

**Bharti Airtel Rwanda Holdings Limited**

**Audited Financial Statements**

**31 December, 2021**

**Bharti Airtel Rwanda Holdings Limited**

**Audited Financial Statements**

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**Bharti Airtel Rwanda Holdings Limited**  
**Corporate Information**

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		<b>Date of Appointment</b>
<b>DIRECTORS</b>	: Jantina Catharina Van De Vreede Devananda Naraidoo Rishal Tanee (Resigned on 14 January 2021) Vassudha Devi Beethue	26 November, 2010 14 February, 2011 01 December, 2017 14 January, 2021
<b>ADMINISTRATOR AND SECRETARY</b>	: Ocorian Corporate Services (Mauritius) Limited 6th Floor, Tower A 1 Cybercity Ebene Mauritius	
<b>REGISTERED OFFICE</b>	: 6th Floor, Tower A 1 Cybercity Ebene Mauritius	
<b>BANKER</b>	: HSBC Bank (Mauritius) Limited 6th Floor, HSBC Centre 18, Cybercity Ebene Rduit 72201 Mauritius	
<b>AUDITOR</b>	: Deloitte 7th and 8th Floor, Standard Chartered Tower 19-21 Bank Street, Cybercity Ebene Republic of Mauritius	

**Bharti Airtel Rwanda Holdings Limited**  
**Commentary of the Directors**  
**Under Section 166(d) of the Companies Act 2001**

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The directors present their commentary, together with the audited financial statements of Bharti Airtel Rwanda Holdings Limited (the 'Company') for the year ended December 31, 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is investment holding.

**RESULTS AND DIVIDENDS**

The Company's loss for the year ended 31 December, 2021 is USD 13,817 (2020: Loss USD 17,000).

The directors do not recommend the payment of a dividend for the year under review (2020 - Nil).

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether International Financial Reporting 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. 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.

**AUDITOR**

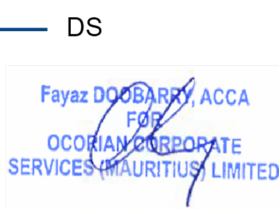
Deloitte has been appointed as auditor and has indicated its willingness to remain in office and will be automatically re-appointed at the Annual Meeting.

**By Order of the Board**

**SECRETARY**

**OCORIAN CORPORATE SERVICES (MAURITIUS) LIMITED**

DS  
Fayaz DOOBARRY, ACCA  
FOR  
OCORIAN CORPORATE  
SERVICES (MAURITIUS) LIMITED



Date: 04 July 2022

**SECRETARY'S CERTIFICATE**

**TO THE MEMBER OF BHARTI AIRTEL RWANDA HOLDINGS LIMITED**

**SECRETARY'S CERTIFICATE UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT**

In accordance with section 166 (d) of the Mauritius Companies Act, we certify that to the best of our knowledge and belief, the Company has filed with the Registrar of Companies, all such returns as are required of the Company under the Mauritius Companies Act 2001 for the Audited Financial Statements for the year ended 31 December 2021.

Dated 14 July 2022



Fayaz DOOBARRY, ACCA  
FOR  
OCORIAN CORPORATE  
SERVICES (MAURITIUS) LIMITED

**Ocorian Corporate Services (Mauritius) Limited**  
**Secretary**

## **Independent auditor's report to the Shareholder of Bharti Airtel Rwanda Holdings Limited**

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

#### **Opinion**

We have audited the financial statements of **Bharti Airtel Rwanda Holdings Limited** (the "Company") set out on pages 7 to 24, which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business License companies, as described in note 3 to the financial statements.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (*including International Independence Standards*) (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the 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 – Basis of preparation**

We draw attention to note 3 to the financial statements, which describes the basis of preparation of the financial statements in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business License companies. Our opinion is not modified in respect of this matter.

#### **Other information**

The directors are responsible for the other information. The other information comprises the Corporate Information, Commentary of the directors and Certificate from the secretary, but 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 any form of assurance conclusion thereon.

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, 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 for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in compliance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business License companies and they are also responsible 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.

The directors are responsible for overseeing the Company's financial reporting process.

#### **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.

**Independent auditor's report to the Shareholder of  
Bharti Airtel Rwanda Holdings Limited (Cont'd)**

**Auditor's responsibilities for the audit of the financial statements (cont'd)**

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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 directors 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.

**Report on other legal and regulatory requirements**

*Mauritius Companies Act 2001*

In accordance with the requirements of the Mauritius Companies Act 2001, we report as follows:

- we have no relationship with, or interest in, the Company other than in our capacity as auditor;
- we have obtained all information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

**Use of this report**

This report is made solely to the Company's shareholder, as a body, in accordance with the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte.*

**Deloitte**

**Chartered Accountants**

04 July 2022

*Vishal Agrawal.*

**Vishal Agrawal, FCA**

**Licensed by FRC**

**Bharti Airtel Rwanda Holdings Limited**  
**Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2021**  
*(All amounts are in United States Dollars)*

	Notes	For the year ended 31 December, 2021	For the year ended 31 December, 2020
<b>Expenses</b>			
License and registration fees		1,950	2,000
Secretarial and administration fees		2,572	2,825
Directors' fees		750	1,500
Domiciliation fees		400	800
Accountancy fees		1,000	1,000
Audit fees		6,640	6,640
Taxation fees		250	450
Bank charges		255	1,785
<b>Total Expenses</b>		<b>13,817</b>	<b>17,000</b>
<b>Loss before tax</b>		<b>(13,817)</b>	<b>(17,000)</b>
Income tax expense	6	-	-
<b>Loss for the year</b>		<b>(13,817)</b>	<b>(17,000)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		<b>(13,817)</b>	<b>(17,000)</b>

The notes on pages 11 to 24 form an integral part of these financials statements.

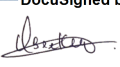


**Bharti Airtel Rwanda Holdings Limited**  
**Statement of Financial Position as at 31 December 2021**  
*(All amounts are in United States Dollars - 'USD')*

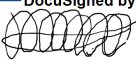
	Notes	As at 31 December, 2021	As at 31 December, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary	7	-	-
<b>Current assets</b>			
Loan receivable	8	236,628,770	235,228,770
Other receivables and prepayments	9	224,365	224,365
Cash and cash equivalents		4,909	10,400
		<b>236,858,044</b>	<b>235,463,535</b>
<b>Total assets</b>		<b>236,858,044</b>	<b>235,463,535</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Stated capital	10	40,001	40,001
Accumulated losses		(482,730)	(468,913)
<b>Total equity</b>		<b>(442,729)</b>	<b>(428,912)</b>
<b>Current liabilities</b>			
Borrowings	11	236,702,754	235,292,754
Other payables and accrued expenses	12	598,019	599,693
		<b>237,300,773</b>	<b>235,892,447</b>
<b>Total liabilities</b>		<b>237,300,773</b>	<b>235,892,447</b>
<b>Total equity and liabilities</b>		<b>236,858,044</b>	<b>235,463,535</b>

The notes on pages 11 to 24 form an integral part of these financials statements.

Approved by the Board of directors on 04 July 2022 and signed on its behalf by:

DocuSigned by:  
  
 241B458198504A3  
 Vassudha Beethue

**Director**

DocuSigned by:  
  
 96C27126A40D4AC...  
 Devananda Naraidoo

**Director**

**Bharti Airtel Rwanda Holdings Limited**  
**Statement of Changes in Equity for the year ended 31 December 2021**  
*(All amounts are in United States Dollars - 'USD')*

	Stated capital		Retained Earnings	Total equity
	No of shares	Amount		
<b>As of 1 January, 2020</b>	<b>40,001</b>	<b>40,001</b>	<b>(451,913)</b>	<b>(411,912)</b>
Loss for the year	-	-	(17,000)	(17,000)
Other comprehensive profit	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>(17,000)</b>	<b>(17,000)</b>
<b>As of 31 December, 2020</b>	<b>40,001</b>	<b>40,001</b>	<b>(468,913)</b>	<b>(428,912)</b>
Loss for the year	-	-	(13,817)	(13,817)
Other comprehensive profit	-	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>-</b>	<b>(13,817)</b>	<b>(13,817)</b>
<b>As of 31 December, 2021</b>	<b>40,001</b>	<b>40,001</b>	<b>(482,730)</b>	<b>(442,729)</b>

The notes on pages 11 to 24 form an integral part of these financials statements.

**Bharti Airtel Rwanda Holdings Limited**  
**Statement of Cash Flows for the year ended 31 December 2021**  
*(All amounts are in United States Dollars - 'USD')*

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
<b>Cash flow from Operating activities</b>		
Loss before tax	(13,817)	(17,000)
Operating cash flows before changes in working capital	<u>(13,817)</u>	<u>(17,000)</u>
<b>Changes in working capital :</b>		
Decrease in other payables and accrued expenses	(1,674)	(544)
<b>Net cash flows used in operating activities (a)</b>	<u><b>(15,491)</b></u>	<u><b>(17,544)</b></u>
<b>Cash flow from investing activities</b>		
Loan to subsidiary	(1,400,000)	(18,600,000)
<b>Net cash flows used in investing activities (b)</b>	<u><b>(1,400,000)</b></u>	<u><b>(18,600,000)</b></u>
<b>Cash flow from financing activities</b>		
Loan from parent Company	1,410,000	18,620,000
Loan repayment to parent Company	-	(477,500)
<b>Net cash flows generated from financing activities (c)</b>	<u><b>1,410,000</b></u>	<u><b>18,142,500</b></u>
<b>Net decrease in cash and cash equivalents during the year (a)+(b)+(c)</b>	(5,491)	(475,044)
Cash and Cash Equivalents as at beginning of the year	10,400	485,444
<b>Cash and cash equivalents as at end of the year</b>	<u><u><b>4,909</b></u></u>	<u><u><b>10,400</b></u></u>

The notes on pages 11 to 24 form an integral part of these financials statements.

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

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**1. Corporate information**

Bharti Airtel Rwanda Holdings Limited (the “Company”) is a private limited company incorporated in Mauritius, holds a Global Business Licence under the Financial Services Act 2007 and is regulated by Financial Services Commission. The Company’s registered office is 6th Floor, Tower A, 1 Cybercity, Ebene, Republic of Mauritius.

The principal activity of the Company is investment holding.

**2. Application of new and revised international financial reporting standards**

**2.1 New and revised Standards and Interpretations applied with no material effect on the financial statements**

In the current year, the Company has applied new and revised standards and interpretations issued by International Accounting Standards Board (“IASB”) and International Financial Reporting Interpretations Committee (“IFRC”) of the IASB are relevant to its operations and effective for accounting periods beginning on 01 January, 2021.

IAS 39 Financial Instruments: Recognition and Measurement Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January, 2021)

IFRS 7 Financial Instruments: Disclosures - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January, 2021)

IFRS 9 Financial Instruments - Amendments regarding replacement issues in the context of the IBOR reform (effective 1 January, 2021)

**2.2 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 on annual period on or after the respective dates as indicated:

IFRS 9 Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the ‘10 per cent’ test for derecognition of financial liabilities) (effective 1 January, 2022)

IAS 1 Presentation of Financial Statements - Amendments regarding classification of liabilities (effective 1 January, 2023)

IAS 1 Presentation of Financial Statements - Amendment to defer the effective date of the January 2020 amendments (effective 1 January, 2023)

IAS 1 Presentation of Financial Statements - Amendment regarding the disclosure of accounting policies (effective 1 January, 2023)

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Amendment regarding the definition of accounting estimates (effective 1 January, 2023)

IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous (effective 1 January, 2022).

The directors anticipate that these amendments will be applied in the Company’s financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet assessed the potential impact of the application of these amendments.

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

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### **3. Summary of significant accounting policies**

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

#### **Basis of presentation**

The financial statements have been prepared in accordance with the requirements of the Mauritius Companies Act 2001 in so far as applicable to Global Business License companies. The directors have considered the exemption available under Section 12 of the Fourteenth Schedule of the Mauritius Companies Act 2001 and have not prepared consolidated financial statements. The financial statements have been prepared under the historical cost convention, and except for IFRS 10 - Consolidated Financial Statements, in accordance with the International Financial Reporting Standards on a stand-alone basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 4.

#### **Going concern**

At 31 December, 2021, the Company had shareholder's deficit of USD 442,729 (2020: deficit USD 428,912) and the net current liabilities of the company are USD 442,729 (2020: net current liabilities of USD 428,912).

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence in the foreseeable future. The validity of this assumption depends on the continued financial support of its step up holding company, Bharti Airtel International (Netherlands) B.V. The Company has received a letter of comfort from its step up holding company, confirming that the support will be forthcoming over the next twelve months. It is thus appropriate for the financial statements to be prepared on the going concern basis.

#### **Foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States dollars (USD), which is also the functional currency of the Company.

##### **(b) Transactions and balances**

Foreign currency transactions are initially recorded in the functional currency at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement/settlement, recognised in the Statement of Profit or Loss and Comprehensive Income within other costs/ other income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition.

#### **Current and deferred income tax**

The income tax expense for the year comprises of current tax only. The current income tax is calculated on the basis of the tax rates, laws and regulation, which have been enacted or substantively enacted as at the reporting date in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **3. Summary of significant accounting policies (Continued)**

#### **Current and deferred income tax (Continued)**

Deferred income tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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, tax losses and tax credits can be utilized. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **Investment in subsidiary**

Subsidiaries are all entities over which the Company has the power to directly or indirectly govern the financial and operating policies and has rights to variable returns from its involvement from the entity, and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is initially shown at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to profit and loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to Statement of Profit or Loss and Comprehensive Income.

#### **Financial instruments**

The Company initially recognises financial instruments on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

#### **Subsequent measurement – financial assets**

The subsequent measurement of financial assets depends on their classification as follows:

- **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method (if the impact of discounting/any transaction costs is significant). Interest income from these financial assets is included in finance income.

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.

### **3. Summary of significant accounting policies (Continued)**

#### **Financial instruments (Continued)**

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

All equity instruments and financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at FVTPL. Interest (basis EIR method) and dividend income from financial assets at FVTPL is recognised in the profit and loss within finance income/finance costs separately from the other gains/losses arising from changes in the fair value.

#### **Subsequent measurement – financial liabilities**

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

#### **Impairment of financial assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Company to recognize a loss allowance for expected credit losses on:

(1) Debt investments measured subsequently at amortised cost or at FVTOCI; and

(2) Trade receivables

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit impaired financial asset.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables.

transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

#### **Derecognition of financial assets and liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in Financial instruments carried on the statement of financial position include loan receivable, other receivables, cash and cash equivalents, borrowings and, other payables and accrued expenses. The particular recognition methods adopted are disclosed below:

#### **Loan receivable**

Loan receivable is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### **3. Summary of significant accounting policies (Continued)**

#### **Other receivables**

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company's cash and cash equivalents comprise of cash at bank.

#### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in Statement of Profit or Loss and Comprehensive Income over the period of the borrowings using the effective interest method.

#### **Other payables and accrued expenses**

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Stated capital**

Stated capital is determined using the nominal values of shares that have been issued and classified as equity.

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

The carrying amount of assets is assessed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the Company estimates the recoverable amount of the asset being the higher of the asset's net selling price and its value in use, in order to determine the extent of the impairment loss (if any). An impairment loss is recognised for any excess of the asset's carrying amount over its recoverable amount and is taken directly to profit and loss.

#### **Revenue recognition**

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive the dividend is established.

Interest and dividend income are recognised gross of withholding taxes.

#### **Expense recognition**

Expenses are accounted for in Statement of Profit or Loss and Comprehensive Income on accrual basis.

#### **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.



#### **4. Critical accounting estimates and judgments**

The preparation of financial statements in accordance with IFRS requires the directors and management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that may affect the reported amounts and disclosures in the financial statements. The estimates and judgments are evaluated by the Company on an ongoing basis, 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. These estimates and judgments 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. The changes in estimates are recognised in the financial statements in the year in which they become known.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

##### **Determination of functional currency**

The directors consider the USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results.

The Company has made investment in RWF (Note 7) and expects to receive dividend and proceeds from disposal of investment in RWF. However, it obtains financing from its shareholder(s) and other stakeholders in USD and all operating activities are conducted in USD. Thus, USD is the functional currency as it most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

##### **Impairment assessment**

The directors have assessed the recoverable amount of the subsidiary at 31 December, 2021 and are of the opinion that the investment has been fully impaired.

## **5. Financial risk management objectives and policies**

### **Financial risk factors**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. This note presents information about the Company's exposure to each of the said risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures 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 in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed below.

#### **(a) Market risk**

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

##### **(i) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. None of the Company's financial assets and liabilities is denominated in foreign currency at the reporting date and therefore is not exposed to foreign currency risk.

##### **(ii) Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. As at reporting date, the Company is not exposed to interest rate risk as it does not hold any interest bearing financial assets or financial liabilities.

#### **(b) Credit risk**

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's exposure to credit risk is monitored by management on an ongoing basis. The Company limits its risk by carrying out transactions through companies within the group and by banking with reputable financial institutions.

Amounts due from related parties are assessed regarding credit risk at each reporting date. As the same are closely monitored and controlled by the same management, there is no provision matrix being followed on ageing basis. There have been no instances observed in the past where collections are assumed to be at risk for such related party receivable.

#### **(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk through funding from its parent.

The table below summarises the maturity profile of the Company's financial liabilities at 31 December 2021 based on contractual undiscounted payments:

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

**5. Financial risk management objectives and policies (Continued)**

**(c) Liquidity risk (Continued)**

	On Demand	Within 1 year	More than 1 year	Total
<b>31 December, 2021</b>				
Borrowings	236,702,754	-	-	236,702,754
Other payables and accrued expenses	585,449	12,570	-	598,019
	<b>237,288,203</b>	<b>12,570</b>	<b>-</b>	<b>237,300,773</b>
	On Demand	Within 1 year	More than 1 year	Total
<b>31 December, 2020</b>				
Borrowings	235,292,754	-	-	235,292,754
Other payables and accrued expenses	585,449	14,244	-	599,693
	<b>235,878,203</b>	<b>14,244</b>	<b>-</b>	<b>235,892,447</b>

**(d) Fair values**

The carrying amounts of the loan receivable, other receivables, cash and cash equivalents, borrowings and other payables and accrued expenses approximate their fair values.

**(e) Capital risk management**

The Company's objective when managing capital is to safeguard the Company's ability to pay its debts when they fall due and to continue as a going concern. Capital comprises of equity and retained earnings. In order to maintain or adjust the capital structure, the Company may issue shares or have recourses from funds of its parent.

**(f) Financial instruments by category**

<b>Financial Assets</b>	<b>31 December, 2021</b>	<b>31 December, 2020</b>
<i>Amortised cost:</i>		
Loan Receivable	236,628,770	235,228,770
Other Receivables	224,365	224,365
Cash & Cash Equivalents	4,909	10,400
	<b>236,858,044</b>	<b>235,463,535</b>
<b>Financial Liabilities</b>	<b>31 December, 2021</b>	<b>31 December, 2020</b>
<i>Amortised cost:</i>		
Borrowings	236,702,754	235,292,754
Other payables and accrued expenses	598,019	599,693
	<b>237,300,773</b>	<b>235,892,447</b>

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

**6. Income Tax**

Upto December 2018, the Company is subject to income tax in Mauritius on its net income at 15%. However, the Company was entitled to a tax credit equivalent to the higher of the actual foreign tax suffered (Foreign Tax Credit) and 80% of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. With effect from 1 January 2019, the Foreign Tax Credit available to the Company has been abolished by Mauritius Finance (Miscellaneous Provisions) Act 2018 (Finance Act), with introduction of 80% partial exemption regime whereby an income tax exemption of 80% on the following categories of income is applicable, provided that the pre-defined substance requirements issued by the Financial Service Commission (FSC) are met:

- o Foreign-source dividend (not allowed as deduction in source country).
- o Interest income.
- o Profit attributable to a permanent establishment (PE) that a resident company has in a foreign country.

GBC1 licence issued on or before 16 October, 2017 will remain governed under the existing provisions of the Financial Services Act 2007 until 30 June, 2021, after which it will be deemed to be a Global Business License (GBL).

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 December, 2021, the Company had accumulated tax losses of **USD 3,249,334** (2020 - USD 3,276,391).

The tax losses are available for set off against future taxable profit of the Company as follows:

Upto the year ending	<u>31 December, 2021</u>	<u>31 December, 2020</u>
31 December 2021	-	40,874
31 December 2022	38,865	38,865
31 December 2023	3,163,604	3,163,604
31 December 2024	16,048	16,048
31 December 2025	17,000	17,000
31 December 2026	13,817	-
	<u>3,249,334</u>	<u>3,276,391</u>

A reconciliation between the accounting loss and the tax charge is as follows:

	<u>31 December, 2021</u>	<u>31 December, 2020</u>
Loss before taxation	<u>(13,817)</u>	<u>(17,000)</u>
Income tax @ 15%	(2,073)	(2,550)
Impact of:		
Unutilized tax loss	2,073	2,550
Income tax expense	<u>-</u>	<u>-</u>

Deferred tax asset, amounting to USD 97,480 (2020: USD 98,292) has not been recognised in the financial statements as it is not probable that the Company will have sufficient taxable profit against which the unused tax losses could be utilized in the foreseeable future.

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

**7. Investment in subsidiary**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
Airtel Rwanda Limited	169,442	169,442
Provision for impairment	(169,442)	(169,442)
	<u>-</u>	<u>-</u>

<b>Name of Company</b>	<b>Country of incorporation</b>	<b>Number of shares held</b>	<b>Type of shares</b>	<b>% Ownership interest</b>
Airtel Rwanda Limited	Rwanda	1000	Ordinary	100%

At 31 December, 2021, the Directors reviewed the financial position of the investee company and believed that investment was fully impaired.

**8. Loan receivable**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
<b>Loan given to Airtel Rwanda Limited</b>		
At the beginning of the year	235,228,770	216,628,770
Addition during the year	1,400,000	18,600,000
Repayment	-	-
	<u>236,628,770</u>	<u>235,228,770</u>

The loan is unsecured, interest free and was repayable by 31 December 2026. The credit facility is denominated in USD. The repayment clause states that any outstanding principal loan amount will be payable in full upon request of the lender by giving a 3 (three) months advance notice to the borrower.

**9. Other receivables and prepayments**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
Amount receivable from parent - Bharti Airtel Africa B.V. (Note 13)	1	1
Amount receivable from subsidiary- Airtel Rwanda Limited (Note 13)	224,364	224,364
	<u>224,365</u>	<u>224,365</u>

Amounts due from related parties are unsecured, interest free and repayable on demand.

**Bharti Airtel Rwanda Holdings Limited**  
**Notes to Financial Statements**  
*(All amounts are in United States Dollars - 'USD')*

**10. Stated capital**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
Issued and partly paid: 40001 shares of USD 1 each	40,001	40,001

The company's shares are fully held by Bharti Airtel Africa B.V.

Rights and restrictions attached to ordinary shares:

**Voting rights**

Each ordinary share shall entitle its holder to receive notice of, to attend and vote at any meeting of the Company.

**Rights relating to dividends**

Each ordinary share shall entitle its holder the right of an equal share in dividends as authorised by the board.

**Rights relating to repayment of capital**

Upon winding-up, each ordinary share shall entitle its holder the right to an equal share in the distribution of the surplus assets of the Company.

**11. Borrowings**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
<b>Loan from Bharti Airtel Africa BV</b>		
At the beginning of the year	235,292,754	217,150,254
Addition during the year	1,410,000	18,620,000
Repayment	-	(477,500)
	<u><b>236,702,754</b></u>	<u><b>235,292,754</b></u>

The loan is unsecured, interest free and repayable by 31 December 2026. The credit facility is denominated in USD. The repayment clause states that any outstanding principal loan amount will be payable in full upon request of the lender by giving a 3 (three) months advance notice to the borrower.

**12. Other payables and accrued expenses**

	<u>For the year ended 31 December, 2021</u>	<u>For the year ended 31 December, 2020</u>
Amount due to other related parties (Refer Note 13)	585,449	585,449
Accruals	12,570	14,244
	<u><b>598,019</b></u>	<u><b>599,693</b></u>

### 13. Related Party Transaction

During the year under review, the company entered into transactions with related parties. Amounts due to/from related parties are unsecured, interest free and repayable on demand. The nature, volume of transaction and the balances with the related parties are as follows:

<b>Entity Name</b>	<b>Relationship</b>
Bharti Airtel Africa BV	Holding company
Airtel Rwanda Limited	Subsidiary company
Channel Sea Management Company (Mauritius) Limited	Fellow subsidiary
Celtel (Mauritius) Holding Limited	Fellow subsidiary

#### **Key Management Services**

##### **Ocorian Corporate Services (Mauritius) Limited - Administrator**

	<u>31 December, 2021</u>	<u>31 December, 2020</u>
Expense including directors fee incurred by the Company	4,972	6,575
Outstanding balance	621	625

**Bharti Airtel Rwanda Holdings Limited****Notes to Financial Statements***(All amounts are in United States Dollars - 'USD'; unless stated otherwise)***13. Related Party Transaction (Continued)****Related Party Transactions for the year ended 31 December, 2021**

Nature of transaction	Bharti Airtel Africa BV	Airtel Rwanda Limited	Celtel (Mauritius) Holding Limited	Channel Sea Management Company (Mauritius) Limited
<b>Opening Balance as on 01 January, 2021</b>	<b>(235,442,835)</b>	<b>235,453,134</b>	<b>(304,024)</b>	<b>(131,343)</b>
Assignment of payable to Channel Sea Management Company (Mauritius) Limited	-	-	(131,343)	131,343
Loan given by the Company during the year	-	1,400,000	-	-
Loan taken by the Company during the year	(1,410,000)	-	-	-
<b>Outstanding balance as at 31 December, 2021</b>				
Loan receivable	-	236,628,770	-	-
Borrowing	(236,702,754)	-	-	-
Other payables	(150,082)	-	(435,367)	-
Other receivables	-	224,364	-	-
Receivable-Unpaid Share Capital	1	-	-	-
<b>Total</b>	<b>(236,852,835)</b>	<b>236,853,134</b>	<b>(435,367)</b>	<b>-</b>

**Related Party Transactions for the year ended 31 December, 2020**

Nature of transaction	Bharti Airtel Africa BV	Airtel Rwanda Limited	Celtel (Mauritius) Holding Limited	Channel Sea Management Company (Mauritius) Limited
<b>Opening Balance as on 01 January, 2020</b>	<b>(217,300,335)</b>	<b>216,853,134</b>	<b>(304,024)</b>	<b>(131,343)</b>
Loan given by the Company during the year	477,500	18,600,000	-	-
Loan taken by the Company during the year	(18,620,000)	-	-	-
<b>Outstanding balance as at 31 December, 2020</b>				
Loan receivable	-	235,228,770	-	-
Borrowing	(235,292,754)	-	-	-
Other payables	(150,082)	-	(304,024)	(131,343)
Other receivables	-	224,364	-	-
Receivable-Unpaid Share Capital	1	-	-	-
<b>Total</b>	<b>(235,442,835)</b>	<b>235,453,134</b>	<b>(304,024)</b>	<b>(131,343)</b>



## **Bharti Airtel Rwanda Holdings Limited**

### **Notes to Financial Statements**

*(All amounts are in United States Dollars - 'USD'; unless stated otherwise)*

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#### **13. Related Party Transaction (Continued)**

The boards of Montana International, Channel Sea Management Company(Mauritius) Limited and Societe Malgache de Telephone Cellulaire S.A.. have approved liquidation.

Therefore, in order to facilitate their liquidation process, Bharti Airtel Rwanda Holdings Limited (“the company”) has entered into novation agreements in respect of its inter-company payable with these companies. The effect of these novations have been taken into account in the financial statements of the company as at 31<sup>st</sup> December 2021.

Before novation, the Company was required to pay \$131,342 to Channel Sea Management Company(Mauritius) Limited. After the novation has taken place, the company is now required to pay Celtel (Mauritius) Holding Limited.

#### **14. Parent company**

The directors consider Bharti Airtel Africa B.V, a Company incorporated in the Netherlands as the Company's parent and Airtel Africa Plc, a company incorporated in London, United Kingdom as the Company's step-up parent.

Bharti Enterprises (Holding) Private Limited is the ultimate controlling entity. It is held by private trusts of Bharti family, with Mr Sunil Bharti Mittal's family trust effectively controlling the Company.

#### **15. Subsequent event**

No events or transactions have occurred since the date of balance sheet or are pending that would have a material effect on the financial statements as at and for the year ended December 31, 2021.