Company number: 12989750

AIRTEL AFRICA SERVICES (UK) LIMITED

Annual report and financial statements for the period

02 November 2020 to 31 March 2022

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REGISTERED NUMBER	12989750
DIRECTORS	Simon Andrew O'Hara (appointed on 2 November 2020) Pier Alfonso Falcione (appointed on 2 November 2020) Jaideep Paul (appointed on 2 November 2020)
COMPANY SECRETARY	Simon Andrew O'Hara
REGISTERED OFFICE	First floor, 53/54 Grosvenor Street London W1K 3HU United Kingdom
BRANCH OFFICE	101 First floor, 20 Dubai Internet City Dubai United Arab Emirates
BRANCH REGISTRATION NUMBER	99099
BANKERS	Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD United Kingdom Standard Chartered Bank DIFC Building 1, DIFC Gate Precinct Dubai United Arab Emirates
INDEPENDENT AUDITORS	Deloitte LLP 2 New Street Square London EC4A 3BZ United Kingdom

The Directors present their strategic report and audited financial statements for Airtel Africa (UK) Services Limited (the "Company") for the 17 month period from incorporation on 2 November 2020 to 31 March 2022.

Principal activities
The main objective of the company is the provision of human resources and management of human resources functions for the Airtel Africa Group of Companies ("the group"). The company was incorporated in the United Kingdom on 2 November 2020.

Key performance indicators
As the company provides human resources and management of human resource functions for the Group, the key performance indicator for internal performance analysis is its revenue and employee cost as shown below:

	2 Nov 2020 – 31 Mar 2022
Revenue	$22,302,000
Employee costs	$13,121,000

As this is the first period of trading, revenue and employee cost expenditure is in line with the director's expectations.

Development and financial performance during the period
As reported in the Company's statement of comprehensive income, revenue is $22,302,000 during the period which comes from provision of management services to Group entities.

The loss after taxation was $13,717,000. Given that this is the first period of trading, the directors consider the results of the period satisfactory.

Financial performance at reporting date
The statement of financial positions shows that the net carrying value of the Company's net liabilities at year-end was $13,717,000.

Future developments
The Company will continue to provide services relating to provision of human resources and management of human resources functions for the Airtel Africa Group of Companies.

Principal risks and uncertainties
The principal risks and uncertainties affecting the Company are closely aligned with those discussed in the Group's annual report, which is publicly available from the Group Company Secretary (First floor, 53/54 Grosvenor Street, London W1K 3HU, UK) or on the website www.airtel.africa.com. Risks relating specifically to the Company are as follows:

Market risk
The trading activity of the Company and its financial position may be adversely impacted by downturns in general economic conditions or any future periods of economic recession.

Foreign exchange risk
The amounts payable to and receivable from Group undertakings include amounts denominated in currencies other than united states dollar, therefore, fluctuations in currency exchange rates will impact the results and financial position of the Company.

Liquidity risk
The company has obtained funding from its parent company, Airtel Africa plc, in order to meet its funding requirements.

Interest rate
The company has interest-bearing liabilities linked to the financing from Airtel Africa plc. (details of which are disclosed at note 14 of the financial statements). While the LIBOR rate expose the Company to cash flow interest rate risk, management believes that this risk is managed as the funding is provided by the shareholders.

Statement by the directors in performance of their statutory duties in accordance with Section 172 of the Companies Act 2006

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and other matters required by section 172(1)(a) to (f) of the Companies Act 2006. 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 Airtel Africa plc, the Company supports the wider strategy of Airtel Africa plc. 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 annual report of Airtel Africa can be obtained from www.airtel.africa.com.

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 engaged with management in setting, approving and overseeing the 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, 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 mostly likely promote the companies success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to make 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 evolving environment in which it operates including the challenges of a highly competitive marketplace, regulatory intervention in financial instrument risk. The principal risks and uncertainties faced by the company are largely financial instrument risks.

b) The interest 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, e-mail updates, intranet site and regular meetings to communicate business area updates.

c) The need to foster the company's business relationship 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 up to the extend 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 a stronger community and provide insights that enable the Board to understand the companies impact on the community in the 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 annual report and financial statements for FY'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 in which all employees are subject to setting out high standards and behaviours we expect from those that work for us or with us.

f) The need to act fairly is 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 in taking into consideration the impact of stakeholders. In doing so, the Directors act fairly between the company's members. However, the Directors are not required to balance the companies interests with those of other stakeholders and this can sometimes mean certain stakeholders' interest 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 meet us set out in section 172(1)(a) to (f) of the Companies Act. Engaging with stakeholders delivers better outcomes for society and for business. It is fundamental to the company's long-term success.

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

In discharging our section 172 duties, we have regard to the factors set out above. In addition, we also have regard to other factors which we consider relevant to the decision being made.

This strategic report was approved by the board of directors and signed on its behalf by:

Simon Andrew O'Hara
Director
Date: 2 August 2022

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 Director's Report, and form part of this report by cross-reference. The matters relate to the development, and financial performance, future prospects of the Companies Act 2006.

Dividends
The Directors do not recommend any dividend during the current financial period. No dividend was declared subsequent to the balance sheet date for the period ending 31 March 2022.

Charitable and political donations
During the period the Company made no charitable donations.

Directors

The directors, who served throughout the period were as follows:

- Simon Andrew O'Hara (appointed on 2 November 2020)
- Pier Alfonso Falcione (appointed on 2 November 2020)
- Jaideep Paul (appointed on 2 November 2020)

The Company has qualifying third party indemnity provisions for the benefit of directors which were made during the period and remain in force at the date of this report.

Branches outside the United Kingdom
The company has a branch Airtel Africa (UK) Services registered in Dubai, United Arab Emirates. The registered office address is as follows:

101 First floor,
20 Dubai Internet City
Dubai
United Arab Emirates (License No. 99099)

Going concern
The Directors have assessed the prospects of the Company over the next 12 months as required by the going concern provision. The Directors confirm that they have a reasonable expectation that Airtel Africa Services (UK) Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months principally as the company has an agreement with OPCO's to cover its costs through a management fee. The Directors' assessment has been made with reference to Airtel Africa Services (UK) Limited's principal risks and how these are managed, Therefore, these accounts have been prepared on a going concern basis.

Directors' responsibilities statement
The directors are responsible for preparing the Annual 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 of the profit or loss 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 directors are responsible for the maintenance and integrity of the corporate and financial information included 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.

Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This directors report was approved by the board of directors and signed on its behalf by:

Simon Andrew O'Hara
Director
Date: 2 August 2022

Independent auditor's report to the members of Airtel Africa Services (UK) Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the period 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 financial position;
- 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" (United Kingdom Generally Accepted Accounting Practice).

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. 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 assessment of fraud and compliance with laws and regulations establised by the company's parent. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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 period 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
4 August 2022

(All amounts are in US Dollar thousands, unless stated otherwise)

Company Number - 12989750

	Note	As of 31 March 2022
Assets		
Non-current assets		
-Property, plant and equipment	5	186
-Right of use assets	6	2,718
-Capital work-in-progress	7	917
		3,821
Current assets		
Financial assets		
- Cash	8	2,374
- Trade and other receivables	9	25,698
Other current assets	10	2,750
		30,822
Total assets		**34,643**
Current liabilities		
Financial liabilities		
- Lease liabilities	11	615
- Trade and other payables	12	16,857
Employee benefits	13	192
		17,664
Total Assets less current liabilities		**16,979**
Non-current liabilities		
Financial liabilities		
- Borrowings	14	26,186
- Lease liabilities	11	2,413
- Others	15	1,142
Employee benefits	13	955
		30,696
Net Assets		**(13,717)**
Capital and reserves		
- Share capital	16	0
- Retained earnings		(13,717)
Total equity		**(13,717)**

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

The financial statements of Airtel Africa Services (UK) Limited were approved by the board of directors on 2 August 2022 and were signed on its behalf by:

Simon Andrew O'Hara
Director

Airtel Africa Services (UK) Limited
Income Statement for the period ending 31 March 2022
(All amounts are in US Dollar thousands, unless stated otherwise)

	Note	For the period 02 November 2020 - 31 March 2022
Income		
Revenue	**17**	22,302
		22,302
Expenses		
Employee benefits expense	**18**	13,121
Depreciation	**19**	255
Other expenses	**20**	18,967
		32,343
Operating loss		**(10,041)**
Finance costs	**21**	226
Loss before tax		**(10,267)**
Tax expense	**22**	3,450
Loss for the period		**(13,717)**

All results are derived from continuing operations
The accompanying notes 1 to 24 form an integral part of these financial statements.

	Share Capital		Retained earnings	Total equity
	No of shares	Amount		
Loss for the year	-	-	(13,717)	(13,717)
Total comprehensive loss	-	-	**(13,717)**	**(13,717)**
Issue of shares*	1	0	-	0
As of 31 March 2022	**1**	**0**	**(13,717)**	**(13,717)**

* Issued, subscribed and fully paid-up share capital consist of 1 share with a nominal value of £1.

1. Corporate information and activities

Airtel Africa Services (UK) Limited (the "Company") is domiciled and incorporated in the United Kingdom (UK) under the Companies Act 2006 as a private limited company limited by shares. The principal place of business and registered office of the company is located at First floor, 53/54 Grosvenor Street, London W1K 3HU, UK.

The Company has a branch office at Floor No. 01/20 Dubai Internet City, Dubai, United Arab Emirates (License No. 99099).

The activities of the Company consist of the provision of human resources and management of human resources functions of group entities. The Company forms part of the Airtel Africa Group of companies. The Company's immediate parent company is Airtel Africa plc which is incorporated in the UK.

The Company was incorporated on 02 November 2020, these are the first financial statements of the Company for the period from 02 November 2020 to 31 March 2022.

2. Summary of significant accounting policies

2.1 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 (FRC) as the Company is a wholly owned subsidiary of Airtel Africa plc which prepares publicly available accounts consolidating the results of the Company. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS101).

Airtel Africa plc is the parent of the smallest group for which consolidated financial statements are prepared and of which the company is a member. The largest group to consolidate the results of the company is Bharti Airtel Limited, which is registered in India. The Bharti Airtel Limited Group and Airtel Africa plc consolidated financial statements are publicly available and can be obtained at www.airtel.in. and www.airtel.africa.com

As these are the first financial statements of the Company no comparative figures are available for previous years.

All the amounts included in the Company financial statements are reported in United States Dollars, with all values rounded to the nearest thousands (USD thousands) except when otherwise indicated. Further, amounts which are less than half a thousand are appearing as '0'.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 7 Statement of Cash Flows.
- The statement of compliance with Adopted IFRSs;
- The effects of new but not yet effective IFRSs;
- The requirements in IAS 24 "Related party disclosure" 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.
- Disclosures in respect of capital management; and
- Paragraphs 45(b) and 46 to 52 of IFRS 2, "Shared-based payment" (details of the number and weighted-average exercise prices of share options).

The company financial statements have been prepared on a going concern and historical cost basis except for financial instruments that are measured at fair values at the end of each reporting period.

2.2 Property, plant and equipment (PPE)

An item 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 is initially recognized 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.

Subsequent to initial recognition, PPE is stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is derecognized from the balance sheet and cost of the new item of PPE is recognised.

The expenditures that are incurred after an item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of comprehensive income in the period in which such costs are incurred. However, in situations in which the said expenditure can be measured reliably and it 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.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	**Period**
Computer equipment	3 – 5 years
Vehicles	3 – 5 years
Leasehold improvement	Over the lease agreement period

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at least, as at each reporting date, to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and/or depreciation method are accounted prospectively, and accordingly, the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed of are de-recognised from the balance sheet and the resulting gains/(losses) are included in the statement of comprehensive income within other expenses/other income.

2.3 Capital work in progress

PPE in the course of construction less any accumulated impairment is carried at cost and presented separately as capital work-in-progress (CWIP) (including capital advances) in the statement of financial position until ready for use at which point it is transferred to PPE and subsequently depreciated. Such cost comprises the purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any other directly attributable costs.

2.4 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 instrument 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 results 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 resulted net amount is presented in the Balance sheet, 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.

II. Measurement- Non - derivative financial instruments

1. Initial measurement

At initial recognition, the company measures the non-derivative financial instrument at its fair value plus, in the case of financial instruments not at fair value through profit and 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 a motors cost using the effective interest rate ('EIR') method (if the impact of discounting /any transaction cost 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 different income from financial asset 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 amoritsed 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 month, expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL Is used.
However, only in case of trade receivables, the company applies a 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 right to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risk and rewards of ownership. The resultant impact of the recognition is recognised to the income statement.

2.5 Leases

The Company, at the inception of a contract, assesses the contract as, or containing, a lease if the contract conveys the right to control the use of an identified asset for a period of time, in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether the contract involves the use of an identified asset, the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and the Company has the right to direct the use of the asset.

Company as a lessee

The Company recognises a right-of-use asset **("ROU")** and a corresponding lease liability with respect to all lease agreements in which it is the lessee in the statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on consumer price index (CPI), the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is changes in future lease payments including or when the lease contract is modified and the lease modification is not accounted for as a separate lease. The corresponding adjustment is made to the carrying amount of the ROU or is recorded in profit or loss if the carrying amount of the related ROU has been reduced to zero and there is a further reduction in the measurement of the lease liability.
ROU are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date and any initial direct costs less any lease incentives received.

Subsequent to initial recognition, ROU are stated at cost less accumulated depreciation and any impairment losses and adjusted for certain remeasurements of the lease liability. Depreciation is computed using the straight-line method from the commencement date to the end of the useful life of the underlying asset or the end of the lease term, whichever is shorter. The estimated useful lives of ROU are determined on the same basis as those of the underlying asset.

In the balance sheet, the ROU and lease liabilities are presented separately. In the statement of profit and loss, interest expenses on lease liabilities are presented separately from the depreciation charge for the ROU. Interest expense on the lease liability is a component of finance costs, which are presented separately in the statement of profit or loss. In the statement of cash flows, cash payments for the principal portion of lease payments and the interest portion of lease liability are presented as financing activities, and short-term lease payments and payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability, if any, as operating activities.

2.6 Translation of foreign currency

The financial statements are presented in US dollar, which is also the Company's functional and presentation currency, this based on the currency in which its main transactions are concluded.

Transactions in foreign currencies (other than functional currency of the Company) are initially recorded in the functional currency at the exchange rate 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 Balance Sheet date. Foreign exchange differences on subsequent re-statement/settlement are recognised in the Profit and Loss Account.

2.7 Impairment

At each Balance Sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications exist, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount exceeds its recoverable amount; the recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.8 Current assets

Receivables are initially recorded at fair value. The receivables of group companies are included in financial fixed assets, except for maturities less than 12 months after balance sheet date which are included in the current assets. Any provisions for the risk of doubtful debts are deducted. These provisions are determined based on individual assessment of the receivables.

2.9 Cash and cash equivalents

Cash includes 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).

2.10 Non-current liabilities

Borrowings are valued at amortised cost. Payables to group companies are included in non-current liabilities, except for maturities less than 12 months after balance sheet date which are included in the current liabilities.

2.11 Current liabilities

Liabilities are initially recorded at fair value.

2.12 Other expense

Other expenses are recognized based on the historical cost convention and are allocated to the reporting year to which they relate.

2.13 Employee benefits

The Company's employee benefits mainly include salaries, bonuses, defined contribution to plans, other long-term benefits including compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company's employees. Short-term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

The Company operates both defined benefit and defined contribution plans. Details of long-term employee benefits are provided below:

Defined benefits plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under the defined benefit retirement plan, the Company provides retirement obligation in the form of gratuity. Under the plan, a lump sum payment is made to eligible employees at retirement or termination of employment based on respective employee salary and years of experience with the Company. The Company records liability based on actuarial valuation computed under projected unit credit method.

Defined contribution plans and other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and the availing of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability (presented under provisions) towards these benefits on the basis of actuarial valuation carried out at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.14 Share-based payments

For equity settled share based payments, the Company measures the fair value of the services received from employees by reference to the fair value of the equity instruments granted. The grant-date fair value of equity-settled share-based payment arrangements is generally recognised as an expense on straight-line basis, with a corresponding increase in equity (reserves), over the vesting period of the awards.

The fair value of the amount payable to employees in respect of share-based payments which are settled in cash, is recognised as an expense on a straight-line basis with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of such instruments. Any changes in the liability are recognised in profit or loss.

As at each reporting date, the Company estimates the number of awards that are expected to eventually vest, if required. It recognises the impact of any revision to original estimates in the period of change. Accordingly, no expense is recognised for awards that do not ultimately vest, except for which vesting is conditional upon a market performance/non-vesting condition.

Where the terms of an award are modified, in addition to the expense pertaining to the original award, an incremental expense is recognized for any modification that results in additional fair value or is otherwise beneficial to the employee as measured at the date of modification.

For further details of equity-settled and cash-settled compensation plans refer to Note 18.

2.15 Income

Revenue is recognised when it is probable that the entity will receive the economic benefits associated with the transaction and the related revenue can be measured reliably. Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any discounts.

Management fees
Revenue on account of management fees is recognised at the time when the services are rendered.

Interest income
The interest income is recognised using the EIR method.

2.16 Taxes

The income tax expense comprises current and deferred income tax. Income tax is recognised in the profit and loss.

a. Current tax

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 would be recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.
Any interest relating to accrued liabilities for potential tax assessments would not be included in the Income tax charge or (credit), but would be recognised within finance costs.

b. Deferred tax

Deferred tax would be recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax would not be 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 profit nor taxable profit (tax loss).

Deferred tax assets would be 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 utilised. The Company considers the projected future taxable income and tax planning strategies in making this assessment.

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of taxable profits for the foreseeable future.

Deferred tax would be 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.

Deferred tax assets and liabilities are offset against each other and the resultant net amount would be presented in the Balance Sheet, if and only when, (a) the Company 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 by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

3. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no critical accounting judgments that would have a significant effect on the amount recognised in the company financial statements.

a) Key sources of estimation uncertainty

There are no key sources of estimation uncertainty in the Company.

b) Critical judgements in applying the Company's accounting policies

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

4. Going concern

The Directors have assessed the prospects of the Company over the next 12 months as required by the going concern provision. The Directors confirm that they have a reasonable expectation that Airtel Africa Services (UK) Limited will continue to operate and meets its liabilities, as they fall due, over the next 12 months principally as the company has an agreement with OPCO's to cover its costs through a management fee. The Directors' assessment has been made with reference to Airtel Africa Services (UK) Limited's principal risks and how these are managed, Therefore, these accounts have been prepared on a going concern basis.

(All amounts are in US Dollar thousands, unless stated otherwise)

5. Property, plant and equipment

	As of 31 March 2022		
	Vehicles	Computer	Total
Gross carrying amount			
Purchased during the year	131	-	131
Acquired from group company[1]	-	63	63
	131	**63**	**194**
Accumulated depreciation			
Depreciation charged	8	-	8
	8	**-**	**8**
Net book value	**123**	**63**	**186**

[1]Laptops were transferred from Bharti Airtel International (Netherlands) B.V. in March 2022.

6. Right of use assets

	As of 31 March 2022
Opening balance	-
Additions	2,965
Depreciation	(247)
Closing balance	**2,718**

(All amounts are in US Dollar thousands, unless stated otherwise)

7. Capital work in progress

	As of 31 March 2022
Capital advances	413
Assets under construction	504
	917

8. Cash

	As of 31 March 2022
Cash at bank	2,374
	2,374

9. Trade and other receivables

	As of 31 March 2022
Inter Company receivables	5,303
Management fees receivables	18,020
Other receivables	2,375
	25,698

10. Other current assets

	As of 31 March 2022
VAT recoverable	97
Advance to employees	2,426
Employee receivables	103
Advance to suppliers	124
	2,750

(All amounts are in US Dollar thousands, unless stated otherwise)

11. Lease liabilities

	As of 31 March 2022
Maturity analysis:	
Less than one year	751
Later than one year but not later than two years	751
Later than two years but not later than five years	1,877
Total undiscounted lease liabilities	**3,378**
Lease liabilities included in the statement of financial position	3,028
Current	615
Non current	2,413

12. Trade and other payables

	As of 31 March 2022
Employees bonuses payable	1,181
Employee deferred cash plan liability	2,279
Statutory audit fees accrual	20
Trade payables	1,319
Management fees payables	11,475
Others[1]	583
	16,857

[1]This pertains to amount payable to related parties

13. Employee benefits

	As of 31 March 2022
a. Current	
Provision for leave encashment	192
	192
b. Non-Current	
Provision for leave encashment	772
Provision for gratuity	183
	955
	1,147

(All amounts are in US Dollar thousands, unless stated otherwise)

14. Long term borrowings

	As of 31 March 2022
Loan from Airtel Africa Plc	26,186
	26,186

The calculated interest as at period end is based on 3 months libor+ 200 bps. Any outstanding principal loan amounts and accrued interest thereon will be payable in full by 31 December 2026, unless agreed otherwise between borrower and lender in writing.

15. Other financial liabilities

	As of 31 March 2022
Employee deferred cash plan liability	1,142
	1,142

16. Capital and reserve

(i) Share capital

	As of 31 March 2022
Authorised shares 1 equity share of £1	0
Issued, subscribed and fully paid-up shares 1 equity share of £1	0

a) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of £1 per share. Each holder of ordinary shares is entitled to one vote per share.

b) Details of shareholding

	No of shares	As of 31 March 2022 Shareholding
Equity share of £1 fully paid up		
Airtel Africa plc	1	100%

(ii) Other equity

Retained earnings: Retained earnings represents the amount of accumulated earning of the company

(All amounts are in US Dollar thousands, unless stated otherwise)

17. Revenue

	For the period 02 November 2020 - 31 March 2022
Management fees	22,302
	22,302

18. Employee benefits expense

The average monthly number of employees (including executive directors) was: 38

	For the period 02 November 2020 - 31 March 2022
Salaries and bonuses	6,787
Share based payment expense	583
Deferred cash expense	1,046
Leave encashment expense	294
Gratuity expense	183
Others*	4,228
	13,121

* This mainly includes relocation expenses

No directors' remuneration was paid by the Company during the period. 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 time. Accordingly, remuneration to such directors for the period ending 31 March 2022 have been borne by other Group Companies.

Share based payment plans

The following table provides an overview of all existing share option (i.e., shares of the immediate parent company, Airtel Africa plc)

Scheme	Plans	Vesting period (years)	Contractual term (years)
Equity settled plans	IPO Awards	1-3	3
	IPO share options	1-3	10
	IPO executive share options	1-3	10
	Performance share awards	3	3
	Restricted share awards	3	3
	One-off awards	1-3	3
	Replacement awards	1-2	2

For IPO awards, replacement stock awards and performance share awards vesting is subject to service, total shareholder return and financial performance conditions, restricted share awards' vesting is subject to service and financial performance conditions while for IPO share options, IPO executive share options, one-off awards and replacement awards, vesting is subject to service conditions only.

The following table exhibits the net compensation expenses under the schemes:

	For the period 02 November 2020 - 31 March 2022
Expenses arising from equity and cash settled share based payment transaction	583

The following table provides an overview of all existing share option and cash-settled plans (i.e., shares of the immediate parent company, Airtel Africa plc). Details of share options outstanding during the year are as follows:

	For the period 02 November 2020 - 31 March 2022	
	Number of share options (in '000)	**Weighted average exercise price**
IPO Awards		
Outstanding at the end of the year	**80**	**-**
Exercisable at the end of the year	-	-
IPO share options		
Outstanding at the end of the year	**751**	**-**
Exercisable at the end of the year	250	1
IPO executive share options		
Outstanding at the end of the year	**3,533**	**-**
Exercisable at the end of the year	2,232	1
Performance share awards		
Outstanding at the end of the year	**1,523**	**-**
Exercisable at the end of the year	-	-
Restricted share awards		
Outstanding at the end of the year	**708**	**-**
Exercisable at the end of the year	-	-
One-off awards		
Outstanding at the end of the year	**301**	**-**
Exercisable at the end of the year	-	-
Replacement awards		
Outstanding at the end of the year	**661**	**-**
Exercisable at the end of the year	-	-

Existing plans	**As of 31 March 2022**
Remaining contractual life for the share options outstanding as of (years)	0 to 7

(All amounts are in US Dollar thousands, unless stated otherwise)

Employee benefits

The details of significant employee benefits (included within provisions) are as follows:

	For the period ended 31 March 2022			
	Retirement benefits	Severance benefits	Compensated absences	Total
Obligation:				
Balance as at beginning of the year	-	-	-	-
Current service cost	183	-	45	**228**
Interest cost	-	-	20	**20**
Remeasurements	-	-	249	**249**
Increase (decrease) due to effect of any business combination, divestitures, transfers	-	-	650	**650**
Present value of employee benefit obligation	**183**	**-**	**964**	**1,147**
Liability recognised in the balance sheet	**183**	**-**	**964**	**1,147**
Current portion	-	-	192	192
Non-current portion	183	-	772	955

The financial and demographic assumptions used to determine defined benefit obligations are as follows:

	As of 31 March 2022
Discount rate	3.10%
Rate of return on plan assets	NA
Rate of salary increase	3.50%
Rate of attrition	7.00%
Retirement age	60 years
Mortality rate	CIMA F

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of 31 March 2022		
		Retirement benefits	Severance benefits	Total
Discount Rate	+1.00%	(14)	-	**(14)**
	-1.00%	16	-	**16**
Salary Growth Rate	+1.00%	14	-	**14**
	-1.00%	(11)	-	**(11)**
Withdrawl rate	+1.00%	(3)	-	**(3)**
	-1.00%	6	-	**6**

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, because of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular underlying actuarial assumption, while assuming all other assumptions to be constant. In practice, it is unlikely to occur as changes in some of the assumptions may be correlated. The table below summarises the maturity profile and duration of the defined benefits plan liability (retirement and severance benefits) on an undiscounted basis:

(All amounts are in US Dollar thousands, unless stated otherwise)

	As of 31 March 2022
Within one year	-
Within one-three years	140
Within three-five years	479
Above five years	1,406
	2,026
Weighted average duration in years	9

19. Depreciation

	For the period 02 November 2020 - 31 March 2022
Depreciation on tangible assets	8
Depreciation on Right of use assets	247
	255

20. Other expenses

	For the period 02 November 2020 - 31 March 2022
Rent	240
Legal and professional charges[1]	18,033
Statutory audit fees	20
Meeting and conference	387
Others	287
	18,967

[1]These includes business support charges from Bharti Airtel International (Netherlands) B.V. and Airtel International LLP.

(All amounts are in US Dollar thousands, unless stated otherwise)

21. Finance costs

	For the period 02 November 2020 - 31 March 2022
Interest expense on inter company loan	117
Interest expense on lease liabilities	63
Finance cost on employee benefits	20
Exchange fluctuation loss	26
	226

22. Tax expense

	For the period 02 November 2020 - 31 March 2022
Recognised in income statement	
Current tax charge	3,450
Income tax charge	**3,450**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

Reconcilliation of tax expense	
Loss before tax for the period ended 31 March 2022	**(10,267)**
Expected tax saving based on the standard rate of corporation tax in the UK of 19%	(1,951)
Deferred tax not recognised on losses	1,951
Current tax charge comprises of:	
Withholding tax expense incurred on foreign branch	3,450
Current tax charge	**3,450**

The Company has a branch in Dubai, United Arab Emirates (UAE) which is not required to pay corporate income tax during the period based on the corporate tax law applicable.

The Company has not recognised deferred tax asset of $1,951,000 in respect of losses amounting to $10,267,000 which currently have no expiry date.

Changes to corporation tax rate

On 3 March 2021 as part of the Spring budget, the UK Government announced that from 1 April 2023 the main rate of corporate tax rate will increase from 19% to 25%.

23. Transactions with Related Party

During the year ended, the Company entered into transactions with related parties. The nature, volume of transactions and balances with related parties are as follows.

Entity Name	Relationship
Airtel Africa plc	Immediate parent company
Airtel International LLP	Fellow subsidiary
Airtel Africa Telesonic Limited	Fellow subsidiary
Bharti Airtel International (Netherlands) B.V.	Fellow subsidiary
Airtel Nigeria Networks Limited	Fellow subsidiary
Airtel Tanzania Networks Limited	Fellow subsidiary
Airtel Uganda Networks Limited	Fellow subsidiary
Airtel Networks Zambia plc	Fellow subsidiary
Airtel Seychelles Mobile Limited	Fellow subsidiary
Airtel Chad SA	Fellow subsidiary
Airtel Congo S.A.	Fellow subsidiary
Airtel RDC S.A.	Fellow subsidiary
Airtel Gabon SA	Fellow subsidiary
Airtel Kenya Networks Limited	Fellow subsidiary
Airtel Madagscar SA	Fellow subsidiary
Celtel Niger SA	Fellow subsidiary
Airtel Malawi Limited	Fellow subsidiary

(All amounts are in US Dollar thousands, unless stated otherwise)

Particulars	Bharti Airtel International (Netherlands) B.V	Airtel International LLP	Airtel Nigeria Networks Limited	Airtel Tanzania Networks Limited	Airtel Uganda Networks Limited	Airtel Networks Zambia plc	Airtel Seychelles Mobile Limited	Airtel Chad SA
Transaction during the period								
Assets acquired	(63)	-	-	-	-	-	-	-
Management fees charged/ (income)	2,135	15,587	(5,449)	(1,827)	(2,460)	(1,645)	(316)	(1,354)
Outstanding balances								
Management fees receivable	-	-	4,904	1,553	1,260	1,316	269	1,015
Management fees payable	(2,135)	(9,340)	-	-	-	-	-	-
Other receivable/payable	102	5,158	(176)	-	-	-	-	-

Particulars	Airtel Congo S.A.	Airtel RDC S.A.	Airtel Gabon SA	Airtel Kenya Networks Limited	Airtel Madagscar SA	Celtel Niger SA	Airtel Malawi limited
Transaction during the period							
Assets acquired	-	-	-	-	-	-	-
Management fees charged/ (income)	(1,136)	(2,617)	(1,236)	(1,531)	(405)	(1,243)	(1,083)
Outstanding balances							
Management fees receivable	909	2,251	989	1,225	365	1,044	920
Management fees payable	-	-	-	-	-	-	-
Other receivable/payable	-	-	-	-	-	-	-

24. Post balance sheet events

There is no post balance sheet event to report.