



AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Appointed on 25 October 2017
Ramakrishna Lella	Non-Executive Director	Appointed on 07 February 2019
Tina Uneken	Non-Executive Director	Resigned on 17 September 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

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present herewith their report and audited financial statements of the company for the year ended 31st December 2019.

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 2019, active subscribers' base grew by 1% to 2,177 (2018: 2160). The number of agents increased by 14% from 95 to 108 while number of merchants remained at 45 (2018: 45). Of the total e-value in circulation (Note 11), agents hold 60% (2018: 49%) and 40% (2018: 50%) is held by active subscribers and merchants.

During 2019, 13 new self-service automatic vending kiosks (agents) were launched to improve customer experience by offering 24/7 bill payments, airtime/data purchase and airtel money cash-in.

Furthermore, a new commission structure was launched which includes a 2% charge on the transaction values of all recharges and bill settlements using e-payment system. As a result revenue has grown by 281% (Note 3) to SCR 73,778 (2018: SCR 19,366).

Results

Airtel Mobile Commerce (Seychelles) Limited reported operating loss of SCR 0.55 million which has decreased by SCR 0.08 million from last year due to the launch of new agents and increased cost control.

As described in the Statement of Profit or Loss and Other Comprehensive Income – by nature of expenses on page 7, activities for the year (Note 3) resulted significant growth in revenue of SCR 0.07 million (2018: 0.02 million) generated from service charges earned through subscriber transactions and commission earned from increased merchant transactions.

Going concern

During the year ended 31 December 2019, the Company reduced its net loss to SCR 0.55 million (2018: SCR 0.64 million loss). As at that date, accumulated losses were SCR 8.22 million (2018: SCR 7.67 million) and the Company was in a net current liability position of SCR 7.22 million (2018: net current liability of SCR 6.67 million). The operations of the Company continue to depend heavily on sources of financing from its direct and indirect parent companies.

The Directors are of the opinion that the Company is 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.

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are confident that the funds 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.

Employees

As at 31st December 2019 the company has two staff (2018: two staff) actively engaged in driving the product to market and delivering the first and best electronic mobile money service in the country.

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:-

	Shares held	
	1 January	31 December
Amadou Mahamat Dina (appointed on 25 July 2016)	-	-
Alok Bafna (appointed on 25 October 2017)	-	-
Ramakrishna Lella (appointed 07 February 2019)	-	-
Tina Uneken (resigned 07 February 2019)	-	-

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;

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities

- 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



Alok Bafna



Ramakrishna Lella

22 June 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Airtel Mobile Commerce (Seychelles) Limited on pages 7 to 15, which comprise the statement of financial position as at December 31, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow 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 of the Company give a true and fair view of the financial position of the company as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting provisions of 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.

Emphasis of matter – Going concern

The company was in a net current liability position of SCR 7.2million (2018: 6.6million) at the balance sheet date and the company's ability to continue operating is dependent on continued support from the parent company until such time as it becomes financially viable or there is an injection of shareholders' funds.

The financial statements have been prepared on a going concern basis, with which we concur.

Our opinion is not modified in respect of this matter.

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.

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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.

Pool Patel

POOL & PATEL

CHARTERED ACCOUNTANTS

22 June 2020

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	
		2019	2018
Income			
Revenue	3	73,778	19,366
Expenses			
Direct costs	4	(586)	(9)
Administrative and IT expenses	5	(305,950)	(335,394)
Licence fee	6	(50,005)	(50,004)
Employee salaries and benefits	7	(270,000)	(270,000)
Amortization of Intangible assets	8	(430)	0
		(626,971)	(655,407)
Loss before tax		(553,193)	(636,041)
Tax expense		-	-
Loss for the year		(553,193)	(636,041)
Total comprehensive loss for the year		(553,193)	(636,041)

There were no items of other comprehensive income during the year. (2018: 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

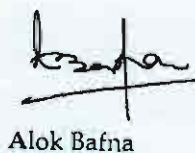
Financial statements are prepared in Seychelles Rupees

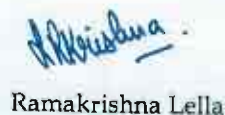
	Notes	As at 31 December	
		2019	2018
ASSETS			
Non-current assets			
Intangible assets	8	981	-
		981	-
Current assets			
Cash and cash equivalents	10	52,057	32,622
Balance held under mobile money trust		4,806,194	785,329
Amounts due from related parties	11	10,000	10,000
Other current assets	9	14,649	14,654
		4,882,900	842,605
Total assets		4,883,881	842,605
Liabilities			
Current liabilities			
Amounts due to related parties	13	7,032,032	6,628,576
Trade and other payables	14	264,147	93,999
Mobile money wallet balance		4,806,194	785,329
Total liabilities		12,102,373	7,507,904
Equity			
Share capital	12	1,000,000	1,000,000
Retained earnings / (deficit)		(8,218,492)	(7,665,299)
Shareholders equity/ (deficit)		(7,218,492)	(6,665,299)
Total liabilities and equity		4,883,881	842,605

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

Directors


Amadou Mahamat Dina


Alok Bafna


Ramakrishna Lella

22 June 2020

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 2018	1,000,000	(7,029,258)	(6,029,258)
Total comprehensive loss for the year	-	(636,041)	(636,041)
At 31 December 2018	1,000,000	(7,665,299)	(6,665,299)
Total comprehensive loss for the year	-	(553,193)	(553,193)
At 31 December 2019	1,000,000	(8,218,492)	(7,218,492)

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	
		2019	2018
Cash flows from operating activities			
Loss for the year		(553,193)	(636,041)
<i>Adjustments for:</i>			
Amortisation of intangible assets	8	430	-
Operating cash flow before changes in working capital		(552,763)	(636,041)
<i>Changes in working capital :</i>			
Decrease in other current assets	9	5	4
(Decrease)/ Increase in amounts due to/from related parties	12&14	403,456	(598,181)
Increase in mobile money wallet balance		4,020,865	109,257
Increase in trade and other payables	15	170,148	1,507
Net cash generated from/(used in) operating activities (a)		4,041,711	(1,123,454)
Cash flows from Investing activities			
Purchase of intangible assets	10	(1,411)	-
Net cash flows used in investing activities (b)		(1,411)	-
Increase/ (Decrease) in cash & cash equivalents during the year c = (a+b)		4,040,300	(1,123,454)
Cash and cash equivalents at beginning of the year (d)		817,951	1,941,406
Cash and cash equivalents at end of year* (c+d)		4,858,251	817,951

*Includes funds held in Trust Bank Account of SCR 4.81 Mn (2018: SCR 0.75 Mn) on behalf of E-value holders which is not available for use by the company for its activities

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

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 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.

2.1 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 Standard for Small and Medium-sized Entities (IFRS for SME's). 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.

2.2 Functional and reporting currency

The financial statements are presented in the Seychelles Rupee, which is the reporting currency under the Companies Act, 1972.

2.3 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year's presented unless otherwise stated.

2.3.1 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.

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'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

b. Measurement - Non-derivative financial instruments

I. Initial measurement

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

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.

III. Subsequent measurement - financial liabilities

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

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. The 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.

2.3.2 New and revised Standards in issue but not yet effective

<u>Effective date</u>	<u>New standards or amendments</u>
01st January 2020	Amendments to References to Conceptual Framework in IFRS Standards
01st January 2020	Definition of a Business (Amendments to IFRS 3)
01st January 2020	Definition of Material (Amendments to IAS 1 and IAS 8)
01st January 2021	IFRS 17 Insurance Contracts

The Directors do not expect that the adoption of the Standards listed above, if applicable, will have a material impact on the financial statements of the Company in future periods.

2.4 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.

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial statements are prepared in Seychelles Rupees

2 Summary of significant accounting policies (cont...)

2.4 Foreign currency translation (cont...)

The Banks closing rate for the period were:

	Exchange rates at 31 December			Changes in percent	
	2019	2018	2017	2019-2018	2018-2017
US \$/SCR	14.19	13.65	14.05	-4%	3%

There were no foreign currency transactions for the year.

2.5 Intangibles

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

Amortisation is recognised in income statement on a straightline 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.

2.6 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.

2.7 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.

2.8 Revenue recognition

Company's revenue arises from service charge to customers for transactions through Airtel Money platform.

A P2P transfer is a money transfer between 2 people, who are both on the Airtel network. A transaction fee is charged for each P2P transfer by Airtel Money to the sender.

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.

2.9 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.

3 Revenue

Analysis of revenue by category

	Year ended 31 December	
	2019	2018
Service charge for Cash-out transactions	6,018	10,551
Service charges for person to person (P2P) Transactions	2,578	4,120
Commission Earned	65,182	4,695
Total	73,778	19,366

Performance obligations that are unsatisfied (or partially unsatisfied) is Nil as at 31 December 2019. (31 December 2018: Nil).

4 Direct costs

	Year ended 31 December	
	2019	2018
Commission paid to agents and dealers	(586)	(9)
Total	(586)	(9)

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial statements are prepared in Seychelles Rupees

5	Administrative and IT expenses	Year ended 31 December	
		2019	2018
	Auditors remuneration	(28,800)	(28,800)
	Other administration and IT expenses	(277,150)	(306,594)
	Total	(305,950)	(335,394)

6	Regulatory license fees amortization	Year ended 31 December	
		2019	2018
	At 1 January 2019	14,654	14,658
	Paid during the year	50,000	50,000
	Amortized during the year	(50,005)	(50,004)
	Total	14,649	14,654

7	Employee salaries and benefits expense	Year ended 31 December	
		2019	2018
	Salaries & wages cross charged from Airtel (Seychelles) Ltd, (fellow subsidiary)	(270,000)	(270,000)
	Total	(270,000)	(270,000)

8	Intangibles	2019	2018
		Cost	
	At 1 January	-	-
	Additions	1,411	-
	At 31 December 2019	1,411	-
	Accumulated amortisation		
	At 1 January	-	-
	Annual amortisation	430	-
	At 31 December 2019	430	-
	Carrying amount		
	At 31 December	981	-

9	Other current assets	2019	2018
		Prepayments (Note 6)	14,649
	Total	14,649	14,654

10	Cash and cash equivalents	2019	2018
		Balances with banks	47,431
	Cash on hand	4,626	5,652
	Total	52,057	32,622

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

	2019	2018
Cash and cash equivalents as per balance sheet	52,057	32,622
Balance held under mobile money trust	4,806,194	785,329
Total	4,858,251	817,951

11	Amounts due from related parties	2019	2018
		Airtel Mobile Commerce Holdings BV (Step up Parent)	10,000
	Total	10,000	10,000

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial statements are prepared in Seychelles Rupees

12 Authorised & issued capital	2019	2018
Authorised and issued and fully paid 10,000 shares of SCR 100 each	1,000,000	1,000,000
Total	1,000,000	1,000,000

13 Amounts due to related parties	2019	2018
Airtel Mobile Commerce BV (Step up Parent)	12,479	12,469
Airtel (Seychelles) Limited (Fellow subsidiary)	7,019,553	6,616,107
Total	7,032,032	6,628,576

Services received from related party:

Cross charges for employee benefits, licence fee, administrative expenses

Airtel (Seychelles) Limited (Fellow subsidiary)	441,919	450,739
Total	441,919	450,739

Services provided to related party:

Cross charges for commission

Airtel (Seychelles) Limited (Fellow subsidiary)	38,473	-
Total	38,473	-

14 Trade and other payables	2019	2018
Provisions and Accruals	264,147	93,999
Total	264,147	93,999

15 Directors emoluments, pensions or compensation

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

16 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.

17 Capital commitments

There were no capital commitments, either contracted for or approved by the directors at 31 December 2019

18 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 December 2019. (2018: Nil).

19 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

20 Events after reporting period

The Global Covid-19 crisis will have mixed impact on our business. On 20th March 2020, the Public Health Commissioner of Seychelles declared a National Emergency after 11 positive cases and on 9th April 2020, a 21 day lockdown was implemented. As customers increasingly confined themselves to staying at home and companies encouraged workers to work from home, the demand for digital payment platforms such as payments and recharges through Airtel Money platform increased substantially. Management does not expect significant going concern issues arising from the global corona virus crisis. However, the economic impact is yet to be assessed.