

AIRTEL MONEY TRUST

Annual Report and Financial Statements
For the year ended 31 December 2021

AIRTEL MONEY TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

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AIRTEL MONEY TRUST
TRUSTEES' REPORT
For the year ended 31 December 2021

The Trustees submit their report on the affairs of the Trust together with the financial statements of Airtel Money Trust and auditor's report for the year ended 31 December 2021.

1. REVIEW OF ACTIVITIES

Main Business and Operations

Airtel Money Trust (the "Trust") was incorporated under the Trustees Incorporation Act.

The principal activity of the entity is to hold the funds in the Airtel Money infrastructure in trust, for Airtel Money E-value account holders. There have been no significant changes in the Trustees' business during the year.

2. AUTHORISED AND ISSUED SHARE CAPITAL

There is no shareholding structure for Airtel Money Trust. The principal settlor for the Trust is Airtel Mobile Commerce Limited whose shareholding as at 31 December 2021 is as stated below:

Name of Share Holder	No. of Shares	% of Shareholding
Airtel Mobile Commerce B.V.	49 999 999	99.999%
Airtel Mobile Commerce Holdings B.V.	<u>1</u>	<u>1%</u>
	<u>50 000 000</u>	<u>100%</u>

3. GOVERNANCE

The Board of Trustees takes overall responsibility for the Trust, including responsibility for identifying key risk areas, considering and monitoring corporate social responsibility activities funded by interest from Trust bank account balances, considering significant financial matters, and reviewing the performance of the Trust.

The Board of Trustees is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board of Trustees delegates the day to day management of the business to Airtel Malawi plc Managing Director who is assisted by the Senior Management team of the Company. Senior Management is invited to attend board meetings and facilitates the effective control of all the Trust's operational activities, acting as a medium of communication and coordination between all the various stakeholders of the Trust.

The Trust is committed to the principles of effective corporate governance. The Trustees also recognize the importance of integrity, transparency and accountability.

AIRTEL MONEY TRUST
TRUSTEES' REPORT (Continued)
For the year ended 31 December 2021

4. TRUSTEES

The following trustees appointed in terms of the trust deed of the Trust served office during the year.

Name	Residence	Nationality	Period
Mr. Charles Kamoto*	Malawi	Malawian	from 5 Sep 2015
Mr Frank Mvalo**	Malawi	Malawian	from 15 Dec 2016 to 31 Dec 2019
Olivier Pognon **	Kenya	French	from 24 Nov 2020

*Executive **Non-Executive

5. SECRETARY

The secretary of the Trust is Mr Abdulhakim Mkwanda.

6. FINANCIAL PERFORMANCE

The results and state of affairs of the Trust are set out in the accompanying statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements which include a summary of significant accounting policies.

The Trust did not engage in trading activities during the year.

7. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end on 26 January 2022, the Board of Trustees of the Trust have taken a decision to discontinue the operations of Airtel Money Trust and that the decision has been approved by a special resolution. The assets and liabilities of the company will be transferred to Airtel Mobile Commerce Limited at their book value.

8. GOING CONCERN

In accordance with their responsibilities, the trustees have considered the appropriateness of the going concern basis for the preparation of the Financial Statements. The Board of Trustees of the Trust have taken a decision to discontinue the operations of Airtel Money Trust and that the decision has been approved by a special resolution. The Trust will not be in operation in the next twelve months. The Directors have determined that the Financial Statements should be prepared on an alternative basis as the Trust will be discontinued. Further details on this matter are disclosed in note 1.2 to the Financial Statements.

Trustee:


Trustee


AIRTEL MONEY TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES
For the year ended 31 December 2021

The Trustees accept that it is their duty to prepare financial statements annually which give a true and fair view of the state of the Trust's affairs at the reporting date and their results for the year then ended and otherwise comply with the requirements of the Trustees Incorporation Act

The Trustees also acknowledge their duty to ensure the Trust keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Trustees Incorporation Act.

In preparing the financial statements the trustees accept responsibility for the following:

- Maintenance of proper accounting records;
- Selection of suitable accounting policies and consistent application thereof;
- Making judgements and estimates that are reasonable and prudent;
- Compliance with applicable accounting standards when preparing financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- Preparation of financial statements on a going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are also responsible for establishing internal controls that ensure the propriety of transactions and accuracy and reliability of the accounting records and to safeguard the assets of the Trust against loss by theft, fraud, defalcation or otherwise.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Trust and of its operating results and cash flows for the year ended 31 December 2021.


..... **Trustee**


..... **Trustee**

20-06-2022
..... **DATE**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIRTEL MONEY TRUST

Opinion

We have audited the accompanying financial statements of Airtel Money Trust set out on pages 7 to 27, which comprise the statement of financial position as at 31 December 2021, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the 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 Airtel Money Trust as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Trustee Incorporations Act.

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 Annual Financial Statements section of our report. We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Malawi. We have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter paragraph- Departure from going concern basis for accounting

Without qualifying our opinion, we draw your attention to note 1.2 to the financial statements which describe the Board of Trust's decision to close the operation of the Trust and to transfer the assets and liabilities to Airtel Mobile Commerce Limited hence the financial statements are not prepared on a going concern basis. The Board concluded that usage of the going concern assumption is not appropriate in preparation of the financial statements for the year ended 31 December 2021. These financial statements have, therefore, been prepared on the alternative basis of preparation as set out in Note 1.2. Our opinion is not qualified in respect of this matter.

Other Information

The trustees are responsible for the other information. The other information comprises the directors' report and the statement of trustees' responsibilities, as required by the Trustee Incorporations Act, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Other Information (Continued)

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 the Trustees for the Financial Statements

The trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Trustee Incorporations Act, and for such internal control as the trustees 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 trustees are responsible for assessing the Trust'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 trustees either intend to liquidate the Trust 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 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 judgement 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the directors' 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 Trust'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 Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the trustees 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.

We also provide the trustees with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte

Chartered Accountants

Vilengo Beza

Partner

30 June 2022

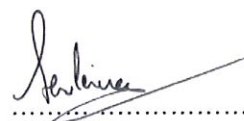
AIRTEL MONEY TRUST
STATEMENT OF FINANCIAL POSITION
 For the year ended 31 December 2021

	<u>Notes</u>	As at 31 December 2021 K'000	As at 31 December 2020 K'000
ASSETS			
Current assets			
Balance held under mobile money trust	7	<u>25 154 326</u>	<u>20 890 783</u>
Total assets		<u>25 154 326</u>	<u>20 890 783</u>
LIABILITIES			
Current liabilities			
Mobile Money wallet balance	8	<u>25 154 326</u>	<u>20 890 783</u>
Total liabilities		<u>25 154 326</u>	<u>20 890 783</u>
Total equity & liabilities		<u>25 154 326</u>	<u>20 890 783</u>

The financial statements were approved and authorised for issue by the Board of Trustees on

30-06-..... 2022 and signed on its behalf by:

.....
Trustee



Trustee

AIRTEL MONEY TRUST
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2021

	For the year ended 31 December 2021 K'000	For the year ended 31 December 2020 K'000
Income		
Interest income	—	—
Expenses		
Operating expenses	—	—
Profit for the year	-	-
Other comprehensive income	—	—
Total comprehensive income for the year	<u>—</u>	<u>—</u>

As per the guidance from the Reserve Bank of Malawi on ‘No objection for full roll out of Airtel money services granted by the Reserve Bank of Malawi, dated 27 July 2011, interest earned on Trust fund held at bank cannot be used for the benefit of entity. The same does not meet the definition of revenue and hence interest income is not recognised as revenue.

Further, the expenses relating to the administration of funds held in Trust are directly related to the mobile money operations of Airtel Mobile Commerce Limited (“Airtel Money”). As such interest income is not recognised as revenue and administration costs are deemed to be incurred by Airtel Mobile Commerce Limited.

AIRTEL MONEY TRUST
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2021

	<u>Share Capital</u> K'000	<u>Retained earnings</u> K'000	<u>Total</u> K'000
<u>Year ended 31 December 2021</u>			
At the beginning of the year	_____ -	_____ -	_____ -
At end of the year 2021	===== -	===== -	===== -
<u>Year ended 31 December 2020</u>			
At the beginning of the year	_____ -	_____ -	_____ -
At end of the year 2020	===== -	===== -	===== -

*There is no shareholding structure for Airtel Money Trust. The principal settlor of the trust is Airtel Mobile Commerce Limited.

AIRTEL MONEY TRUST
STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	For the year ended 31 December <u>2021</u> K'000	For the year ended 31 December <u>2020</u> K'000
Cash flows from operating activities		
Profit for the year	-	-
Adjustments for; Interest received	<u>-</u>	<u>-</u>
Operating cash flow before working capital changes	-	-
Increase in mobile money wallet balance	<u>4 263 543</u>	<u>9 674 796</u>
Cash generated from operations	<u>4 263 543</u>	<u>9 674 796</u>
Net increase in cash and cash equivalents	4 263 543	9 674 796
Cash and cash equivalents at the beginning of the year	<u>20 890 783</u>	<u>11 215 448</u>
Cash and cash equivalents at the end of the year* (note 7)	<u><u>25 154 326</u></u>	<u><u>20 890 783</u></u>

*Represents balance held under mobile money trust of K25.15 billion (2020: K20.89 billion) on behalf of mobile money customers which are not available for use by the Trust.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2021

1. Corporate information

Airtel Money Trust (the “trust”) was incorporated under the Trustee Incorporations Act.

The principal activity of the trust is to hold the funds in the Airtel Money infrastructure in trust, for Airtel Money E-value wallet holders. There have been no significant changes in the Trust's business during the year.

Registered office and place of business

Airtel Malawi plc
Airtel House, City Centre
Off Independence Drive
P O Box 57
Lilongwe
MALAWI

Bankers

National Bank of Malawi P.O Box 30317, Lilongwe 3
NBS Bank P.O Box 829, Lilongwe
FDH Bank P.O Box 30432, Lilongwe3
FCB Private Bag 122, Blantyre
Standard Bank PO Box 30386, Capital City, Lilongwe
Ecobank P.O. Box 2980, Lilongwe

1.2. Basis of preparation

The Board of Trust subsequent to year end on 26 January 2022 announced its decision to discontinue the operations of Airtel Money Trust. The decision was approved by a special board resolution and that its assets and liabilities will be transferred to Airtel Mobile Commerce Limited. The Trust is therefore no longer a going concern and in line with the requirements of IAS 1 Presentation of the financial statements, these financial statements have not been prepared on a going concern basis but rather an alternative basis.

2. Adoption of new and revised International Financial Reporting Standards

2.1 Standards and Interpretations in issue, not yet effective

In the current year, the Trust has adopted those new and revised Standards and Interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee of the International Accounting Standards Board that are relevant to its operations and are effective for annual reporting periods beginning on 1 January 2021.

The adoption of these new and revised Standards and Interpretations did not have a significant impact on the financial statements of the Trust.

2.2 Standards and Interpretations in issue, not yet effective

A number of new standards, amendments to standards and interpretations are issued and effective for annual periods beginning on or after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the company are set out below. The trust does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 Standards and Interpretations in issue, not yet effective (Continued)

Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2023	<p>IFRS 17 Insurance contracts IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.</p> <p>The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p>
Effective date	Standard, Amendment or Interpretation
Annual reporting periods beginning on or after 1 January 2023	<p>Classification of liabilities as current or non-current (Amendments to IAS 1) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.</p>
Annual reporting periods beginning on or after 1 January 2022	<p>Property, plant and equipment - Proceeds before intended use (Amendments to IAS 16) The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.</p>
Annual reporting periods beginning on or after 1 January 2022	<p>Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 37) The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).</p>

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

2. Adoption of new and revised International Financial Reporting Standards (Continued)

2.2 Standards and Interpretations in issue, not yet effective (Continued)

Annual reporting periods beginning on or after 1 January 2022

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- **IFRS 1** – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent’s date of transition to IFRSs.
- **IFRS 9** – The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
- **IFRS 16** – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The Trustees anticipate that, these Standards and Interpretations in future periods, if applicable, will have no significant impact on the financial statements of the trust.

3. Significant accounting policies

The following is a summary of the significant accounting policies used by the Trust. These policies have been consistently applied: -

3.1 **Statement of compliance**

The financial statements of the Trust have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the provisions of Trustees Incorporation Act.

3.2 **Basis of preparation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measured date regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Trust takes into account the characteristics of the asset or a liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.2 Basis of preparation (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised in Level 1, 2 or 3 based on the degree to which the inputs to their fair value measurements are observable and the significance of the inputs to fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies of the Trust, which are set out below, have been consistently followed in all material respects.

3.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements made by management in the application of IFRS's that have significant effect on the amounts recognised in the financial statements are discussed in note 4 to these financial statements.

3.4 Accounting convention

The financial statements are prepared in terms of the historical cost convention with the exception of financial instruments which are accounted for as in note 3.6 below. No other procedures have been adopted to reflect the impact on the financial statements of specific price changes or changes in the general level of prices.

3.5 Functional currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Trust are measured using Malawi Kwacha, the functional currency of the primary economic environment in which the entity operates. The financial statements are presented in Malawi Kwacha, which is the entity's functional and presentation currency.

(b) Transactions and balances

Transactions in currencies other than Malawi Kwacha are initially recorded at the rates of exchange ruling on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

All exchange differences are taken to the other comprehensive income (if any).

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments

Financial assets and financial liabilities are recognised in the Trust's statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.6.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.6.2. Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Trust may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Trust may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Trust may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments (Continued)

3.6.3 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or,

where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Trust recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in profit or loss.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments (Continued)

3.6.4 Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

3.6.5 Impairment of financial assets

The Trust recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Trust always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Trust's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Trust's core operations.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments (Continued)

3.6.5 Impairment of financial assets (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3.6.5.1. Significant increase in credit risk

Irrespective of the outcome of the above assessment, the Trust presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Trust has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Trust assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Trust considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Trust regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments (Continued)

3.6.5 Impairment of financial assets (Continued)

3.6.5.2. Definition of default

The Trust considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Trust, in full (without taking into account any collateral held by the Trust).

Irrespective of the above analysis, the Trust considers that default has occurred when a financial asset is more than 90 days past due unless the Trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3.7.5.3. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3.6.5.4. Write-off of policy

The Trust writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.6 Financial instruments (Continued)

3.6.5 Impairment of financial assets (Continued)

3.6.5.5. Measurement and recognition of expected credit losses (Continued)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Trust in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at the original effective interest rate.

If the Trust has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Trust measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Trust recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3.6.5.6. Derecognition of financial assets

The Trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Trust has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

3.7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.8 Financial liabilities and equity instruments

3.8.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.8.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Trust's own equity instruments.

3.8.3 **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

3.8.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

3.8.5 Financial liabilities at FVTPL

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the trust's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

3.8.6 Derecognition of financial liabilities

The Trust derecognises financial liabilities when, and only when, the Trust's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

3. Significant accounting policies (Continued)

3.9 Provisions

Provisions are recognised when the trust has a present obligation (legal or constructive) as a result of a past event, it is probable that the trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.10 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are not recognised and disclosed only where an inflow of economic benefits is probable.

4. Critical accounting judgements and key sources of estimation uncertainty

4.1 Critical accounting judgements made by management

In the application of the Trust's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.2 Key sources of estimation uncertainty

4.2.1 Provisions and contingent liabilities

The Trust exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent. Judgement is necessary to assess the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of any financial settlement. The inherent uncertainty of such matters means that actual losses may materially differ from estimates.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

5. Financial risk management

Overview

The trust has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Market risk
- Credit risk
- Operational risk

This note presents information about the trust's exposure to each of the above risks, the trust's objectives, policies and processes for measuring and managing risk, and the trust's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Trustees has overall responsibility for the establishment and oversight of the trust's risk management framework. The Trust is responsible for developing and monitoring the trust's risk management policies.

The trust's risk management policies are established to identify and analyse the risks faced by the trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the trust's activities. The trust, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

5.1 Liquidity risk

Liquidity risk is the risk that the trust will not be able to meet its financial obligations as they fall due. The trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the trust's reputation.

5.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity and commodity prices will affect the trust's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

5.3 Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from trading activities as well as placement and balances with other counterparties, advances to customers, deposits held with various service providers, prepayments and bank balances.

Amount due from the related party and bank balances best represents the Trust's maximum exposure to the credit risk or concentration of the credit risk. The Trust only holds funds in trust, and there is no rating on debtors.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

5. Financial risk management (Continued)

5.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Trust's processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Trust's operations and are faced by all business entities.

The Trust's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Trust's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management of the Trust.

6. Capital risk management

The Trust's primary objective is to hold, in trust, the funds owing to the E-value holders and safeguard the safety and sanctity of these funds. The Trust does not trade and is not allowed to deal in these funds otherwise than to settle obligations arising from genuine transaction of E-value. The principal obligation of the Trust is not to maximise wealth but to safeguard third party funds.

7. Balance held under mobile money trust

	<u>2021</u> K'000	<u>2020</u> K'000
Trust Bank balance	<u>25 154 326</u>	<u>20 890 783</u>

This represents funds held in trust on behalf of E-value holders which are not available for use by the Trust for its activities.

In terms of clauses 11 and 12 of the 'No objection for full roll out of Airtel money services granted by the Reserve Bank of Malawi, dated 27 July 2011, the Trust maintains separate trust bank accounts. The Trust and Airtel Malawi plc including any other agents do not access the trust bank accounts for their benefit.

The Trust bank balances are denominated in Malawi Kwacha and were earning interest between 0.1 to 12%% per annum (2020: 0.1 -12%).

The carrying amount of K25.15 billion (2020: K20.89 billion) is reasonable approximation of fair value.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

8. Mobile money wallet balance

	<u>2021</u> K'000	<u>2020</u> K'000
Balances due to related parties (Refer Note 9)	-	66 835
Balances due to other mobile money customers	<u>25 154 326</u>	<u>20 823 948</u>

9. Amounts due to related parties

	<u>2021</u> K'000	<u>2020</u> K'000
<u>Name of related party</u>		
Airtel Malawi plc (E-value held in mobile wallet)		
Airtel Mobile Commerce Limited (E-value held in mobile wallet)	-	66 835
Total	<u>-</u>	<u>66 835</u>

10. Taxation

No taxes were accrued during the year as the Trust did not engage in trading activities during the year.

11. Fair value measurements

11.1 Categorisation of financial instruments

The analysis below sets out the Trust's classification of financial assets and liabilities and their fair value including accrued interest.

This note provides information about how the Trust determines fair values of various financial assets and financial liabilities.

Financial assets at amortised cost

<u>Financial assets</u>	<u>2021</u> K'000	<u>2020</u> K'000
Balance under mobile money trust	<u>25 154 326</u>	<u>20 890 783</u>
Total financial assets	<u>25 154 326</u>	<u>20 890 783</u>
Financial liabilities at amortised cost		
<u>Financial liabilities</u>		
Mobile money wallet balance	<u>25 154 326</u>	<u>20 890 783</u>
Total financial liabilities	<u>25 154 326</u>	<u>20 890 783</u>

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
For the year ended 31 December 2021

11. Fair value measurements (Continued)

11.2 Valuation techniques and assumptions applied for the purposes of measuring fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

11.3 Fair value measurements recognised in the statement of financial position

The fair value measurements are grouped into three hierarchy levels (levels 1 to 3) based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

11.4 Fair value of the Trust's financial assets and financial liabilities that are measured at fair value on recurring basis.

The Trust did not have any financial assets and financial liabilities that are measured at fair value at the end of each reporting period.

11.5 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

AIRTEL MONEY TRUST
NOTES TO THE FINANCIAL STATEMENTS (Continued)
 For the year ended 31 December 2021

12. Economic factors

The average of the year-end buying and selling rates of the foreign currencies is stated below, together with the increase in the National Consumer Price Index for the year, which represents an official measure of inflation.

	31 December <u>2021</u>	31 December <u>2020</u>
Kwacha/US Dollar	814.50	766.67
Inflation	11.5	<u>7.6%</u>

Subsequent to the year end, on 21 June 2022, the above economic factors had moved as follows:

Kwacha/US Dollar	1017.62
Inflation (May 2022)	<u>19.1%</u>

No adjustments arising from the movement of the exchange rates after the reporting period-end have been made in the financial statements.

13. Contingent Liabilities

There were no contingent liabilities at the reporting date.

14. Comparatives

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