

**COMPANY NUMBER**

**05917314**

**BHARTI AIRTEL (UK) LIMITED**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**

**BHARTI AIRTEL (UK) LIMITED**  
**Financial Statements March 31, 2022**

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<b>Contents</b>	<b>Page No.</b>
<b>1) Corporate Information</b>	3
<b>2) Strategic Report</b>	4-8
<b>3) Directors' Report</b>	9
<b>4) Directors' Responsibility Statement</b>	10-11
<b>5) Independent Auditor's Report</b>	12-14
<b>6) Financial Statements</b>	
- Income Statement for the year ended March 31, 2022 and March 31, 2021	15
- Statement of Comprehensive Income for the year ended March 31, 2022 and March 31, 2021	16
- Balance Sheet as of March 31, 2022 and March 31, 2021	17
- Statements of Changes in Equity for the year ended March 31, 2022 and March 31, 2021	18
- Notes to Financial Statements	19-37

**BHARTI AIRTEL (UK) LIMITED  
CORPORATE INFORMATION**

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<b>DIRECTORS</b>	Jantina Catharina Van De Vreede Simon Andrew O'Hara Srikanth Balachandran (resigned on August 10, 2021) Eric Matthew Gillenwater (ceased on June 17, 2022) Vishal Agrawal (ceased on June 17, 2022) Praveen Agarwal (appointed w.e.f. June 17, 2022) Hemen Roy (appointed w.e.f. June 17, 2022)
<b>COMPANY SECRETARY</b>	Haysmacintyre Company Secretaries Limited
<b>COMPANY NUMBER</b>	5917314
<b>REGISTERED OFFICE</b>	10 Queen Street Place London, EC4R 1AG, United Kingdom.
<b>BANKER</b>	Standard Chartered Bank, 1 Basing Hall Avenue, London, EC2V 5DD, United Kingdom
<b>AUDITOR</b>	Deloitte LLP, 1 New Street Square, London, EC4A 3HQ, United Kingdom

**BHARTI AIRTEL (UK) LIMITED**  
**STRATEGIC REPORT**  
**(All amounts are in GBP –'£')**

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The Directors present their Strategic Report for the year ended March 31, 2022.

**Strategy and Objectives**

The overall strategy of Bharti Airtel (UK) Limited (the Company) is aligned to that of Bharti Airtel Limited (the Group) which is outlined in the Integrated Strategy for Value Creation in the Group's Annual report for the year ended March 31, 2022; it does not form part of this report.

**Business model**

The principal activity of the Company is the operation and provision of telecommunication facilities and services including international wholesale voice, wholesale bandwidth and other related telecommunication services to related parties, carrier customers and third party customers of its own by utilising the switch and bandwidth purchase on Indefeasible Right of Use (IRU) from Group and third parties.

**Business review**

The Profit after tax for the year ended March 31, 2022 is £7,511,315 (March 31, 2021: Loss of £7,751,625). The Company's key financial performance indicators during the year were as follows:

	2022	2021	Change %
Revenue from operations	345,590,842	467,100,587	-26%
Operating profit / (loss)	9,842,397	(8,298,070)	219%
Profit / (loss) for the financial year	7,511,315	(7,751,625)	197%
Shareholders' equity	13,783,988	5,767,211	139%
Current assets as % of current liabilities	102%	88%	

During the year ended March 31, 2022, turnover of the Company has decreased by 26%, primarily due to voice transit business for all non-India touching customers and suppliers migrated to the company, due to which India's involvement in hubbing business have become immaterial. Hence for such transactions both billing and margin sharing being stopped from 1st April, 21. The operating profit has increased by £ 18,140,466 primarily on account of decrease in access charges.

Shareholders' equity increased by 139% due to an increase in retained earnings for the year ended March 31, 2022.

Current assets as % of current liabilities has increased due to increase in bank balance, trade receivable and decrease in equipment supply payable for the year ended March 31, 2022.

**Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are broadly grouped as Financial and Capital risks.

**A. Financial risk**

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk and interest rate risk), credit risk and liquidity risk. The overall risk management seeks to minimize potential adverse effects of these risks on the financial performance of the Company. The Company has established risk management policies, guidelines and control procedures to manage its exposure to financial risks.

**BHARTI AIRTEL (UK) LIMITED**  
**STRATEGIC REPORT**  
**(All amounts are in GBP –'£')**

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**(i) Credit risk:**

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables (other than group entities). The trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a number of independent customers including group entities. Revenue earned from the related parties is disclosed in Note 24. The credit period provided by the Company to its customers (other than Group entities), generally ranges between 0-90 days.

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in the ordinary course of business.

Consequently, the allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

Cash and cash equivalents are placed with reputed financial banks / institutions.

Loan to related parties is unsecured and repayable on demand. The Directors have considered that the loan to related parties to have low credit risk. Accordingly, no ECL provision has been recognised in relation to these balances as the amounts are not material. Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy.

**(ii) Liquidity risk:**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalents to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

All financial liabilities of the Company are current and hence payable within next one year, amounting to GBP 77,258,655 and GBP 71,034,292 as at March 31, 2022 and March 31, 2021, respectively.

**(iii) Interest rate risk:**

As the Company does not have exposure to any floating-interest bearing financial assets or liabilities, it is not affected to changes in market interest rates.

**(iv) Foreign currency risk:**

The Company has foreign currency trade payables, receivables and borrowings (internal as well as external). However, foreign exchange exposure mainly arises from trade payables and accrued expenses denominated in foreign currencies. Consequently, the Company is mainly exposed to foreign exchange risks related to foreign currencies vis-à-vis the functional currencies.

**Sensitivity analysis for foreign currency risk**

The financial statements are presented in Great Britain Pound ('GBP') whereas the functional currency of the Company is United States Dollar ('USD').

**BHARTI AIRTEL (UK) LIMITED**  
**STRATEGIC REPORT**  
**(All amounts are in GBP –'£')**

The following table demonstrates the sensitivity of the Company's profit / (loss) before tax to a reasonably possible change in the exchange rates against the functional currency of the Company.

	<b>Change in currency exchange rate</b>	<b>Effect on (loss) / profit before tax</b>
<b>For the year ended March 31, 2022</b>		
EUR	5%	(22,018)
	-5%	22,018
GBP	5%	(64,274)
	-5%	64,274
INR	5%	(50)
	-5%	50
SGD	5%	(121)
	-5%	121
<b>For the year ended March 31, 2021</b>		
EUR	5%	(16,477)
	-5%	16,477
GBP	5%	(42,124)
	-5%	42,124
INR	5%	(37)
	-5%	37
SGD	5%	(214)
	-5%	214
<b>Currency profile</b>		
	<b>Financial liabilities March 31, 2022</b>	<b>Financial liabilities March 31, 2021</b>
EUR	(440,355)	(329,540)
GBP	(1,285,479)	(842,478)
INR	(993)	(739)
SGD	(2,422)	(4,287)
	<b>(1,729,249)</b>	<b>(1,177,044)</b>

The above sensitivity analysis is based on a reasonably possible change in the underlying foreign currency against the respective USD while assuming all other variables to be constant.

**B. Capital risk**

Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by a total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Net Gearing Ratio: Since the company is not having any debt, gearing ratio has not been calculated.

**Uncertainties:**

**Conflict in Ukraine:**

The geopolitical situation in Eastern Europe intensified on February 24, 2022, with Russia's invasion of Ukraine. The war between the two countries continues to evolve as military activity proceeds and additional sanctions are imposed. In addition to the human toll and impact of the events on entities that have operations in Russia, Ukraine, or neighbouring countries (e.g., Belarus) or that conduct business with their counterparties, the war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-

**BHARTI AIRTEL (UK) LIMITED**  
**STRATEGIC REPORT**  
**(All amounts are in GBP –'£')**

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chain disruption. The directors are monitoring the possible impact that the war has on the performance of the Company and will reflect the consequences as appropriate in the financial statement.

**Financial Key Performance Indicators**

The Company's turnover from operations decreased by 26% year on year. Operating margin continued to be a focus which is around 260.31% higher than the previous year. The Gross Profit Margin increased by 148.90% mainly due to decrease in Access charges. The Operating Margin increased by 260.31% mainly due to decrease in expenses, majorly access charges. The Company's key performance indicators for the year ended March 31, 2022 used to assess the performance of the business are summarised as below:

<b>Key Performance Indicator</b>	<b>Basis of calculation</b>	<b>2022 (%)</b>	<b>2021 (%)</b>
Gross Profit Margin	(Revenue from operations - Access charges) / Revenue from operations	13.31	5.35
Operating Margin	Operating profit / Revenue from operations	2.85	(1.78)

**The Company's employees**

The Company ensures employees are informed and involved in the business via regular face-to-face meetings, email updates, intranet site and regular meetings to communicate business area updates. Employee feedback and opinion is also actively assessed via employee opinion surveys to enrich the process of employee engagement and involvement.

**Social Matters and Respect for human rights**

The Company promotes inclusivity and does not discriminate on grounds of race, religion, gender, nationality, political belief, disability or age.

**Section 172(1) Statement**

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1)(a) to (f) of the Companies Act. This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making. Whilst the Company is an independent subsidiary of Bharti Airtel Limited ("Airtel"), the Company activity supports the wider strategy of Airtel. Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that stakeholders of the Company have been rigorously considered. The directors are responsible for the maintenance and integrity of the corporate and financial information which is available on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The annual report of Airtel can be obtained from [www.airtel.in](http://www.airtel.in).

**General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. The Board has a clear framework for determining the matters within its remit. Day to day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies, leveraging group frameworks and policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key

risks, stakeholder-related matters, governance, and legal and regulatory compliance, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

**(a) The likely consequences of any decision in the long-term**

The Directors understand the Company's business and the evolving environment in which it operates, including the challenges of a highly competitive marketplace, regulatory intervention and financial instrument risk.

The principal risks and uncertainties faced by the Company are broadly grouped as competitive and financial instrument risks.

➤ **Competitive risks**

'Wholesale Voice' business is a very competitive market globally and the principal competitive risk relates to consistent pressure on operating margins due to lack of significant product differentiation.

➤ **Financial Instruments risks**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and / or satisfy credit worthiness procedures. Details of the Company's receivables are shown on the face of the Balance Sheet.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations.

**(b) The interests of the company's employees**

The Directors recognise that employees are fundamental to the future growth and success of the Company. That success depends on looking after our employees. The Company ensures employees are informed and involved in the business via regular meetings, email updates, intranet site and regular meetings to communicate business area updates.

**(c) The need to foster the company's business relationships with suppliers customers and others**

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them. The Company duly understands the importance of relationships with suppliers, customers and others and upto extent required, had been supportive of them during their challenging times.

**(d) The impact of the company's operations on the community and the environment**

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provide insights that enable the Board to understand the Company's impact on the community and environment, and the consequences of its decisions in the long-term. Further information about how the Company engages with communities and NGOs can be found in the Airtel's Integrated Report and Annual Financial Statements 2021-22.



**(e) The desirability of the company maintaining a reputation for high standards of business conduct**

The Board adheres to Airtel's code of conduct which all employees are subject to setting out the high standards and behaviors we expect from those that work for us or with us.

**(f) The need to act fairly as between members of the company**

After weighing up all relevant factors, the Directors consider which course of action best promotes the long-term success of the Company, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members. However, the Directors are not required to balance the Company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

**Culture**

The Company's culture is set by Airtel and embedded in all we do.

**Stakeholder Engagement**

Proactive engagement remains a central focus for the Company, which ensures the Directors have regard to the matters set out in Section 172(1) (a) to (f) of the Companies Act. Engaging with stakeholders delivers better outcomes for society, and for the business. It is fundamental to the Company's long-term success.

**Energy and carbon disclosure information**

Energy and carbon disclosure information is not disclosed as the Company is exempt from the disclosure as it consumes less than 40,000 kWh of energy.

This report was approved by the Board of Directors on December 19, 2022 and signed on its behalf by: -



Director  
Jantina Catharina Van De Vreede



Director  
Simon Andrew O'Hara

**BHARTI AIRTEL (UK) LIMITED**  
**DIRECTORS' REPORT**  
**(All amounts are in GBP –'£')**

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The Company has chosen, in accordance with section 411C(11) of Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report which otherwise would be required to be disclosed in the Directors' Report.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company is the operation and provision of telecommunication facilities and services including international wholesale voice, wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers of its own.

**DIVIDENDS**

The Directors do not recommend any dividend during the current financial year (March 31, 2021: £nil). No dividend was declared subsequent to the Balance Sheet for the year ended March 31, 2022 (March 31, 2021: None).

**FUTURE DEVELOPMENTS**

The Company continues its operations in the areas of international wholesale voice and wholesale data and would look for opportunities to expand more and acquire new customers to increase its profitability.

**GOING CONCERN**

The financial forecasts, budgets and liquidity assessments have been re-assessed for at least the next 12 months. The directors believe these forecasts have been prepared on a prudent basis. The Company remains in a net current asset and net asset position at the balance sheet date. The directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least next 12 months from the date of signing these financial statements. Thus they continue to adopt the going concern basis in preparing the financial statements.

**BHARTI AIRTEL (UK) LIMITED**  
**DIRECTORS' RESPONSIBILITY STATEMENT**  
**(All amounts are in GBP –'£')**

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The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Financials are available under investor relations section at [www.airtel.in](http://www.airtel.in).

**DIRECTORS**

The Directors who served during the year and subsequently were:

Jantina Catharina Van De Vreede (from September 27, 2010 to till date)  
Simon Andrew O'Hara (from February 13, 2020 to till date)  
Srikanth Balachandran (from February 13, 2020 to August 9, 2021)  
Eric Matthew Gillenwater (from December 30, 2014 to June 17, 2022)  
Vishal Agrawal (from August 10, 2021 to June 17, 2022)  
Praveen Agarwal (appointed w.e.f. June 17, 2022)  
Hemen Roy (appointed w.e.f. June 17, 2022)

**BHARTI AIRTEL (UK) LIMITED**  
**DIRECTORS' RESPONSIBILITY STATEMENT**  
**(All amounts are in GBP -'£')**

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**PROVISION OF INFORMATION TO AUDITOR**

Pursuant to provision of section 418(2) of Companies Act, 2006, Each of the person who is a director as at the date of approval of this report confirms that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

The Board of Directors has recommended the appointment of Deloitte as auditors for the year 2022-23. Deloitte has confirmed its willingness / eligibility to continue in office and a resolution concerning its reappointment will be proposed at the next Annual General Meeting of shareholder.

This report was approved by the Board on December 19, 2022 and signed on its behalf by:



Director  
Jantina Catharina Van De Vreede



Director  
Simon Andrew O'Hara

## **Independent auditor's report to the members of Bharti Airtel (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Bharti Airtel (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at March 31, 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the area of revenue recognition and specifically the billing rates (i.e. the rates per minute) within the billing system. Errors within these rates would impact the accuracy of revenue recognised. The specific procedures performed to address this risk included (a) testing the general IT controls around the billing system including access management controls (b) assessing the effectiveness of the controls established by the directors around the approval and maintenance of the billing rates and (c) agreeing a sample of billing rates back to supporting evidence.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **Report on other legal and regulatory requirements**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*D. Winstone*

Daryl Winstone FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

20 December 2022



**BHARTI AIRTEL (UK) LIMITED**  
**INCOME STATEMENT**  
**(All amounts are in GBP –'£')**

**CN: 05917314**

	Notes	For the year ended	
		March 31, 2022	March 31, 2021
<b>Income</b>			
Revenue from operations	5	345,590,842	467,100,587
Other income		1,035,513	759,803
		<b>346,626,355</b>	<b>467,860,390</b>
<b>Expenses</b>			
Cost of goods sold		3,126,390	-
Network operating expenses	6	29,638,095	28,133,618
Access charges		299,596,993	442,124,179
Licence fee		270,406	447,388
Employee benefits expense	7	2,281,790	2,826,743
Depreciation expense	8	766,855	805,195
Other expenses	9	1,103,429	1,821,337
		<b>336,783,958</b>	<b>476,158,460</b>
<b>Operating Profit / (loss)</b>		<b>9,842,397</b>	<b>(8,298,070)</b>
Finance costs	10	-	745,357
<b>Profit / (loss) before tax</b>		<b>9,842,397</b>	<b>(9,043,427)</b>
Tax expense / (credit)	11	2,331,082	(1,291,802)
<b>Profit / (loss) for the year</b>		<b>7,511,315</b>	<b>(7,751,625)</b>

All results are derived from continuing operations.

The accompanying notes 1 to 24 form an integral part of these financial statements

**BHARTI AIRTEL (UK) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(All amounts are in GBP –'£')**

**CN: 05917314**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Profit / (loss) for the year</b>	<b>7,511,315</b>	<b>(7,751,625)</b>
<b>Items to be reclassified subsequently to profit and loss:</b>		
Gains / (losses) arising from translating the financial statements into presentation currency	505,462	(816,695)
<b>Total comprehensive Income / (loss) for the year</b>	<b>8,016,777</b>	<b>(8,568,320)</b>

The accompanying notes 1 to 24 form an integral part of these financial statements.

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**BHARTI AIRTEL (UK) LIMITED**  
**BALANCE SHEET**  
**(All amounts are in GBP-'£')**


**CN: 05917314**

	Notes	As of	
		March 31, 2022	March 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	3,629,383	3,955,156
Deferred tax assets (net)	20	-	1,509,952
Other assets	15	23,123,818	10,768,720
		<b>26,753,201</b>	<b>16,233,828</b>
<b>Current assets</b>			
Trade receivables	13	21,819,003	10,043,111
Other financial assets	14	58,777,876	51,581,005
Current tax assets (net)		374,438	415,750
Other assets	15	2,780,013	1,739,063
Cash and cash equivalents	16	10,462,890	1,911,083
		<b>94,214,220</b>	<b>65,690,012</b>
<b>Creditors: amount falling due within 1 year</b>			
Trade payables	17	76,664,910	68,036,603
Other payables	18	593,745	2,997,689
Provisions		5,867	1,970
Deferred revenue	5	15,407,399	3,288,494
Other current liabilities	19	-	34,767
		<b>92,671,921</b>	<b>74,359,523</b>
<b>Total assets less current liabilities</b>		<b>28,295,500</b>	<b>7,564,317</b>
<b>Creditors: amount falling due after more than 1 year</b>			
Deferred revenue	5	14,114,838	1,797,106
Deferred tax liabilities (net)	20	396,674	-
		<b>14,511,512</b>	<b>1,797,106</b>
<b>Net assets</b>		<b>13,783,988</b>	<b>5,767,211</b>
<b>Capital and reserves</b>			
Share capital	21	333,935	333,935
Other equity		13,450,053	5,433,276
		<b>13,783,988</b>	<b>5,767,211</b>

The accompanying notes 1 to 24 form an integral part of these financial statements.

The financial Statements of Bharti Airtel (UK) Limited (registered number: 05917314) were approved and authorised by the Board of Directors and authorised for issue on December 19, 2022 and signed on its behalf by:

  
 Director  
 Jantina Catharina Van De Vreede

  
 Director  
 Simon Andrew O'Hara

**BHARTI AIRTEL (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**(All amounts are in GBP –'£')**

**CN: 05917314**

	Share capital		Other equity			Total	Total Equity
	No. of shares	Share capital	Share premium	Retained earnings	Foreign currency translation reserve		
<b>At April 1, 2020</b>	333,935	333,935	3,005,411	11,659,796	(663,611)	14,001,596	14,335,531
Loss for the year	-	-	-	(7,751,625)	-	(7,751,625)	(7,751,625)
Other comprehensive loss for the year	-	-	-	-	(816,695)	(816,695)	(816,695)
<b>Total comprehensive loss</b>	-	-	-	<b>(7,751,625)</b>	<b>(816,695)</b>	<b>(8,568,320)</b>	<b>(8,568,320)</b>
<b>At March 31, 2021 and April 1, 2021</b>	<b>333,935</b>	<b>333,935</b>	<b>3,005,411</b>	<b>3,908,171</b>	<b>(1,480,306)</b>	<b>5,433,276</b>	<b>5,767,211</b>
Profit for the year	-	-	-	7,511,315	-	7,511,315	7,511,315
Other comprehensive income for the year	-	-	-	-	505,462	505,462	505,462
<b>Total comprehensive income</b>	-	-	-	<b>7,511,315</b>	<b>505,462</b>	<b>8,016,777</b>	<b>8,016,777</b>
<b>At March 31, 2022</b>	<b>333,935</b>	<b>333,935</b>	<b>3,005,411</b>	<b>11,419,486</b>	<b>(974,844)</b>	<b>13,450,053</b>	<b>13,783,988</b>

The accompanying notes 1 to 24 form an integral part of these financial statements.

## **1 Corporate Information**

Bharti Airtel UK Limited (the 'Company') is domiciled and incorporated in England and Wales under the Companies Act 2006 as a private limited Company. The principal place of business and registered office of the Company is located at 10 Queen Street Place, London EC4R 1AG, United Kingdom.

The principal activity of the Company is the operation and provision of telecommunication facilities and services including international wholesale voice, wholesale bandwidth and other related telecommunication services to carrier customers and to third party customers of its own.

The financial statements for the year ended March 31, 2022 were authorised for issue by the Board of Directors on December 19, 2022.

The Company's parent Company is Bharti International (Singapore) Pte. Ltd., a private limited company limited by shares incorporated in Singapore.

## **2 Basis of Preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council as the Company is a wholly owned subsidiary of Bharti Airtel Limited which prepares publicly available accounts consolidating the results of the Company under an equivalent GAAP framework. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the following areas:

- (a) the requirement of IFRS 7 Financial Instrument – Disclosures;
- (b) the requirement in paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (c) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- (d) the requirements of IAS 7, Statement of Cash Flows;
- (e) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (f) the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- (g) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly-owned by such a member.
- (h) the requirements of the second sentence of the paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- (i) the requirements of paragraph 52, the second sentence of paragraph 89 and paragraph 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 of the regulation is presented separately for lease liabilities and other liabilities, in total.

## **Application of new and revised International Financial Reporting Standards (IFRSs)**

### **New and revised IFRSs applied with no material effect on the financial statements**

The accounting policies adopted are consistent with those of the previous financial year except for adoption of the following interpretation effective from the current year. The adoption of these interpretations did not have a material impact.

<b>S. No.</b>	<b>Improvements/ Amendments to Standards</b>	<b>Effective date- annual periods beginning on or after</b>
1.	IFRS 7 Financial Instruments: Disclosures – Amendments regarding Interest Rate Benchmark Reforms – Phase 2	January 1, 2021
2.	IFRS 9 Financial Instruments - Amendments regarding Interest Rate Benchmark Reforms – Phase 2	January 1, 2021
3.	IFRS 16 Leases – Amendments regarding Interest Rate Benchmark Reforms – Phase 2	January 1, 2021

**New and revised Standards in issue but not yet effective**

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations were in issue but effective for annual periods beginning on or after the respective dates as indicated:

<b>S. No.</b>	<b>Improvements/ Amendments to Standards</b>	<b>Effective date- annual periods beginning on or after</b>
1.	IAS 37 Onerous Contracts- Cost of Fulfilling a Contract	January 1, 2022
2.	IFRS 3 Business Combinations- Reference to the Conceptual Framework	January 1, 2022
3.	IAS 16 Property, Plant and Equipment- Proceeds before Intended Use	January 1, 2022
4.	IFRS 16 Leases and IFRS 9 Financial Instruments- Annual Improvements to IFRS Standards 2018–2020	January 1, 2022
5.	IAS 1 Presentation of Financial Statements- Classification of Liabilities as Current or Non-current	January 1, 2023
6.	IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates	January 1, 2023
7.	IAS 1 Presentation of Financial Statements- Disclosure of Accounting Policies	January 1, 2023
8.	IAS 12 Income Taxes- Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023

These amendments do not have a material impact on the financial information of the company.

The Company's financial reporting will be presented in accordance with these requirements, which are being evaluated but not expected to have a material impact on the results, financial position or cash flows of the Company, from April 1, 2022.

**3 Summary of Significant Accounting Policies**

**a. Property, plant and equipment ('PPE')**

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset

to its working condition and location for its intended use. In case of multiple element contracts whereby the vendor supplies PPE as well as other components, PPE is recorded on the basis of relative fair values. Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets.

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as Asset under construction in PPE. Advances given towards acquisition of PPE outstanding at each Balance Sheet date are disclosed under other Non- current assets.

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

An asset will be depreciated as and when the asset is available for ready to use.

Depreciation on PPE is computed using the straight line method over the estimated useful lives which are as follows:

Plant & machinery	1 to 10 years
Office equipment	1 to 5 years

### **Impairment of non-financial assets**

PPE is reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable.

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the income statement is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro rata basis. Impairment losses, if any, are recognised in income statement.

## **b. Financial instruments**

### **I. Recognition, classification and presentation**

The financial instruments are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the financial instrument.

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

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

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

Financial assets and liabilities arising from different transactions are offset against each other and the resultant net amount is presented in the Balance Sheet, if and only when, the Company currently has a legally enforceable right to setoff the related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

## **II. Measurement – Non-derivative financial instruments**

### **1. Initial measurement**

At initial recognition, the Company measures the non-derivative financial instruments at its fair value plus, in the case of financial instruments not at fair value through profit or loss, transaction costs. Otherwise, transaction costs are expensed in the income statement.

### **2. Subsequent measurement - financial assets**

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

#### **a) Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at 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 other income.

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

All financial assets that do not meet the criteria for amortised cost are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the income statement within other income separately from the other gains / losses arising from changes in the fair value.

### **Impairment**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, 12 months, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

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.

### **3. Subsequent measurement - financial liabilities**

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



### **III. Derecognition**

The financial liabilities are derecognised from the Balance Sheet when the underlying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are derecognised from the Balance Sheet when the 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 resultant impact of derecognition is recognised in the income statement.

#### **c. Functional and foreign currency transactions**

Functional currency

The financial statements are presented in Great Britain Pound ('GBP') whereas the functional currency of the Company is United States Dollar ('USD').

Transactions and balances

These financial statements are presented in GBP as the Company is domiciled in United Kingdom and, in the opinion of the directors of the Company, most of the external users of the financial statements are located in United Kingdom. Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is treated in line with the recognition of gain or loss of the item that gave rise to such exchange difference (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income is also recognised in other comprehensive income).

#### **d. Revenue recognition**

Revenue is recognised upon transfer of control of promised products or services to the customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. When determining the consideration to which the Company is entitled for providing promised products or services via intermediaries, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers. To the extent that the intermediary is considered a principal, the consideration to which the Company is entitled is determined to be that received from the intermediary.

Revenue is recognised when, or as, each distinct performance obligation is satisfied. The main categories of revenue and the basis of recognition are as follows:

##### **I. Service revenue**

Service revenues mainly pertain to usage for voice, data, messaging and value added services.

Telecommunication services (comprising voice, data and SMS) are considered to represent a single performance obligation as all are provided over the Company's network and transmitted as data representing a digital signal on the network. The transmission consumes network bandwidth and therefore, irrespective of the nature of the communication, the customer ultimately receives access to the network and the right to consume network bandwidth.

The Company recognises revenue from these services as they are provided. Revenue is recognised based on actual units of telecommunication services provided during the reporting period as a proportion of the total units of telecommunication services to be provided. Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

## **II. Equipment sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories for which revenue is recognised when the control of equipment is transferred to the customer, i.e. transferred at a point in time.

## **III. Interest income**

The Interest income is recognised using the EIR method. For further details, refer to note 3(b).

### **e. Taxes**

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the income statement.

#### **I. Current tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the Balance Sheet under current assets as current tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. The Company considers whether it is probable that a taxation authority will accept an uncertain tax treatment. If the Company concludes it is probable that the taxation authority will accept an uncertain tax treatment, it determines the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If the Company concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity reflects the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates.

#### **II. Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Income tax assets and liabilities are offset against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company currently has a legally enforceable right to setoff the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

#### **f. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation (if the impact of discounting is significant), using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to un-winding of interest over passage of time is recognised within finance costs.

#### **g. Inventories**

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing the inventories to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### **h. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of Cash and cash equivalents and subject to an insignificant risk of changes in value).

#### **i. Share capital**

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

### **4 Key sources of estimation uncertainty and critical judgements**

The estimates and judgements used in the preparation of these financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed

as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

**a. Key sources of estimation uncertainty**

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below:

**i. Allowance for impairment of trade receivables**

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

**b. Critical judgement's in applying the Company's accounting policies**

There are no critical judgement's in applying the Company's accounting policies.

**5 Revenue from operations**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Service revenue	342,150,714	467,100,587
Sale of products	3,440,128	-
	<b>345,590,842</b>	<b>467,100,587</b>

**Contract balances**

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Unbilled revenue	19,997,867	20,273,047
Deferred revenue		
-Current	15,407,399	3,288,494
-Non-Current	14,114,838	1,797,106

Significant changes in the unbilled revenue and deferred revenue balances during the year are as follows:

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	
	<b>Unbilled Revenue</b>	<b>Deferred Revenue</b>
Revenue recognised that was included in the deferred revenue balance at the beginning of the year	-	3,288,494
Increases due to cash received, excluding amounts recognised as revenue during the year	-	27,725,132
Transfers from unbilled revenue recognised at the beginning of the year to receivables	20,273,047	-

**6 Network operating expenses**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Repair and maintenance	2,014,287	1,792,878
Internet bandwidth and leasedline charges	27,304,989	26,050,928
Others	318,819	289,812
	<b>29,638,095</b>	<b>28,133,618</b>

**7 Employee benefits expense**

The average monthly number of employees was 1. (March 31, 2021: 0).

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Salaries and wages	144,214	23,055
Social security costs	32,829	24,371
Directors' remuneration*	9,006	34,640
Allowances <sup>#</sup>	2,095,741	2,744,677
	<b>2,281,790</b>	<b>2,826,743</b>

\* Directors' remunerations

Amount paid to director was GBP 9,006 and GBP 34,640 for the year ended March 31, 2022 and March 31, 2021 respectively.

# Allowances mainly pertains to cross charge by Bharti Airtel Limited (Intermediate Parent Company) for business support services.

Some of the Directors of the Company are also Directors or Officers of other Companies within the Group. The respective Directors' services to the Company do not occupy a significant amount of the time. Accordingly, remuneration to such Directors for the year ending March 31, 2022 and March 31, 2021 have been borne by other Group Companies.

**8 Depreciation expense**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Depreciation	766,855	805,195
	<b>766,855</b>	<b>805,195</b>

**9 Other expenses**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Allowance for doubtful debts	388,564	1,028,566
Consultancy charges*	128,321	134,583
Bad debts written off	51	13
Sales & marketing expenses	165,505	96,847
Bank charges	-	71,068
Other administrative expenses#	420,988	490,260
	<b>1,103,429</b>	<b>1,821,337</b>

\* Details of Auditor's remuneration included in consultancy charges:

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Fees payable to the auditor for the audit of the Company's annual accounts	9,391	9,148
	<b>9,391</b>	<b>9,148</b>

# This mainly represents Billing & Software expenses, Legal & Professional Charges and Rates, Fees and Taxes.

**10 Finance costs**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Net exchange loss	-	745,357
	<b>-</b>	<b>745,357</b>

**11 Tax expense / (credit)**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit / (loss) for the year	424,456	487,664
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,906,626	(1,779,466)
<b>Total Deferred tax</b>	<b>1,906,626</b>	<b>(1,779,466)</b>
<b>Income tax expense / (credit)</b>	<b>2,331,082</b>	<b>(1,291,802)</b>
<b>Reconciliation of tax expenses</b>		
Profit /(loss) before tax	9,842,397	(9,043,427)
Tax at effective rate of 19%	1,870,055	(1,718,251)
<b>Adjustments:</b>		
Adjustments in respect of prior periods	424,456	487,664
Reversal of previously recognised tax expense / (credit)	36,571	(61,215)
<b>Income tax expense / (credit) recognised in income statement</b>	<b>2,331,082</b>	<b>(1,291,802)</b>

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**12 Property, plant and equipment:**

	<b>Plant &amp; machinery</b>	<b>Office equipment</b>	<b>Asset under construction</b>	<b>Total</b>
<b>Gross carrying value</b>				
<b>As of April 1, 2020</b>	<b>8,318,242</b>	<b>14,620</b>	<b>213,063</b>	<b>8,545,925</b>
Additions	1,294,952	-	1,086,177	<b>2,381,129</b>
Disposal / adjustment	-	-	(1,279,608)	<b>(1,279,608)</b>
Currency translation	(908,231)	(1,404)	(19,632)	<b>(929,267)</b>
<b>As of March 31, 2021</b>	<b>8,704,963</b>	<b>13,216</b>	<b>-</b>	<b>8,718,179</b>
<b>As of April 1, 2021</b>	<b>8,704,963</b>	<b>13,216</b>	<b>-</b>	<b>8,718,179</b>
Additions	271,157	-	635,829	906,986
Disposal / adjustment	-	-	(629,653)	(629,653)
Currency translation	380,666	559	12,436	393,661
<b>As of March 31, 2022</b>	<b>9,356,786</b>	<b>13,775</b>	<b>18,612</b>	<b>9,389,173</b>
<b>Accumulated depreciation</b>				
<b>As of April 1, 2020</b>	<b>4,408,245</b>	<b>14,617</b>	<b>-</b>	<b>4,422,862</b>
Charge for the year	805,195	-	-	805,195
Currency translation	(463,630)	(1,404)	-	(465,034)
<b>As of March 31, 2021</b>	<b>4,749,810</b>	<b>13,213</b>	<b>-</b>	<b>4,763,023</b>
<b>As of April 1, 2021</b>	<b>4,749,810</b>	<b>13,213</b>	<b>-</b>	<b>4,763,023</b>
Charge for the year	766,855	-	-	766,855
Currency translation	229,353	559	-	229,912
<b>As of March 31, 2022</b>	<b>5,746,018</b>	<b>13,772</b>	<b>-</b>	<b>5,759,790</b>
<b>Net carrying value</b>				
<b>As of March 31, 2022</b>	<b>3,610,768</b>	<b>3</b>	<b>18,612</b>	<b>3,629,383</b>
<b>As of March 31, 2021</b>	<b>3,955,153</b>	<b>3</b>	<b>-</b>	<b>3,955,156</b>

**13 Trade receivables**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Trade receivables	11,050,992	11,368,927
Less: Allowance for doubtful receivables	(3,305,726)	(2,780,841)
	<b>7,745,266</b>	<b>8,588,086</b>
Amount due from related parties (refer to note 24 for related parties)	14,073,737	1,455,025
	<b>21,819,003</b>	<b>10,043,111</b>



**14 Other financial assets**

**Current**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest accrued*	1,182,401	904,935
Unbilled revenue	19,997,867	20,273,047
Loans and security deposits#	37,597,608	30,403,023
	<b>58,777,876</b>	<b>51,581,005</b>

\* Interest accrued includes amount outstanding from Network i2i Limited (related party of the Company).

# Loans and security deposits includes Loan to Network i2i Limited of GBP 37,597,573 and GBP 30,402,989 for the year ended March 31, 2022 and March 31, 2021, respectively. Loan given is unsecured and interest bearing at average 1.23% (previous year average 1.65%) Inter-bank Offered Rate ('LIBOR') for the three months ended plus 110 basis points which is repayable on demand.

**15 Other assets**

**Non-current**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Prepaid expenses	23,123,818	10,768,720
	<b>23,123,818</b>	<b>10,768,720</b>

**Current**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Prepaid expenses	2,651,897	1,739,052
Advances to suppliers	15,843	11
Taxes recoverable	112,273	-
	<b>2,780,013</b>	<b>1,739,063</b>

**16 Cash and cash equivalents**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Balance with banks	10,462,889	1,911,082
Cash on hand	1	1
	<b>10,462,890</b>	<b>1,911,083</b>

**17 Trade payables**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Trade creditors	42,212,578	36,912,634
Accrued expenses	7,966,726	4,469,040
Amount due to related parties (refer to note 24 for related parties)	26,485,606	26,654,929
	<b>76,664,910</b>	<b>68,036,603</b>

**18 Other payables**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Equipment supply payables	576,380	2,991,933
Others	17,365	5,756
	<b>593,745</b>	<b>2,997,689</b>

**19 Other current liabilities**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Taxes payable	-	34,767
	<b>-</b>	<b>34,767</b>

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**20 Deferred tax liability / (asset)**

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
At beginning of year	(1,509,952)	269,514
Reversal of previously recognised deferred tax	36,572	(61,215)
Tax expense / (credit) recognised during the year in income statement	1,870,054	(1,718,251)
At end of year	<b>396,674</b>	<b>(1,509,952)</b>

Deferred tax liability / (asset) relates to the following:

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Accelerated capital allowances	400,044	211,782
Tax losses carried forward and other deductions	(3,370)	(1,721,734)
	<b>396,674</b>	<b>(1,509,952)</b>

Deferred tax expense / (credit):

	<b>For the year ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Provision for employees dues	(2,312)	1,059
Accelerated capital allowance	188,263	(58,791)
Tax losses carried forward and other deductions	1,720,675	(1,721,734)
Net deferred tax expense / (credit)	<b>1,906,626</b>	<b>(1,779,466)</b>

The statutory corporation tax rate in UK will increase from 19% to 25% w.e.f. April 1, 2023.

**21 Share capital**

	<b>As of</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
<b>Authorised shares</b>		
333,935 equity shares of GBP 1 each	<b>333,935</b>	<b>333,935</b>
<b>Issued, Subscribed and fully paid-up shares</b>		
333,935 equity shares of GBP 1 each	<b>333,935</b>	<b>333,935</b>

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

<b>Particulars</b>	<b>As of March 31, 2022</b>		<b>As of March 31, 2021</b>	
	<b>No. of shares</b>	<b>GBP ('£')</b>	<b>No. of shares</b>	<b>GBP ('£')</b>
At the beginning of the year	333,935	333,935	333,935	333,935
<b>Outstanding at the end of the year</b>	<b>333,935</b>	<b>333,935</b>	<b>333,935</b>	<b>333,935</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having par value of £ 1.00 per share. Each holder of equity shares is entitled to cast one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

**c) Details of shareholding**

	As of			
	March 31, 2022		March 31, 2021	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of GBP 1 each fully paid up</b>				
Bharti International (Singapore) Pte. Ltd.	333,935	100%	333,935	100.00%

**22 Other equity**

**(a) Retained earnings:** Retained earnings represents the amount of accumulated earning of the Company.

**(b) Foreign currency translation reserve:** Foreign currency translation represents the amount of translation reserve due to exchange rates of functional currency and presentation currency.

**(c) Share premium:** Share premium represents the amounts received in respect of called up share capital in excess of the face value of the share.

**23 Capital commitments**

	As of	
	March 31, 2022	March 31, 2021
Contracted capital expenditure	6,774,414	3,531,750
	<b>6,774,414</b>	<b>3,531,750</b>

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**24 Related party disclosures**

Related party transactions represent transactions entered into by the Company with the parent Company and fellow subsidiaries. The Company has availed the exemption under paragraph 8(k) of FRS 101 not to disclose the transactions with wholly-owned subsidiaries. The transactions and balances with the following related parties (other than entities for which exemption is taken under paragraph 8(k) of FRS 101) for the year ended March 31, 2022 and March 31, 2021, respectively, are described below:

**List of related parties**

Bharti International (Singapore) Pte. Ltd.

Bharti Airtel Limited

Network i2i Limited

Bharti Enterprises (Holding) Private Limited

Airtel Congo S.A.

Airtel Gabon S.A.

Airtel Ghana Limited

(transferred to Government of Ghana w.e.f. October 12, 2021)

CelTel Niger S.A.

Airtel Tanzania Plc

Airtel Networks Zambia Plc

Airtel Congo (RDC) S.a.r.l.

Airtel Networks Limited

Airtel Malawi Limited

Airtel Networks Kenya Limited

Airtel Tchad S.A.

**Relationship**

Parent Company

Intermediate Parent Company

Intermediate Parent Company

Ultimate controlling entity

Fellow Subsidiaries

Fellow Subsidiaries

J.V. of intermediate parent Company

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

Fellow Subsidiaries

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**BHARTI AIRTEL (UK) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(All amounts are in GBP –'£')**

**CN: 05917314**

Nature of transactions*	Bharti Airtel Limited	Airtel Congo S.A	Airtel Malawi Limited	Airtel Networks Zambia Plc	Airtel Networks Kenya Limited	Airtel Tchad S.A	Airtel Congo RDC S.a.r.l.	Celtel Niger S.A.	Airtel Networks Limited	Others	Total
<b>Related party transactions for the year ended March 31, 2022 are shown below :</b>											
Rendering of services	61,871,032	2,437,585	791,740	552,053	1,105,333	1,435,864	1,058,825	2,451,126	14,496,807	11,536,180	97,736,545
Receiving of services	(48,859,093)	(2,266,984)	(1,897,042)	(2,782,772)	(2,348,055)	(3,406,935)	(2,801,758)	(1,002,251)	(21,845,917)	(13,213,048)	(100,423,855)
<b>Balances with related parties as at March 31, 2022 :</b>											
Trade and other receivables	3,940,815	1,181,138	-	-	-	-	-	-	-	8,951,784	14,073,737
Trade and other payables	-	-	(1,539,148)	(1,964,806)	(2,071,660)	(2,568,061)	(3,231,150)	(7,565,089)	(1,483,897)	(6,061,795)	(26,485,606)
<b>Related party transactions for the year ended March 31, 2021 are shown below :</b>											
Rendering of services	292,096,079	4,556,243	1,759,644	747,467	1,998,646	2,575,944	1,919,616	3,199,875	17,275,391	2,404,246	328,533,150
Receiving of services	(293,722,733)	(4,199,606)	(3,594,943)	(4,678,041)	(3,040,442)	(4,793,900)	(4,243,366)	(3,101,274)	(31,934,314)	(11,105,158)	(364,413,777)
<b>Balances with related parties as at March 31, 2021 :</b>											
Trade and other receivables	484,651	956,924	-	-	-	-	-	-	-	13,450	1,455,025
Trade and other payables	-	-	(2,260,451)	(1,581,429)	(1,581,429)	(2,117,089)	(1,306,547)	(9,223,566)	(3,595,288)	(4,989,130)	(26,654,929)

\* Outstanding balances pertaining to above related parties at the year-end are unsecured and interest free and settlement occurs in cash.

The parent company is Bharti International (Singapore) Pte. Ltd. Its registered address is 150 Orchard Road, #08-01 Orchard Plaza, Singapore, 238841.

The largest group in which this Company is consolidated is Bharti Airtel Limited, which is incorporated in India. Its registered address is Airtel Center, Plot No. 16, Udyog Vihar, Phase IV, Gurugram – 122015, India. The consolidated accounts of Bharti Airtel Limited are available to the public on the Company's website ([www.airtel.in](http://www.airtel.in)). The ultimate controlling party is Bharti Enterprise (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the company.