July 2016)	Tchadian	-	-
Alok Bafna	(resigned on 24 October 2022)	Indian	-	-
Ramakrishna Lella	(appointed 07 February 2019)	Indian	-	-

## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are of the opinion that all transactions with related parties, further described in note 14 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.

#### Statement of directors' responsibilities

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 of 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 suitable accounting policies and then 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.

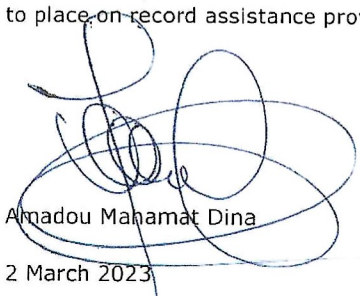
The financial statements are signed by current directors of the company.

#### **Auditors**

M/S Pool and Patel, Chartered Accountants, retire and being eligible offer themselves for reappointment.

#### **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.



Amadou Mahamat Dina

2 March 2023



Ramakrishna Lella

## INDEPENDENT AUDITOR'S REPORT

### AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

#### Opinion

We have audited the financial statements of Airtel Mobile Commerce (Seychelles) Limited set out on pages 6 to 16, which comprise the statement of financial position as at 31 December 2022, 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 2022, 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.

#### Emphasis of matter - going concern

We draw your attention that the equity of the company is in deficit and the company is able to exist due to the continued support it receives from its fellow subsidiary.

Our opinion is not modified in respect of this matter.

#### 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.

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

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

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.
- 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**  
2 March 2023

## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

### Statement of Profit or Loss and other comprehensive income

Financial statements are prepared in Seychelles Rupees

	Notes	Year ended 31 December	
		2022	2021
<b>Income</b>			
Revenue	4	555,578	882,331
<b>Expenses</b>			
Direct costs	5	(77)	(715)
Administrative and IT expenses	6	(254,739)	(86,613)
Licence fee	7	(48,359)	(49,632)
Employee salaries and benefits	8	(24,773)	(43,257)
Amortization of Intangible assets	9	(66,900)	(88,459)
		(394,847)	(268,677)
<b>Profit before tax</b>		<b>160,731</b>	<b>613,654</b>
Tax (expense)/credit	10	(53,041)	539,717
<b>Total comprehensive income for the year</b>		<b>107,690</b>	<b>1,153,370</b>

There were no items of other comprehensive income during the year. (2021: Nil)

The notes on pages 11 to 16 are an integral part of these financial statements.



## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

### Statement of financial position

Financial statements are prepared in Seychelles Rupees

	Notes	As at 31 December	
		2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	9	284,500	21,309
Deferred tax asset	10	486,676	539,717
		<b>771,176</b>	<b>561,026</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Cash and cash equivalents	12	238,472	550,033
- Balance held under mobile money trust	12	3,243,665	3,113,314
Other current assets	11	16,667	15,025
		<b>3,498,804</b>	<b>3,678,372</b>
<b>Total assets</b>		<b>4,269,980</b>	<b>4,239,398</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Amounts due to related parties	14	5,842,948	6,407,255
- Mobile money wallet balance	16	3,243,665	3,113,314
Provisions and Accruals	15	434,998	78,150
<b>Total liabilities</b>		<b>9,521,612</b>	<b>9,598,719</b>
<b>Equity</b>			
Share capital	13	1,000,000	1,000,000
Retained earnings / (deficit)		(6,251,632)	(6,359,322)
<b>Shareholders equity/ (deficit)</b>		<b>(5,251,632)</b>	<b>(5,359,322)</b>
<b>Total liabilities and equity</b>		<b>4,269,980</b>	<b>4,239,398</b>

The notes on pages 10 to 16 are an integral part of these financial statements.

Directors

Amadou Mahamat Dina

Ramakrishna Lella

2 March 2023

## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

### Statement of Changes in equity

Financial statements are prepared in Seychelles Rupees.

	Share capital	Retained Earnings	Total
At 1 January 2021	1,000,000	(7,512,692)	(6,512,692)
Total comprehensive profit for the year	-	1,153,370	1,153,370
At 31 December 2021	1,000,000	(6,359,322)	(5,359,322)
Total comprehensive profit for the year	-	107,690	107,690
At 31 December 2022	1,000,000	(6,251,632)	(5,251,632)

The notes on pages 11 to 16 are an integral part of these financial statements.

## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

### Statement of cash flows

Financial statements are prepared in Seychelles Rupees.

	Note	Year ended 31 December	
		2022	2021
<b>Cash flows from operating activities</b>			
Income or (loss) for the year		160,731	613,654
<i>Adjustments for:</i>			
Amortisation of intangible assets	10	66,900	88,458
<b>Operating cash flow before changes in working capital</b>		<b>227,631</b>	<b>702,112</b>
<i>Changes in working capital :</i>			
(Increase)/Decrease in other current assets	11	(1,642)	(368)
(Decrease)/ Increase in amounts due to/from related parties	14	(564,307)	(319,661)
(Increase) /Decrease in mobile money wallet balance	16	130,351	(348,885)
(Decrease) / Increase in trade and other payables	15	356,848	62,178
<b>Net cash generated from/(used in) operating activities</b>		<b>148,881</b>	<b>95,376</b>
<b>Cash flows from Investing activities</b>			
Purchase of intangible assets	9	(330,091)	(71,988)
<b>Net cash flows used in investing activities</b>		<b>(330,091)</b>	<b>(71,988)</b>
(Decrease)/Increase in cash & cash equivalents during the year		(181,210)	23,388
<b>Cash and cash equivalents at beginning of the year</b>		<b>3,663,347</b>	<b>3,639,958</b>
<b>Cash and cash equivalents at end of year</b>		<b>3,482,137</b>	<b>3,663,347</b>

\*Includes funds held in Trust Bank Account of SCR 3.24 Mn (2021: SCR 3.11 Mn) on behalf of E-value holders which is not available for use by the company for its activities

The notes on pages 10 to 16 are an integral part of these financial statements.

## AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

Five year financial summary - 31 December 2022

Prepared in Seychelles Rupees

	2022	2021	2020	2019	2018
	SCR '000				
<b>Statement of financial position</b>					
Share capital	1,000	1,000	1,000	1,000	1,000
Authorised	1,000	1,000	1,000	1,000	1,000
Issued and Fully paid	1,000	1,000	1,000	1,000	1,000
Retained earnings	(6,251)	(6,359)	(7,512)	(8,218)	(7,665)
Net assets employed	(5,251)	(5,359)	(6,512)	(7,218)	(6,665)
<b>Statement of income</b>					
Turnover	556	882	795	74	19
Profit/ (Loss) before taxation	161	614	706	(553)	(636)
Taxation	(53)	540	-	-	-
	108	1,153	706	(553)	(636)
Dividends		-	-	-	-
	108	1,153	706	(553)	(636)
Retained earnings - 1 January	(6,359)	(7,512)	(8,218)	(7,665)	(7,029)
Retained earnings - 31 December	(6,251)	(6,359)	(7,512)	(8,218)	(7,665)

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements are prepared in Seychelles Rupees

### 1 Corporate Information

Airtel Mobile Commerce (Seychelles) Limited is a limited liability company incorporated and domiciled in the Seychelles. The address of the company's registered office is Maison La Rosiere, Mahe, Seychelles.

The company provides electronic money services in Seychelles.

### 2 Going Concern

During the year, the company reported a profit before tax of SCR 160,731 (2021: SCR 613,654). As at year end, the company had a deficit in retained earnings of SCR 6,251,632 (2021: 6,359,322) and is in a net current liability position of SCR 5,251,632 (2021: 5,359,322). After considering support from related party and external source of financing, there is sufficient liquidity to manage the operations.

The Directors are of the opinion that the company is a going concern on the basis that the company:

- a) Will generate cash inflows from operations of at least the amount projected in the management's annual operating plan. The generation of sufficient cash flows from operations is driven by and is dependent on management achieving operational targets on subscriber numbers, churn rate and average revenue per user;
- b) Will obtain funding from the third parties; and
- c) The Company will be able to obtain from the shareholders any additional funding required to meet its obligations as and when they fall due.

The Directors are confident that the measures described above will be available to the company to support its obligations as required and that it is therefore appropriate to prepare the financial statements on a going concern basis.

### 3 Summary of significant accounting policies

The principal 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 Mobile Commerce (Seychelles) Limited are prepared in accordance with the requirements of the Seychelles Companies Act, 1972 and the International Financial Reporting Standards (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.

#### 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 Financial Instruments

##### a. Recognition, classification and presentation

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

The company classifies its financial assets in the following categories:

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

The company has classified all non-derivative financial liabilities as measured at amortised cost.

Financial assets with embedded derivatives are considered in their entirety for determining the contractual terms of the cash flow and accordingly, embedded derivatives are not separated. However, derivatives embedded in non-financial instrument/financial liabilities (measured at amortized cost) host contracts are classified as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts.

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

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements are prepared in Seychelles Rupees

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

The amounts held by electronic account holders in their mobile money wallets are presented separately in the Balance Sheet as 'Mobile money wallet balance'. The amounts held in bank on behalf of such electronic account holders are restricted for use by the company and are presented as 'Balance held under mobile money trust'.

#### b. Measurement - Non-derivative financial instruments

##### I. Initial measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

##### II. Subsequent measurement - financial assets

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

###### • Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

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

All equity instruments and financial assets that don't meet the criteria for amortised cost or fair value through other comprehensive income ('FVTOCI') are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income/finance costs 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 amortised cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used.

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

##### II. Subsequent measurement - financial liabilities

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

##### c. Derecognition

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

#### New and revised Standard in Issue but not effective

The following amendments to the International Accounting Standards that are relevant for the preparation of the financial statements have been adopted by the company for the first time with effect from financial year beginning on 1 January 2022.

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

#### New standards and amendments issued but not yet effective

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The above standards have not, and are not expected to have, a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 3.4 Taxation

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

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements are prepared in Seychelles Rupees

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

#### 3.4.1 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.

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.

#### 3.4.2 Deferred tax

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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.

### 3.5 Foreign currency translation

Foreign currency transactions (if any) are translated in the Seychelles Rupee at the rate of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

The Banks closing rate for the period were:

	Exchange rates at 31 December			Changes in percent	
	2022	2021	2020	2022-2021	2021-2020
US \$/SCR	14.48	15.06	21.75	4%	-53%

There were no foreign currency transactions for the year.

### 3.6 Intangibles

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

Amortisation is recognised in income statement 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 amortization 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 Current versus non-current classification

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

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements are prepared in Seychelles Rupees

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

#### 3.7 Current versus non-current classification (cont ...)

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

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

#### 3.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. However, for the purpose of the statement of cash flows, in addition to above items, balance held under mobile money trust are also included as a component of cash and cash equivalents.

#### 3.9 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.

#### 3.10 Revenue recognition

Company's revenue arises from service charge to its fellow subsidiary and customers for transactions through the Airtel Money platform.

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

#### 3.11 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 required to be done within one year or less. If not, they are presented as non-current liabilities.

## 4 Revenue

<u>Analysis of revenue by category</u>	<u>2022</u>	<u>2021</u>
Commission Earned	550,327	869,438
Service charges for person to person (P2P) Transactions	4,430	6,723
Service charge for cash-out transactions	821	6,170
<b>Total</b>	<b>555,578</b>	<b>882,331</b>

Performance obligations that are unsatisfied (or partially unsatisfied) is Nil as at 31 December 2022. (31 December 2021: Nil).

## 5 Direct costs

	<u>2022</u>	<u>2021</u>
Commission paid to agents and dealers	(77)	(715)

## 6 Administrative and IT expenses

	<u>2022</u>	<u>2021</u>
Auditors remuneration	24,000	28,800
Other administration expenses	230,739	57,813
<b>Total</b>	<b>254,739</b>	<b>86,613</b>

## 7 Regulatory license fees amortization

	<u>2022</u>	<u>2021</u>
At 1 January	15,025	14,658
Paid during the year	50,000	50,000
Amortized during the year	(48,359)	(49,632)
<b>Total</b>	<b>16,667</b>	<b>15,025</b>



**AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial statements are prepared in Seychelles Rupees

**8 Employee salaries and benefits expense**

	2022	2021
Salaries & wages cross charged from Airtel (Seychelles) Ltd, (fellow subsidiary)	(24,773)	(43,257)

**9 Intangibles**

	2022	2021
<b>Cost</b>		
At 1 January	140,099	68,111
Additions	330,091	71,988
<b>At 31 December</b>	<b>470,190</b>	<b>140,099</b>
<b>Accumulated amortisation</b>		
At 1 January	118,790	30,332
Annual amortisation	66,900	88,459
<b>At 31 December</b>	<b>185,690</b>	<b>118,790</b>
<b>Carrying amount</b>		
<b>At 31 December</b>	<b>284,500</b>	<b>21,309</b>

**10 Taxation**

**Recognition of tax losses**

Following a significant improvement in trading conditions, the company reviewed previous tax losses and determined that it was now probable that taxable profits will be available against which the tax losses can be utilized. As a consequence, a deferred tax asset of SCR 486,676 (2021 : SR 539,717) has been recognised for those losses.

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

	2022	2021
<b>Current income tax</b>		
- For the year	-	-
<b>Deferred tax</b>		
- For the year	(486,676)	(539,717)

(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:

	2022	2021
<b>Profit/ (Loss) before tax</b>	<b>160,731</b>	<b>613,653</b>
Enacted tax rate in the country	33%	33%
Tax expense with enacted rate	53,041	202,506
<i>Effect of:</i>		
Accumulated tax losses brought forward from prior years	-	(742,223)
<b>Total tax expense</b>	<b>53,041</b>	<b>(539,717)</b>

(c) The analysis of deferred tax assets is as follows:

	2022	2021
<b>Deferred tax assets</b>		
a) Deferred Tax asset arising out of		
Accumulated tax losses brought forward from prior years	486,676	539,717

(b) The movement in deferred tax assets during the year is as follows

	2022	2021
Opening balance	(539,717)	-
Tax loss/ (income) recognised in statement of profit & loss	53,041	(539,717)
<b>Closing balance</b>	<b>(486,676)</b>	<b>(539,717)</b>

Unused tax losses for which deferred tax assets is recognised:

Year 2022- 2023	636,041	446,702
Year 2024- onwards	552,763	1,188,804

# AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Financial statements are prepared in Seychelles Rupees

### 11 Other current assets

	2022	2021
Prepayments (Note 7)	16,667	15,025

### 12 Cash and cash equivalents

	2022	2021
Balances with banks	223,099	531,134
Cash on hand	15,374	18,899
<b>Total</b>	<b>238,472</b>	<b>550,033</b>

For the purpose of the statement of cash flows, cash and cash equivalents are as follows:

	2022	2021
Cash and cash equivalents	238,472	550,033
Balance held under mobile money trust	3,243,665	3,113,314
<b>Total</b>	<b>3,482,137</b>	<b>3,663,347</b>

### 13 Authorised & issued capital

	2022	2021
Authorised and issued and fully paid 10,000 shares of SCR 100 each	1,000,000	1,000,000

### 14 Amounts due to related parties

	2022	2021
Airtel Mobile Commerce BV (Step up Parent)	2,600	2,726
Airtel (Seychelles) Limited (Fellow subsidiary) (Net of receivable)	5,840,348	6,404,529
<b>Total</b>	<b>5,842,948</b>	<b>6,407,255</b>

#### Services received from related party:

*Cross charges for employee benefits, licence fee, capital expenditure, administrative expenses, etc.*

Airtel (Seychelles) Limited (Fellow subsidiary)	377,084	512,066
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#### Services provided to related party:

*Cross charges for commission*

Airtel (Seychelles) Limited (Fellow subsidiary)	562,286	830,515
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### 15 Provisions and Accruals

	2022	2021
Provisions and Accruals	434,998	78,150

### 16 Mobile money wallet balance

	2022	2021
Payable to agents	2,133,867	2,129,211
Payable to subscribers, merchants and others	1,109,798	984,103
<b>Total</b>	<b>3,243,665</b>	<b>3,113,314</b>

### 17 Directors emoluments, pensions or compensation

No emoluments, pensions or compensation was paid to directors during the year.

### 18 Parent and other controlling interests

The shares of the company are held by Airtel Mobile Commerce BV (99.9%) and Airtel Mobile Commerce Holdings BV (0.1%), incorporated in the Netherlands.

### 19 Capital commitments

There were no capital commitments, either contracted for or approved by the directors at 31 December 2022

### 20 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 December 2022. (2021: Nil).