

Company number: 12989750

AIRTEL AFRICA SERVICES (UK) LIMITED
Annual report and financial statements
for the year ended 31 March 2023

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REGISTERED NUMBER	12989750
DIRECTORS	Simon Andrew O'Hara Pier Alfonso Falcione Jaideep Paul
COMPANY SECRETARY	Simon Andrew O'Hara
REGISTERED OFFICE	First floor, 53/54 Grosvenor Street London W1K 3HU United Kingdom
BRANCH OFFICE	2nd floor, 20 Dubai Internet City Dubai United Arab Emirates
BRANCH REGISTRATION NUMBER	99099
BANKERS	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD United Kingdom Standard Chartered Bank DIFC Building 1, DIFC Gate Precinct Dubai United Arab Emirates
INDEPENDENT AUDITORS	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

Airtel Africa Services (UK) Limited Strategic Report

The Directors present their strategic report and audited financial statements for Airtel Africa Services (UK) Limited (the "Company") for the year ended 31 March 2023. The previous year being the first year since incorporation, hence the Company has prepared the financial statement for the period from 02 November 2020 to 31 March 2022 (herein after termed as "previous period")

Principal activities

The main objective of the Company is the provision of human resources and management of human resources functions for the Airtel Africa Group of Companies ("the Group"). The Company was incorporated in the United Kingdom on 2 November 2020.

Key performance indicators

As the Company provides human resources and management of human resource functions for the Group, the key performance indicator for internal performance analysis is its revenue and employee cost as shown below:

Particulars	USD in "000"	
	Year ended 31 March 2023	02 November 2020 to 31 March 2022
Revenue	USD 118,662	USD 22,302
Employee Cost	USD 37,534	USD 13,121

Development and financial performance during the year

As reported in the Company's statement of comprehensive income, during the year revenue increased to USD 118,662,166 (Previous period USD 22,301,790).

Post tax loss reported is USD 3,912,811, though previous period was USD 13,717,424. The loss has considerably reduced due to revenue growth on account of incremental management fees cross charged and given that the Company in future also would be recharging its expenditure, the Directors consider the results of the year as satisfactory.

Financial performance at reporting date

The statement of financial positions shows that the net carrying value of the Company's net liabilities at year-end is USD 18,049,318 (Previous period USD 13,717,423).

Future developments

The Company will continue to provide services relating to provision of human resources and management of human resources functions for the Airtel Africa Group of Companies.

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 USD, therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

Liquidity risk

The Company has obtained funding from its parent company, Airtel Africa plc, in order to meet its funding requirements.

Interest rate

The Company has interest-bearing liabilities linked to the financing from Airtel Africa plc (details of which are disclosed at note 15 of the financial statements). While the LIBOR 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 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 principle risk 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 the Airtel's integrated annual report and financial statements for FY'23.

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

The Board adheres to Airtel'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 and embedded in all we do.

Stakeholder engagement

Proactive engagement remains a central focus for the Company which ensures the directors have regard to meet us 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: 02 August 2023

Airtel Africa Services (UK) Limited Directors' Report

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, prospects of the Companies Act 2006.

Dividends

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

Charitable and political donations

During the year the Company made no charitable donations.

Directors

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

- Simon Andrew O'Hara
- Pier Alfonso Falcione
- Jaideep Paul

The Company has qualifying third party indemnity provisions for the benefit of directors which was in force during the year and also remain in force at the date of this report.

Branches outside the United Kingdom

The Company has a branch Airtel Africa Services (UK) Limited registered in Dubai, United Arab Emirates. The registered office address is as follows:

2nd floor,
20 Dubai Internet City
Dubai
United Arab Emirates (License No. 99099)

Going concern

These 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 Services (UK) Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months principally as the Company has an agreement with the Group's operating entities to cover its costs through a management fee. The Directors' assessment has been made with reference to Airtel Africa Services (UK) 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 year.

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 included on the Company's website. 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 director has 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: 02 August 2023

Airtel Africa Services (UK) Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIRTEL AFRICA SERVICES (UK) LIMITED

Independent auditor's report to the members of Airtel Africa Services (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Airtel Africa Services (UK) 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 loss for the year 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 statement of comprehensive income;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 27.

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

Airtel Africa Services (UK) Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIRTEL AFRICA SERVICES (UK)
LIMITED

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. These included UK Companies Act, pensions 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 address this risk included testing, on a sample basis, 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

Airtel Africa Services (UK) Limited
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIRTEL AFRICA SERVICES (UK)
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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 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 year 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
02 August, 2023

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

Company Number - 12989750

	Note	As at	
		31 March 2023	31 March 2022
Assets			
Non-current assets			
-Property, plant and equipment	5	3,179	186
-Right of use assets	6	2,125	2,718
-Capital work-in-progress	7	-	917
- Trade and other receivables	9	5,041	-
		10,345	3,821
Current assets			
Financial assets			
- Cash	8	976	2,374
- Trade and other receivables	9	98,693	25,698
-Loan given	10	721	-
Other current assets	11	4,289	2,750
		104,679	30,822
Total assets		115,024	34,643
Current liabilities			
Financial liabilities			
- Lease liabilities	12	646	615
- Trade and other payables	13	55,457	16,857
Employee benefits	14	437	192
		56,540	17,664
Total Assets less current liabilities		58,484	16,979
Non-current liabilities			
Financial liabilities			
- Borrowings	15	71,848	26,186
- Lease liabilities	12	1,767	2,413
- Others	16	1,108	1,142
Employee benefits	14	1,810	955
		76,533	30,696
Net liabilities		(18,049)	(13,717)
Capital and reserves			
- Share capital	17	0	0
- Retained earnings		(17,630)	(13,717)
- Other reserves		(419)	-
Total equity		(18,049)	(13,717)

The accompanying notes 1 to 27 form an integral part of these financial statements.

The financial statements of Airtel Africa Services (UK) Limited were approved by the board of directors on 02 August 2023 and were signed on its behalf by:

Sd/-

Simon Andrew O'Hara

Director

Airtel Africa Services (UK) Limited
Statement of comprehensive income for the year ending 31 March 2023
(All amounts are in US Dollar thousands, unless stated otherwise)

		For the year	For the period
	Note	01 April 2022 -	02 November 2020 -
		31 March 2023	31 March 2022
Income			
Revenue	18	118,662	22,302
Other income	19	281	-
		118,943	22,302
Expenses			
Employee benefits expense	20	37,534	13,121
Depreciation	21	1,155	255
Other expenses	22	63,359	18,967
		102,048	32,343
Operating profit/(loss)		16,895	(10,041)
Finance cost	23	2,932	226
Profit/(loss) before tax		13,963	(10,267)
Tax expense	24	17,876	3,450
Loss for the year		(3,913)	(13,717)
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss:			
Remeasurement loss on defined benefit plan	20	(419)	0
Other comprehensive loss for the year		(419)	0
Total comprehensive loss for the year		(4,332)	(13,717)

All results are derived from continuing operations

The accompanying notes 1 to 27 form an integral part of these financial statements.

Airtel Africa Services (UK) Limited
Statement of Changes in Equity for the year ending 31 March 2023
 (All amounts are in US Dollar thousands, unless stated otherwise)

	Share Capital		Retained earnings	Other reserve	Total equity
	No of shares	Amount			
Loss for the year	-	-	(13,717)	-	(13,717)
Total comprehensive loss	-	-	(13,717)	-	(13,717)
Issue of shares*	1	0	-	-	0
As at 31 March 2022	1	0	(13,717)	-	(13,717)
Loss for the year	-	-	(3,913)	-	(3,913)
Other comprehensive loss	-	-	-	(419)	(419)
Total comprehensive loss	-	-	(3,913)	(419)	(4,332)
As at 31 March 2023	1	0	(17,630)	(419)	(18,049)

* Issued, subscribed and fully paid-up share capital consist of 1 share with a nominal value of £1.

Airtel Africa Services (UK) Limited
Notes to the Financial Statements

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

1. Corporate information and activities

Airtel Africa Services (UK) 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 was incorporated on 02 November 2020 and has a branch office at 02nd Floor, 20, Dubai Internet City, Dubai, United Arab Emirates (License No. 99099).

The activities of the Company consist of the provision of human resources and management of human resources functions of group entities. The Company forms part of the Airtel Africa Group of companies. The Company's immediate parent company is Airtel Africa plc which is incorporated in the UK.

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. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

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 The 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; and
- Paragraphs 45(b) and 46 to 52 of IFRS 2, "Shared-based payment" (details of the number and weighted-average exercise prices of share options).

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 Property, plant and equipment (PPE)

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

The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

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

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

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	Period
Computers	3 – 5 years
Office equipment	1 – 5 years
Furniture & fixtures	1 – 5 years
Vehicles	5 years
Leasehold improvements	Over the lease agreement period

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

2.3 Capital work in progress

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as capital work-in-progress (CWIP) (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

2.4 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 months, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL Is used.

Airtel Africa Services (UK) Limited

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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.

2.5 Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period, 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 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.

Company as a lessee

The Company recognises a right-of-use asset ("ROU") and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index (CPI), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there are changes in future lease payments including or when the lease contract is modified, and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.

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

Subsequent to initial recognition, ROU 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. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

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In the balance sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expenses on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

2.6 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.

2.7 Impairment

At each Balance Sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.8 Current assets

Receivables are initially recorded at fair value. The receivables of Group Companies are included in financial fixed assets, except 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.

2.9 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).

2.10 Non-current liabilities

Borrowings are valued at amortised cost. Payables to group companies are included in non-current liabilities, except for maturities less than 12 months after balance sheet date which are included in the current liabilities.

2.11 Current liabilities

Liabilities are initially recorded at fair value.

2.12 Other expense

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

2.13 Employee benefits

The Company's employee benefits mainly include salaries, bonuses, defined contribution to plans, other long-term benefits including compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company's employees.

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Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

The Company operates both defined benefit and defined contribution plans. Details of long-term employee benefits are provided below:

Defined benefits plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company. The Company records liability based on actuarial valuation computed under projected unit credit method.

Defined contribution plans and other long-term employee benefits

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 Company provides for the liability (presented under provisions) towards these benefits on the basis of actuarial valuation carried out at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.14 Share-based payments

For equity settled share-based payments, the Company measures the fair value of the services received from employees by reference to the fair value of the equity instruments granted. The grant-date fair value of equity-settled share-based payment arrangements is generally recognised as an expense on straight-line basis, with a corresponding increase in equity (reserves), over the vesting period of the awards.

The fair value of the amount payable to employees in respect of share-based payments which are settled in cash, is recognised as an expense on a straight-line basis with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of such instruments. Any changes in the liability are recognised in profit or loss.

As at each reporting date, the Company estimates the number of awards that are expected to eventually vest, if required. It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance/non-vesting condition.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognized for any modification that results in additional fair value or is otherwise beneficial to the employee as measured at the date of modification.

For further details of equity-settled and cash-settled compensation plans refer to Note 18.

2.15 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.

Management fees

Revenue on account of management fees is recognised at the time when the services are rendered.

Interest income

The interest income is recognised using the EIR method.

2.16 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.

Withholding tax charges (WHT) incurred on management fees which are withheld by foreign operating entities in accordance with their respective local taxation laws and not subsequently recovered from entity's taxation authority are reflected as an income tax expense.

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.

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.

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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

These 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 Services (UK) Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months principally as the Company has an agreement with the Group's operating entities to cover its costs through a management fee. The Directors' assessment has been made with reference to Airtel Africa Services (UK) Limited's principal risks and how these are managed, Therefore, these accounts have been prepared on a going concern basis.

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

5. Property, plant and equipment

	As at March 31, 2023					
	Vehicles	Computers	Office Equipments	Leasehold improvements	Furniture and fixtures	Total
Gross carrying amount						
Balance as at 01 April 2022	131	63	-	-	-	194
Purchased during the year	-	787	474	2,076	218	3,555
	131	850	474	2,076	218	3,749
Accumulated depreciation						
Balance as at 01 April 2022	8	-	-	-	-	8
Depreciation charged during the year	26	111	52	341	33	562
	34	111	52	341	33	570
Net book value as at 31st March 2023	97	739	422	1,736	185	3,179

	As at 31 March 2022					
	Vehicles	Computers	Office Equipments	Leasehold improvements	Furniture and fixtures	Total
Gross carrying amount						
Purchased during the period	131	-	-	-	-	131
Acquired from group company ¹	-	63	-	-	-	63
	131	63	-	-	-	194
Accumulated depreciation						
Depreciation charged during the period	8	-	-	-	-	8
	8	-	-	-	-	8
Net book value as at 31st March 2022	123	63	-	-	-	186

¹Laptops were transferred from Bharti Airtel International (Netherlands) B.V. in March 2022.

6. Right of use assets

	As at	
	31 March 2023	31 March 2022
Opening balance	2,718	-
Additions	-	2,965
Depreciation	(593)	(247)
Closing balance	2,125	2,718

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Notes to the Financial Statements
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7. Capital work in progress

	As at	
	31 March 2023	31 March 2022
Capital advances	-	849
Assets under construction	-	68
	-	917

8. Cash

	As at	
	31 March 2023	31 March 2022
Cash at bank	976	2,374
	976	2,374

9. Trade and other receivables

	As at	
	31 March 2023	31 March 2022
a. Current		
Intercompany receivables	14,727	5,303
Management fees receivables	81,589	18,020
Other receivables	2,377	2,375
	98,693	25,698
b. Non-current		
Management fees receivables	5,041	-
	5,041	-

10. Loan Given

	As at	
	31 March 2023	31 March 2022
Loan given to Group companies	721	-
	721	-

This is unsecured loan with an interest rate based on 3 months SOFR+ 200 bps and any outstanding principal loan amounts with accrued interest thereon will be recoverable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

11. Other current assets

	As at	
	31 March 2023	31 March 2022
VAT recoverable	408	97
Prepaid expense	1,851	2,426
Employee receivables	1,707	103
Advance to suppliers	323	124
	4,289	2,750

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Notes to the Financial Statements

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12. Lease liabilities

	As at	
	31 March 2023	31 March 2022
Maturity analysis:		
Less than one year	751	751
Later than one year but not later than two years	751	751
Later than two years but not later than five years	1,126	1,877
Less: future finance charges	(215)	(350)
Total undiscounted lease liabilities	2,413	3,028
Lease liabilities included in the statement of financial position	2,413	3,028
Current	646	615
Non current	1,767	2,413

13. Trade and other payables

	As at	
	31 March 2023	31 March 2022
Employees benefits payables	5,498	1,458
Employee deferred cash plan liability	2,483	2,279
Employee benefits - ESOP ¹	2,049	583
Statutory audit fees accrual	18	20
Trade payables	2,379	316
Management fees payables	40,286	11,475
Payable to group companies	1,319	726
Statutory dues payables	4	-
Others ²	1,421	-
	55,457	16,857

¹This pertains to amount payable to related parties

²This pertains to amount payable for group audit fees

14. Employee benefits

	As at	
	31 March 2023	31 March 2022
a. Current		
Provision for leave encashment	308	192
Provision for other retirement benefits	129	-
	437	192
b. Non-current		
Provision for leave encashment	1,081	772
Provision for other retirement benefits	729	183
	1,810	955
	2,247	1,147

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15. Borrowings

	As at	
	31 March 2023	31 March 2022
Loan from Airtel Africa Plc	71,848	26,186
	71,848	26,186

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

16. Other financial liabilities

	As at	
	31 March 2023	31 March 2022
Employee deferred cash plan liability	1,108	1,142
	1,108	1,142

17. Capital and reserve

(i) Share capital

	As at	
	31 March 2023	31 March 2022
Authorised shares 1 equity share of £1	0	0
Issued, subscribed and fully paid-up shares 1 equity share of £1	0	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 at
		March 31, 2023 Shareholding
Equity share of £1 fully paid up Airtel Africa plc	1	100%

There is no change in shareholding during the current year.

(ii) Retained earnings: Retained earnings represents the amount of accumulated earning of the company.

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18. Revenue

	For the year	For the period
	01 April 2022 -	02 November 2020 -
	31 March 2023	31 March 2022
Management fees	118,662	22,302
	118,662	22,302

19. Other Income

	For the year	For the period
	01 April 2022 -	02 November 2020 -
	31 March 2023	31 March 2022
Interest income from subsidiary	24	-
Exchange fluctuation Gain	257	-
	281	-

20. Employee benefits expense

The average monthly number of employees (including executive directors) was: 54 (Previous period: 38)

	For the year	For the period
	01 April 2022 -	02 November 2020 -
	31 March 2023	31 March 2022
Salaries and bonuses	26,902	6,957
Share based payment expense	1,467	583
Deferred cash expense	2,670	1,046
Leave encashment expense	626	294
Gratuity expense	531	183
Others*	5,338	4,058
	37,534	13,121

* This mainly includes relocation expenses

No directors' remuneration was paid by the Company during the year. The directors of the Company are also directors or officers of other Companies within the Group. The respective directors' services to the Company do not occupy a significant amount of time. Accordingly, remuneration to such directors for the year ending 31 March 2023 have been borne by other Group Companies.

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Share based payment plans

The following table provides an overview of all existing share option (i.e., shares of the immediate parent company, Airtel Africa plc)

Scheme	Plans	Vesting period (years)	Contractual term (years)
Equity settled plans	IPO Awards ⁽¹⁾	1-3	3
	IPO share options ⁽³⁾	1-3	10
	IPO executive share options ⁽³⁾	1-3	10
	Performance share awards ⁽¹⁾	3	3
	Restricted share awards ⁽²⁾	3	3
	One-off awards ⁽³⁾	1-3	3
	Replacement awards ⁽³⁾	1-2	2

1. vesting is subject to service, total shareholder return and financial performance conditions.

2. Vesting is subject to service and financial performance conditions

3. Vesting is subject to service conditions only.

For IPO awards, replacement stock awards and performance share awards vesting is subject to service, total shareholder return and financial performance conditions, restricted share awards' vesting is subject to service and financial performance conditions while for IPO share options, IPO executive share options, one-off awards and replacement awards, vesting is subject to service conditions only. The following table exhibits the net compensation expenses under the schemes:

	USD '000	
	For the year	For the period
	01 April 2022- 31 March 2023	02 November 2020 - 31 March 2022
Expenses arising from equity and cash settled share based payment transaction	1,467	583

The following table provides an overview of all existing share option and cash-settled plans (i.e., shares of the immediate parent company, Airtel Africa plc). Details of share options outstanding during the year are as follows:

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	For the year ended		For the period ended	
	01 April 2022- 31 March 2023		02 November 2020- 31 March 2022	
	Number of share options (in '000)	Weighted average exercise price	Number of share options (in '000)	Weighted average exercise price
IPO Awards				
Outstanding at beginning of year	80	-	-	-
Additions during the year based on performance	53	-	-	-
Exercised during the year	(133)	-	-	-
Transfer ⁽¹⁾	-	-	80	-
Outstanding at the end of the year	-	-	80	-
Exercisable at the end of the year	-	-	-	-
IPO share options				
Outstanding at beginning of year	751	-	-	-
Transfer ⁽¹⁾	-	-	751	-
Outstanding at the end of the year	751	-	751	-
Exercisable at the end of the year	751	1	250	-
IPO executive share options				
Outstanding at beginning of year	3,533	-	-	-
Exercised during the year	(782)	-	-	-
Transfer ⁽¹⁾	349	-	3,533	-
Outstanding at the end of the year	3,100	-	3,533	-
Exercisable at the end of the year	3,100	1	2,232	-
Performance share awards				
Outstanding at beginning of year	1,523	-	-	-
Granted during the year	788	-	-	-
Transfer ⁽¹⁾	-	-	1,523	-
Outstanding at the end of the year	2,311	-	1,523	-
Exercisable at the end of the year	-	-	-	-
Restricted share awards				
Outstanding at beginning of year	708	-	-	-
Granted during the year	356	-	-	-
Transfer ⁽¹⁾	-	-	708	-
Outstanding at the end of the year	1,064	-	708	-
Exercisable at the end of the year	-	-	-	-
One-off awards				
Outstanding at beginning of year	301	-	-	-
Exercised during the year	(60)	-	-	-
Transfer ⁽¹⁾	-	-	301	-
Outstanding at the end of the year	241	-	301	-
Exercisable at the end of the year	-	-	-	-
Replacement awards				
Outstanding at beginning of year	661	-	-	-
Exercised during the year	(330)	-	-	-
Transfer ⁽¹⁾	-	-	661	-
Outstanding at the end of the year	331	-	661	-
Exercisable at the end of the year	-	-	-	-
Deferred Bonus Shares				
Outstanding at beginning of year	-	-	-	-
Granted during the year	271	-	-	-
Outstanding at the end of the year	271	-	-	-
Exercisable at the end of the year	-	-	-	-

1. Employee transferred from/to outside AASUKL

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

Existing plans	As at	
	31 March 2023	31 March 2022
Remaining contractual life (in years) for the share options outstanding	0 to 6	0 to 7

Employee benefits

The details of significant employee benefits (included within provisions) are as follows:

	For the year ended 31 March 2023			
	Retirement benefits	Severance benefits	Compensated absences	Total
Obligation:				
Balance as at beginning of the year	183	-	964	1,147
Current service cost	531	-	188	719
Interest cost	6	-	27	33
Remeasurements	419	-	-	419
Benefits paid	(281)	-	(228)	(509)
Increase due to effect of any business combination, divestitures, transfers	-	-	438	438
Present value of employee benefit obligation	858	-	1,389	2,247
Liability recognised in the balance sheet	858	-	1,389	2,247
Current portion	129	-	308	437
Non-current portion	729	-	1,081	1,810
	For the period ended 31 March 2022			
	Retirement benefits	Severance benefits	Compensated absences	Total
Obligation:				
Balance as at beginning of the year	-	-	-	-
Current service cost	183	-	45	228
Interest cost	-	-	20	20
Remeasurements	-	-	249	249
Benefits paid				
Increase due to effect of any business combination, divestitures, transfers	-	-	650	650
Present value of employee benefit obligation	183	-	964	1,147
Liability recognised in the balance sheet	183	-	964	1,147
Current portion	-	-	192	192
Non-current portion	183	-	772	955

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The financial and demographic assumptions used to determine defined benefit obligations are as follows:

	As at	
	31 March 2023	31 March 2022
Discount rate	4.90%	3.10%
Rate of return on plan assets	NA	NA
Rate of salary increase	5.00%	3.50%
Rate of attrition	9.00%	7.00%
Retirement age	60 years	60 years
Mortality rate	CIMA F	CIMA F

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards. The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As at		
		31 March 2023		
		Retirement benefits	Severance benefits	Total
Discount Rate	+1.00%	(49)	-	(49)
	-1.00%	57	-	57
Salary Growth Rate	+1.00%	39	-	39
	-1.00%	(37)	-	(37)
Withdrawl rate	+1.00%	(6)	-	(6)
	-1.00%	8	-	8
		As at		
		31 March 2022		
		Retirement benefits	Severance benefits	Total
Discount Rate	+1.00%	(14)	-	(14)
	-1.00%	16	-	16
Salary Growth Rate	+1.00%	14	-	14
	-1.00%	(11)	-	(11)
Withdrawl rate	+1.00%	(3)	-	(3)
	-1.00%	6	-	6

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, because of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, it is unlikely to occur as changes in some of the assumptions may be correlated. The table

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below summarises the maturity profile and duration the defined benefits plan liability (retirement and severance benefits) on an undiscounted basis:

	As at	
	31 March 2023	31 March 2022
Within one year	-	-
Within one-three years	129	140
Within three-five years	1,091	479
Above five years	2,130	1,406
	3,350	2,025
Weighted average duration in years	7	9

21. Depreciation

	For the year	For the period
	01 April 2022 - 31 March 2023	02 November 2020 - 31 March 2022
Depreciation on tangible assets	562	8
Depreciation on Right of use assets	593	247
	1,155	255

22. Other expenses

	For the year	For the period
	01 April 2022 - 31 March 2023	02 November 2020 - 31 March 2022
Rent	348	240
Legal and professional charges ¹	55,606	18,034
Statutory audit fees	20	20
Meetings and conferences	147	141
Others	7,238	532
	63,359	18,967

¹These includes business support charges from Bharti Airtel International (Netherlands) B.V. and Airtel International LLP and group audit fees

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

23. Finance cost

	For the year	For the period
	01 April 2022 -	02 November 2020 -
	31 March 2023	31 March 2022
Interest expense on inter company loan	2,762	117
Interest expense on lease liabilities	137	63
Finance cost on employee benefits	33	20
Exchange fluctuation loss	-	26
	2,932	226

24. Tax expense

	For the year	For the period
	01 April 2022 -	02 November 2020 -
	31 March 2023	31 March 2022
Recognised in income statement		
Current tax charge	17,876	1,499
Income tax charge	17,876	1,499

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:

Reconciliation of tax expense

Loss before tax for the period ended 31 March 2023	13,963	(10,267)
Corporate tax rate	19%	19%
Expected tax based on the standard rate of corporation tax in the UK	2,653	(1,951)
Tax impact on non-taxable income of Dubai branch (*)	(3,225)	0
Deferred tax not recognised on losses	572	0
Withholding tax expense incurred on management fees cross charged to OPCOs	17,876	3,450
Current tax charge	17,876	1,499

*The Company has a branch in Dubai, United Arab Emirates (UAE). Based on UAE local ruling, there is no corporate income tax applicable on the derived income. Also, based on the Branch exemption filed by Airtel Africa Services (UK) Limited with HMRC in UK on 21 March 2022, any income arising from the branch of the Company will not be taxable in UK.

Furthermore, under the Group relief claim, UK entities which have generated tax losses are able to make a claim in their tax returns to surrender the tax losses to profitable companies in the same corporate group. The Company has availed the Group relief and surrendered current year losses of USD 3,009 (in thousands) (excluding profits from Dubai branch) (Previous period: Nil) to be utilized against the taxable

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income of Airtel Africa plc. After the surrender, the Company has carried forward losses of USD 13,122 (in thousands) (31 March 2022: USD 13,122 (in thousands)) which can be carried forward indefinitely.

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.

25. Capital Commitments

The company has contractual commitments towards capital expenditure of USD 420 (in thousands) and USD 1,280 (in thousands) as at 31 March 2023 and at 31 March 2022 respectively.

26. Transactions with related parties

During the year 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	Immediate parent company
Airtel International LLP	Fellow subsidiary
Airtel Africa Telesonic Limited	Fellow subsidiary
Bharti Airtel International (Netherlands) B.V.	Fellow subsidiary
Airtel Mobile Commerce BV	Fellow subsidiary
Airtel Nigeria Networks Limited	Fellow subsidiary
Airtel Tanzania Networks Limited	Fellow subsidiary
Airtel Uganda Networks Limited	Fellow subsidiary
Airtel Networks Zambia plc	Fellow subsidiary
Airtel Seychelles Mobile Limited	Fellow subsidiary
Airtel Chad SA	Fellow subsidiary
Airtel Congo S.A.	Fellow subsidiary
Airtel RDC S.A.	Fellow subsidiary
Airtel Gabon SA	Fellow subsidiary
Airtel Kenya Networks Limited	Fellow subsidiary
Airtel Madagascar SA	Fellow subsidiary
Celtel Niger SA	Fellow subsidiary
Airtel Rwanda Networks Limited	Fellow subsidiary
Airtel Niger GSM	Fellow subsidiary
Airtel Malawi Limited	Fellow subsidiary

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Related party transaction details for the year ended 31 March 2023

Particulars	Bharti Airtel International (Netherlands) B.V.	Airtel International LLP	Airtel Africa Plc	Airtel Africa Telesonic Limited	Airtel Mobile Commerce BV	Airtel Nigeria Networks Limited	Airtel Tanzania Networks Limited	Airtel Uganda Networks Limited	Airtel Networks Zambia plc	Airtel Seychelles Mobile Limited
Transaction during the year										
Management fees Income	-	-	-	-	(895)	(35,438)	(9,000)	(11,643)	(8,071)	(1,130)
Management fees charged	28,640	24,556	-	-	-	-	-	-	-	-
Interest Exp/(income)	-	-	2,762	(21)	-	-	-	-	-	-
Expenditure incurred on behalf of the Company/ (cross charged)	2,405	-	(1,295)	31	269	(460)	25	46	(17)	1
Outstanding balances										
Loan Given/(taken)	-	-	(71,848)	721	-	-	-	-	-	-
Management fees receivable	-	-	-	-	895	36,798	9,203	2,185	1,838	210
Management fees payable	(29,165)	(11,121)	-	-	-	-	-	-	-	-
Other receivable/(payable)	2,508	13,040	(2,427)	72	269	(636)	25	46	(17)	1

Particulars	Airtel Congo S.A.	Airtel RDC S.A.	Airtel Gabon SA	Airtel Kenya Networks Limited	Airtel Madagascar SA	Airtel Malawi limited	Airtel Niger GSM	Airtel Rwanda Networks Limited	Airtel Chad SA
Transaction during the year									
Management fees Income	(5,523)	(13,446)	(5,907)	(9,431)	(1,900)	(4,849)	(5,380)	-	(6,049)
Management fees charged	-	-	-	-	-	-	-	-	-
Interest Exp/(income)	-	-	-	-	-	-	-	-	-
Expenditure incurred on behalf of the Company/ (cross charged)	8	40	16	24	(21)	7	15	(87)	-
Outstanding balances									
Loan Given/(taken)	-	-	-	-	-	-	-	-	-
Management fees receivable	5,327	9,511	949	5,456	2,075	5,041	3,874	-	3,269
Management fees payable	-	-	-	-	-	-	-	-	-
Other receivable/(payable)	8	40	16	24	(21)	7	15	(87)	15

Airtel Africa Services (UK) Limited**Notes to the Financial Statements****(All amounts are in US Dollar thousands, unless stated otherwise)****Related party transaction details for the period ended 31 March,2022**

Particulars	Bharti Airtel International (Netherlands) B.V	Airtel International LLP	Airtel Nigeria Networks Limited	Airtel Tanzania Networks Limited	Airtel Uganda Networks Limited	Airtel Networks Zambia plc	Airtel Seychelles Mobile Limited	Airtel Chad SA
Transaction during the period								
Assets acquired	(63)	-	-	-	-	-	-	-
Management fees charged/ (income)	2,135	15,587	(5,449)	(1,827)	(2,460)	(1,645)	(316)	(1,354)
Outstanding balances								
Management fees receivable	-	-	4,904	1,553	1,260	1,316	269	1,015
Management fees payable	(2,135)	(9,340)	-	-	-	-	-	-
Other receivable/payable	102	5,158	(176)	-	-	-	-	-

Particulars	Airtel Congo S.A.	Airtel RDC S.A.	Airtel Gabon SA	Airtel Kenya Networks Limited	Airtel Madagascar SA	Celtel Niger SA	Airtel Malawi limited
Transaction during the period							
Assets acquired	-	-	-	-	-	-	-
Management fees charged/ (income)	(1,136)	(2,617)	(1,236)	(1,531)	(405)	(1,243)	(1,083)
Outstanding balances							
Management fees receivable	909	2,251	989	1,225	365	1,044	920
Management fees payable	-	-	-	-	-	-	-
Other receivable/payable	-	-	-	-	-	-	-

27. Post balance sheet events

There is no post balance sheet event to report.