



AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

**CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**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



AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present herewith their report and audited financial statements of the company for the year ended 31st December 2020.

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 2020, subscribers' base de-grew by 17% to 1,798 (2019: 2,177) arising from a data base clean-up exercise for inactive customers. The number of agents grew by 14% from 108 to 123 while number of merchants increased by 4% from 45 to 47.

Of the total e-value in circulation (Note 16), agents hold 62% (2019: 60%) and 38% (2019: 40%) is held by active subscribers and merchants.

Furthermore, the commission structure was revised from a flat 2% on all transactions to a 5% charge on all recharges and 2% on postpaid bill settlements using e-payment system. As a result, revenue has grown by SCR 0.72Mn (Note 4).

Results

Airtel Mobile Commerce (Seychelles) Limited reported operating income of SCR 0.71 million which has turned from an operating loss in the prior year (2019: SCR 0.55Mn loss) due to increased customer uptake on using non-contact payment means including vending machines and other digital mediums.

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 4) resulted significant growth in revenue of SCR 0.79 million (2019: 0.07 million) generated from service charges earned through subscriber transactions and commission earned from increased merchant transactions.

Employees

As at 31st December 2020 the company has two staff (2019: two staff) actively engaged in driving the product to market and delivering the first and best electronic mobile money service in the country. These are also shared resources with the mobile business.

Statutory disclosures under section 153 of the Companies Ordinance 1972

Principal Activities

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

Directors and their interest in the company

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

	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)	-	-

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are of the opinion that all transactions with related parties, further described in note 14 of the financial statements were conducted at arm's length.

All non-executive directors will resign and offer themselves for re-election in the next AGM.

Statement of directors' responsibilities

The directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for the period. In preparing those accounts, the directors are required to:-

- Prepare financial statements on the going concern basis unless inappropriate to assume continuance of business;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Disclose and explain any material departures from applicable accounting standards.

The Companies Act 1972 also requires the directors to keep proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company. They also have the general responsibility for taking reasonable steps to safeguard the assets of the company and detect fraud and other irregularities.

The directors consider they met their responsibilities as set out in the Companies Act 1972.

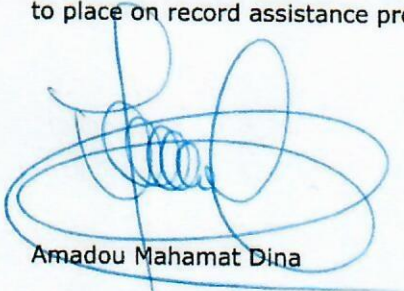
The financial statements are signed by current directors of the company.

Auditors

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

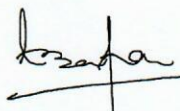
Acknowledgements

The Directors wish to place on record their sincere appreciation of the valuable contribution, unstinted efforts and spirit of dedication shown by all the employees of the company. The Directors would also like to place on record assistance provided by our bankers, the regulators and the Government of Seychelles.



Amadou Mahamat Dina

29 April 2021



Alok Bafna



Ramakrishna Lella

**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 6 to 16, which comprise the statement of financial position as at December 31, 2020, 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 and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium sized Entities (IFRS for SME) 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.

The Company's key financial accounting and reporting processes are highly dependent on the automated controls over the Company's information systems which are closely dependent upon the group wide system controls. Where independent confirmation of the completeness of the accounting records was not available, we have accepted assurances from the Directors that their representations and the company's records accurately reflect all the transactions undertaken during the year.

Material uncertainty related to going concern

We draw your attention to note 2 of the financial statements which states that for the year ended 31 December 2020 the Company has reported a net profit of SCR 0.71 Mn (2019: net loss of SCR 0.55 Mn). As at that date, accumulated losses were SCR 7.51 Mn (2019: SCR 8.22 Mn) and the Company was in a net current liability position of SCR 6.55 Mn (2019: SCR 7.22 Mn). These conditions, along with other matters as set forth in note 2, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Auditor's responsibilities for the audit of the financial statements

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
29 April 2021

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

Statement of Profit or Loss and other comprehensive income

Financial statements are prepared in Seychelles Rupees

		Year ended 31 December	
	Notes	2020	2019
Income			
Revenue	4	794,617	73,778
Expenses			
Direct costs	5	(420)	(586)
Administrative and IT expenses	6	79,539	(305,950)
Licence fee	7	(49,992)	(50,005)
Employee salaries and benefits	8	(88,043)	(270,000)
Amortization of Intangible assets	9	(29,902)	(430)
		(88,818)	(626,971)
Profit/(Loss) before tax		705,799	(553,193)
Profit/(Loss) for the year		705,799	(553,193)
Total comprehensive income or (loss) for the year		705,799	(553,193)

There were no items of other comprehensive income during the year. (2019: Nil)

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

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

Statement of financial position

Financial statements are prepared in Seychelles Rupees

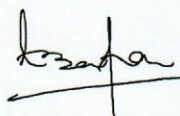
	Notes	As at 31 December	
		2020	2019
ASSETS			
Non-current assets			
Intangible assets	9	37,779	981
		37,779	981
Current assets			
Financial assets			
- Cash and cash equivalents	11	177,759	52,057
- Balance held under mobile money trust	11	3,462,199	4,806,194
- Amounts due from related parties	12	10,000	10,000
Other current assets	10	14,657	14,649
		3,664,615	4,882,900
Total assets		3,702,394	4,883,881
Liabilities			
Current liabilities			
Financial liabilities			
- Amounts due to related parties	14	6,677,803	7,032,032
- Mobile money wallet balance	16	3,462,199	4,806,194
Provisions and Accruals	15	75,085	264,147
Total liabilities		10,215,087	12,102,373
Equity			
Share capital	13	1,000,000	1,000,000
Retained earnings / (deficit)		(7,512,693)	(8,218,492)
Shareholders equity/ (deficit)		(6,512,693)	(7,218,492)
Total liabilities and equity		3,702,394	4,883,881

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

Directors

Amadou Mahamat Dina

29 April 2021



Alok Bafna



Ramakrishna Lella

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 2019	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)
Total comprehensive profit for the year	-	705,799	705,799
At 31 December 2020	1,000,000	(7,512,693)	(6,512,693)

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

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

STATEMENT OF CASH FLOWS

Financial statements are prepared in Seychelles Rupees.

	Note	Year ended 31 December	
		2020	2019
Cash flows from operating activities			
Income or (loss) for the year		705,799	(553,193)
<i>Adjustments for:</i>			
Amortisation of intangible assets	9	29,902	430
Operating cash flow before changes in working capital		735,701	(552,763)
<i>Changes in working capital :</i>			
(Increase)/Decrease in other current assets	10	(8)	5
(Decrease)/ Increase in amounts due to/from related parties	12&14	(354,229)	403,456
(Increase) /Decrease in mobile money wallet balance		(1,343,995)	4,020,865
(Decrease) / Increase in trade and other payables	15	(189,062)	170,148
Net cash generated from/(used in) operating activities (a)		(1,151,593)	4,041,711
Cash flows from Investing activities			
Purchase of intangible assets	9	(66,700)	(1,411)
Net cash flows used in investing activities (b)		(66,700)	(1,411)
(Decrease)/Increase in cash & cash equivalents during the year c = (a+b)		(1,218,293)	4,040,300
Cash and cash equivalents at beginning of the year (d)		4,858,251	817,951
Cash and cash equivalents at end of year* (c+d)		3,639,958	4,858,251

*Includes funds held in Trust Bank Account of SCR 3.46 Mn (2019: SCR 4.81 Mn) on behalf of E-value holders which is not available for use by the company for its activities

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

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 Financial statements are prepared in Seychelles Rupees

1 Corporate Information

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

The company provides electronic money services in Seychelles.

2 Going Concern

During the year ended 31 December 2020, the Company turned around from a net loss to a net income of SCR 0.71 million (2019: SCR 0.55 million loss). As at that date, accumulated losses were SCR 7.51 million (2019: SCR 8.22 million) and the Company was in a net current liability position of SR 6.55 million (2019: net current liability of SCR 7.22 million). After considering shareholder's loan and external source of financing, there is sufficient liquidity to manage the operations

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.

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.

3 Summary of significant accounting policies

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

3.1 Basis of presentation

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

3.2 Functional and reporting currency

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

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

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

3.3 Financial Instruments

a. Recognition, classification and presentation

Financial instruments are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company classifies its financial assets in the following categories:

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

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

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

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

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

b. Measurement - Non-derivative financial instruments

I. Initial measurement

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.

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

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

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.

3.4 New and revised Standards in issue but not yet effective

a) Adoption of new and revised International Financial Reporting Standards and interpretations in the year ended 31 December 2020

None of the new and revised standards and interpretations, which became effective during the year, have resulted in a change in the Company's accounting policies or in presentation. Neither have they had an effect on the reported results for the year.

b) Relevant new and amended standards and interpretations issued but not yet effective in the year ended 31 December 2020

At the date of authorization of these financial statements, several new and revised standards and interpretations were in issue but not yet effective. The Directors are in the process of evaluating the potential effect of these standards and interpretation on the financial statements of the Company when effective.

3.5 Foreign currency translation

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

The Banks closing rate for the period were:

	Exchange rates at 31 December			Changes in percent	
	2020	2019	2018	2020-2019	2019-2018
US \$/SCR	21.75	14.19	13.65	-53%	-4%

There were no foreign currency transactions for the year.

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AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

3.6 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.

3.7 Cash and cash equivalents

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

3.8 Trade receivables

Trade receivables are initially recognised at the transaction price. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to original terms of the receivables.

3.9 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.

3.10 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.

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

4 Revenue	Year ended 31 December	
	2020	2019
Analysis of revenue by category		
Service charge for Cash-out transactions	10,006	6,018
Service charges for person to person (P2P) Transactions	11,461	2,578
Commission Earned	773,150	65,182
Total	794,617	73,777
Performance obligations that are unsatisfied (or partially unsatisfied) is Nil as at 31 December 2020. (31 December 2019: Nil).		
5 Direct costs	Year ended 31 December	
	2020	2019
Commission paid to agents and dealers	(420)	(586)
Total	(420)	(586)
6 Administrative and IT expenses	Year ended 31 December	
	2020	2019
Auditors remuneration	(28,800)	(28,800)
Other administration expenses	108,339	(277,150)
Total	79,539	(305,950)
7 Regulatory license fees amortization	Year ended 31 December	
	2020	2019
At 1 January 2019	14,649	14,654
Paid during the year	50,000	50,000
Amortized during the year	(49,992)	(50,005)
Total	14,657	14,649
8 Employee salaries and benefits expense	Year ended 31 December	
	2020	2019
Salaries & wages cross charged from Airtel (Seychelles) Ltd, (fellow subsidiary)	(88,043)	(270,000)
Total	(88,043)	(270,000)
9 Intangibles	2020	2019
Cost		
At 1 January	1,411	-
Additions	66,700	1,411
At 31 December	68,111	1,411
Accumulated amortisation		
At 1 January	430	-
Annual amortisation	29,902	430
At 31 December	30,332	430
Carrying amount		
At 31 December	37,779	981

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

10 Other current assets

	2020	2019
Prepayments (Note 7)	14,657	14,649
Total	14,657	14,649

11 Cash and cash equivalents

	2020	2019
Balances with banks	174,582	47,431
Cash on hand	3,177	4,626
Total	177,759	52,057

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

	2020	2019
Cash and cash equivalents as per balance sheet	177,759	52,057
Balance held under mobile money trust	3,462,199	4,806,194
Total	3,639,958	4,858,251

12 Amounts due from related parties

	2020	2019
Airtel Mobile Commerce Holdings BV (Step up Parent)	10,000	10,000
Total	10,000	10,000

13 Authorised & issued capital

	2020	2019
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

14 Amounts due to related parties

	2020	2019
Airtel Mobile Commerce BV (Step up Parent)	13,937	12,479
Airtel (Seychelles) Limited (Fellow subsidiary) (Net of receivable)	6,663,866	7,019,553
Total	6,677,803	7,032,032

Services received from related party:

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

Airtel (Seychelles) Limited (Fellow subsidiary)	329,328	441,919
Total	329,328	441,919

Services provided to related party:

Cross charges for commission

Airtel (Seychelles) Limited (Fellow subsidiary)	648,952	38,473
Total	648,952	38,473

AIRTEL MOBILE COMMERCE (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Financial statements are prepared in Seychelles Rupees

15 Provisions and Accruals

	2020	2019
Provisions and Accruals	75,085	264,147
Total	75,085	264,147

16 Mobile money wallet balance

	2020	2019
Payable to agents	2,150,575	2,864,253
Payable to subscribers, merchants and others	1,311,624	1,941,941
Total	3,462,199	4,806,194

17 Directors emoluments, pensions or compensation

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

18 Parent and other controlling interests

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

19 Capital commitments

There were no capital commitments, either contracted for or approved by the directors at 31 December 2020

20 Contingencies

The directors are not aware of any outstanding contingent liabilities at 31 December 2020. (2019: Nil).

21 Comparatives

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

22 Events after reporting period:

There has been a coronavirus disease (COVID -19) outbreak across the globe since March 2020. The Company operates in a electronic money services sector that is considered to be providing essential services during the outbreak. Management continues to maintain close contacts with governmental agencies and constantly reviews existing business plan in light of newly available information on COVID-19. The Management concluded that there is no significant impact to these Financial Statements as a result of this outbreak.

DN