



AIRTEL GHANA LIMITED
ANNUAL FINANCIAL STATEMENTS
31 DECEMBER 2014

**FINANCIAL STATEMENTS
31 DECEMBER 2014**

TABLE OF CONTENTS

	PAGE REFERENCE
GENERAL INFORMATION	1
REPORT OF THE DIRECTORS	2
INDEPENDENT AUDITORS' REPORT	3 - 4
BALANCE SHEET	5
STATEMENT OF INCOME	6
CASH FLOW STATEMENT	7
NOTES TO THE FINANCIAL STATEMENTS	8 - 23
SUPPLEMENTARY FINANCIAL INFORMATION	24

**FINANCIAL STATEMENTS
31 DECEMBER 2014**

GENERAL INFORMATION

DIRECTORS	Mr. Kwame Pianim (Chairman) Mr. Ato Ahwoi Mr. Kyeretwie Opoku Mr. Christian de Faria Mr. Johannes (Hans) Van Lierop (resigned on 12 May 2014) Mr. Philip Sowah (resigned on 30 May 2014) Mr. Christophe Soulet (appointed on 19 June 2014) Mr. Jaideep Paul (appointed on 19 June 2014) Ms. Lucy Quist (appointed on 19 June 2014)
REGISTERED OFFICE	No.30 Independence Avenue 2 - 4 Floors, GNAT Heights North Ridge Accra
SECRETARY	Hannah Agbozo (Mrs.) House No. 44/22, Bintin Close, North Kaneshie Estates Accra
SOLICITORS	JLD & MB Legal Consultancy 6 Senchi Street Airport Residential Area Accra T Forson P. O. Box AD 90 Adabraka - Accra Hse No 333/1 Osu Crossroads Castle Junction Accra
AUDITORS	Ernst & Young Chartered Accountants G15, White Avenue Airport Residential Area P. O. Box KA 16009 Airport - Accra Ghana
BANKERS	Ecobank Ghana Limited Cai Bank Limited Barclays Bank Ghana Limited United Bank for Africa Ghana limited Access Bank Ghana Limited Standard Chartered Bank Ghana Limited

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
AIRTEL GHANA LIMITED**

The Directors have the pleasure in presenting their report and the financial statements of the operations of Airtel Ghana Limited for the year ended 31 December 2014.

NATURE OF BUSINESS

Airtel Ghana Limited is a limited liability company whose principal activity is the provision of telecommunication services. Bharti Airtel Ghana Holdings B.V (formally Celtel Ghana Holdings B.V), the majority shareholder, is a private limited liability company existing under the laws of the Netherlands having its registered office in Hoofddorp, with the address Siriusdreef 17-27-2132, LR Hoofddorp.

Directors' responsibility in respect of the financial statements

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet as at 31 December 2014, and of the profit and loss and cash flows for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Ghana Accounting Standards and Companies Act, 1963 (Act 179).

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

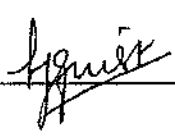
The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

RESULTS OF OPERATIONS

The net loss for the year of GHC665,023,000 is shown in the attached financial statements. When added to the deficit on the income surplus brought forward of GHC819,346,000, it leaves a deficit balance of GHC1,484,369,000 on the income surplus account as of 31 December 2014.

AUDITORS

Ernst & Young, Chartered Accountants, having indicated their willingness, continue in office pursuant to Section 134(5) of the Companies Act, 1963, (Act 179).

Director 

Date:

Director 

Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIRTEL GHANA LIMITED

Report on the financial statements

We have audited the financial statements of Airtel Ghana Limited set out on pages 5 to 24 which comprise the balance sheet as at 31 December 2014, and the income statement and statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Ghana Accounting Standards and also in a manner required by the Companies Act, 1963 (Act 179), 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

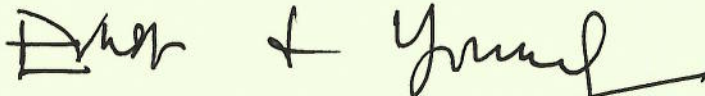
Opinion

In our opinion, the financial statements, present fairly, in all material respects, the financial position of Airtel Ghana Limited as of 31 December 2014 and its cash flows for the year then ended, in accordance with Ghana Accounting Standards and in a manner required by the Companies Act, 1963 (Act 179)

Report on other legal and regulatory requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit, we consider and report on the following matters. We confirm that;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion, proper books of account have been kept by the company so far as appears from our examination of those books; and
- iii) The balance sheet and profit and loss account (statement of income) of the company are in agreement with the books of account.



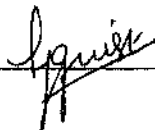
Signed by Kwadwo Mpeani Brantuo (ICAG/P/1152)
For and on behalf of Ernst & Young (ICAG/F/2015/126)
Chartered Accountants
Accra, Ghana

Date: 24 July 2015

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	2014 GH¢'000	2013 GH¢'000
Non-current Assets			
Intangible assets	3	20,468	22,929
Plant and equipment	4	389,395	396,174
Prepaid operating lease	5	1,155	1,181
Deferred tax asset	6	-	150,079
Derivative financial asset-Non current	25	<u>1,940</u>	<u>3,101</u>
		412,958	573,464
Current assets			
inventories	7	1,338	261
Derivative Financial Asset-Current	25	309	255
Accounts receivable	8	237,458	117,343
Tax	9	513	288
Bank and cash balances	10	10,969	16,604
Amount due from related parties	11	<u>85,287</u>	<u>47,256</u>
		335,874	182,007
Assets Held for Sale	24	<u>80,847</u>	-
		416,721	182,007
Current liabilities			
Bank overdraft	10a	15,541	16,493
Bank loan	13	126,057	17,200
Amounts due to related parties	11	73,939	50,669
Accounts payable	12	438,132	200,241
Finance lease	14	<u>534</u>	<u>1,158</u>
		654,203	285,761
Liabilities directly associated with the assets held for Sale	24	<u>4,070</u>	-
		658,273	285,761
Net current liabilities		(241,552)	(103,754)
Non-current liabilities			
Finance lease	14	826	1,553
Bank loan	13	270,041	366,139
Amount due to related parties	11	<u>1,224,590</u>	<u>761,046</u>
		1,495,457	1,128,738
Net liabilities		(1,324,051)	(659,028)
Shareholders fund			
Stated capital	15	160,318	160,318
Income surplus account-deficit		<u>(1,484,369)</u>	<u>(819,346)</u>
		(1,324,051)	(659,028)

Signed on behalf of the Board:



Director
Date:



Director
Date:

The attached notes 1 to 27 form an integral part of these financial statements.

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 GH¢'000	2013 GH¢'000
Revenue	19	503,646	504,981
Cost of sales	21	<u>(279,261)</u>	<u>(301,143)</u>
Gross profit		224,385	203,838
Selling, general and administrative and distribution expenses		<u>(694,997)</u>	<u>(429,533)</u>
Operating loss before interest and tax		(470,612)	(225,695)
Other income	17	2,391	2,827
Finance costs		<u>(46,723)</u>	<u>(42,490)</u>
Loss before tax		(514,944)	(265,358)
Tax	20	<u>(150,079)</u>	<u>52,542</u>
Loss after tax transferred to Income surplus		<u>(665,023)</u>	<u>(212,816)</u>

INCOME SURPLUS ACCOUNT FOR
THE YEAR ENDED 31 DECEMBER 2014

	2014 GH¢'000	2013 GH¢'000
Balance as at January 1	(819,346)	(606,530)
Net (loss)/profit for the year	<u>(665,023)</u>	<u>(212,816)</u>
Balance as at 31 December	(1,484,369)	(819,346)

The attached notes 1 to 27 form an integral part of these financial statements.

**CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 GHC '000	2013 GHC '000
OPERATING ACTIVITIES			
Cash(from)/used in operating activities	18	62,453	(5,116)
Interest paid		(46,723)	(42,490)
Interest received		<u>699</u>	<u>754</u>
		16,429	(46,852)
Tax paid		<u>(225)</u>	<u>(141)</u>
Net cash used in operating activities		<u>16,204</u>	<u>(46,993)</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	<u>(128,384)</u>	<u>(79,782)</u>
Net cash used in investing activities		<u>(128,384)</u>	<u>(79,782)</u>
FINANCING ACTIVITIES			
Avaya finance lease		(727)	1,553
Advance from Bharti Airtel Ghana Holdings BV		202,522	141,788
Repayment to Bharti Airtel Ghana Holdings BV		(8,984)	(34,643)
Repayment of IFC loan		-	(47,500)
Bank borrowings		26,466	106,122
Repayment of bank borrowings		<u>(107,711)</u>	<u>(35,782)</u>
Net cash from financing activities		<u>111,566</u>	<u>131,538</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(614)	4,762
Cash and cash equivalents at 1 January		111	(1,719)
Exchange difference on bank balances		<u>(4,069)</u>	<u>(2,932)</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	10	<u>(4,572)</u>	<u>111</u>

The attached notes 1 to 27 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

1. CORPORATE INFORMATION

Airtel Ghana Limited is incorporated in Ghana under the Companies Act, 1963 (Act 179) as a Private Limited Liability Company and is domiciled in Ghana. The address of its registered office is No.4 Independence Avenue, 2 - 4 Floors, GNAT Heights, North Ridge, Accra. The principal activity of the company continues to be the provision of telecommunication services.

Bharti Airtel Ghana Holdings B.V (formally Celtel Ghana Holdings B.V), the majority shareholder, is a private limited liability company existing under the laws of the Netherlands having its registered office in Hoofddorp, with the address Siriusdreef 17-27-2132, LR Hoofddorp, Netherlands.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below:

Financial statements have been prepared on a historical cost basis. The financial statements are presented in Ghana Cedis and all values are rounded to the nearest Ghana Cedis except when otherwise indicated and have been prepared in accordance with Ghana Accounting Standards issued by the Ghana National Accounting Standards Board (GNASB), Companies Act, 1963 (Act 179) and other applicable requirements of Ghanaian law.

(a) Plant and equipment

All plant and equipment are stated at historical cost less accumulated depreciation.

Depreciation is calculated to write off the cost of plant and equipment on the straight-line basis over their expected economic useful lives. The annual rates used for this purpose are:

	%
1. Leasehold improvement: 20%. If the lease expires before 5 years, depreciation is computed over the actual useful life	20
2. Network equipment	
Active equipment: The elements include Base Transceiver Station, Base station Controller, Mobile Switch Centre, antennas, etc.	10
Passive equipment: The elements include towers, generators, conditioners, shelters etc	5 - 33.3
3. Computers	33.3
4. Office equipment, furniture and equipment	20
5. Residential furniture and equipment	33.3
6. Motor vehicles	20 - 33.3

Where the carrying amount of plant and equipment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposal of plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. Repairs and renewal are charged to the income statement when the expenditure is incurred.

Leasehold land is treated as an operating lease and amortized over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Revenue recognition

Revenue is recognised upon performance of services and on delivery of goods and customer acceptance. Revenue is stated net of taxes and trade discounts. Revenue is categorised into the following:

Prepaid connection: This represents revenue from the purchase of prepaid SIM cards by subscribers. Revenue is recognised when a subscriber is activated on the network

Post-paid subscription: This represents revenue from subscription to post-paid service,

Airtime revenue: This represents revenue from subscriber talk time,

Roaming revenue: This represents revenue from subscriber usage of roaming service and

Interconnect revenue: This represents revenue earned from other telecommunication networks in respect of calls or sms that terminate on Airtel's network.

Handset and data equipment sale: Revenue from handsets and data equipment sale which does not have value to the customer on standalone basis, forming part of multiple-element revenue arrangements are deferred and recognized over the customer relationship period. Revenue from other handsets and data equipment sale transactions are recognised when the significant risks and rewards of ownership are transferred to the buyer.

(c) Foreign currencies

Transactions in foreign currencies during the year are converted into Ghana cedis at prevailing rates at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Ghana cedis at the rates of exchange ruling on that date. The differences resulting from the translation are dealt with in the profit and loss account in the period in which they arise.

(d) Accounts receivable

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

(e) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the First-in-First-Out (FIFO) basis. Cost comprises the cost of purchase and other incidental costs.

Net realisable value is the estimate of the selling price in the ordinary course of business less selling expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

Licence for mobile and fixed line operations are over 15 and 20 years (duration of the licence), respectively. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

Licenses for mobile and fixed line operations are over 15 and 20 years (duration of the license), respectively. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for permanent impairment where it is considered necessary.

(g) Finance leases

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item are classified as finance lease. Assets acquired on 'Finance Lease', which transfer risk and rewards of ownership to the Company are capitalised as assets by the Company at the lower of fair value of the leased property or the present value of the minimum lease payments.

Amortisation of capitalised leased assets is computed on the straight line method over the useful life of the assets. Lease rental payable is apportioned between principal and finance charge using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

Company as a lessee

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the profit or loss.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

The fair value of obligations under finance leases is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

(h) Deferred income tax

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine the potential deferred income tax. Deferred income tax assets are recognised only to the extent that realisation of the related tax benefit is probable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

(i) **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks.

3. INTANGIBLE ASSETS

Intangible assets represent the cost of obtaining the commercial operating licenses (fixed line, GSM and 3.5G) for telecommunications business in Ghana.

(a) Fixed line license

The company acquired a 20 year license for fixed operations at a cost of US\$10,000,000 in December 1996.

	As of 31 December 2014 GHC '000	As of 31 December 2013 GHC '000
Cost		
Balance as 1 January	1,840	1,840
Additions	<u>-</u>	<u>-</u>
At 31 December	<u>1,840</u>	<u>1,840</u>
Accumulated amortization		
At 1 January	1,535	1,412
Charge for the year	<u>118</u>	<u>123</u>
At 31 December	<u>1,653</u>	<u>1,535</u>
Net book value at 31 December	<u>187</u>	<u>305</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

(b) Mobile licenses

On 31 October 2006, the company acquired a 15 year license for mobile operations at a cost of US\$22.5 million. In December 2009 the company acquired a 15 year 3.5G mobile license for US\$20.5 million and full payment was made before the launch of the 3.5G license in December 2009.

	As of 31 December 2014 GH¢ '000	As of 31 December 2013 GH¢ '000
Cost		
Balance as 1 January	36,614	36,614
Additions	<u>-</u>	<u>-</u>
At 31 December	<u>36,614</u>	<u>36,614</u>
Accumulated amortization		
At 1 January	13,990	11,549
Charge for the period	<u>2,343</u>	<u>2,441</u>
At 31 December	<u>16,333</u>	<u>13,990</u>
Carrying amounts at 31 December	<u>20,281</u>	<u>22,624</u>
Total	<u>20,468</u>	<u>22,929</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings & leasehold improvement GH¢ '000	Network equipment GH¢ '000	Furniture & office equipment GH¢ '000	Motor vehicles GH¢ '000	Capital Work in Progress GH¢ '000	Total GH¢ '000
Cost						
Balance as at 1 January	7,330	596,009	86,106	226	20,869	710,540
Additions/Adjustments	576	91,143	7,123	-	161,676	260,518
Transfer to Held for Sale	-	(115,797)	-	-	-	(115,797)
Adjustments (Transfers)	(88)	(7,530)	(5,812)	(14)	(118,689)	(132,133)
At 31 December 2014	7,818	563,825	87,417	212	63,856	723,128
Depreciation						
Balance as at 1 January	2,981	247,518	63,667	200	-	314,366
Charge for the year	628	69,898	16,427	19	-	86,972
Transfer to Held for Sale	-	(56,555)	-	-	-	(56,555)
Adjustments (Transfers)	(10)	(10,988)	(37)	(15)	-	(11,050)
At 31 December 2014	3,599	249,873	80,057	204	-	333,733
Net book value						
At 31 December 2014	4,219	313,952	7,360	8	63,856	389,395
At 31 December 2013	4,349	348,491	22,439	26	20,869	396,174

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

4.(b) DEPRECIATION AND AMORTISATION	2014	2013
	GH¢ '000	GH¢ '000
Cost of sales	72,359	66,893
Selling, general and administrative expense	<u>17,074</u>	<u>20,815</u>
	<u>89,433</u>	<u>87,708</u>

5. PREPAID OPERATING LEASE

Cost	2014	2014
	GH¢ '000	GH¢ '000
Balance as 1 January	1,314	1,314
Addition	<u>-</u>	<u>-</u>
At 31 December	<u>1,314</u>	<u>1,314</u>
Accumulated amortisation		
Balance as 1 January	133	107
Charge for the year	<u>26</u>	<u>26</u>
At 31 December	<u>159</u>	<u>133</u>
Net book value at 31 December	<u>1,155</u>	<u>1,181</u>

The operating lease on the land expires on 31 October 2058.

6. DEFERRED INCOME TAX

Details of the full potential liability/ (asset) and the provision made are as follows:

	2014	2014	2013	2013
	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
Accelerated tax allowances	(79,697)	-	(79,697)	(16,443)
Other timing difference	(70,382)	-	(70,382)	(36,099)
Reversal	<u>150,079</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>(150,079)</u>	<u>(52,542)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

7. INVENTORIES

	2014 GH¢ '000	2013 GH¢ '000
Handsets and accessories	<u>1,338</u>	<u>261</u>

8. ACCOUNTS RECEIVABLE

	2014 GH¢ '000	2013 GH¢ '000
Trade receivable	162,473	94,062
Prepayment and other receivable	72,451	22,916
Staff advances	<u>2,534</u>	<u>365</u>
	<u>237,458</u>	<u>117,343</u>

Staff indebtedness to the Company relates to advances given for private settlements and is recovered on a monthly basis. It also includes advances given to staff for official activities for which retirement has not been done. No interest is accrued on staff advances.

9. TAXATION

(a) Income tax expense

Year of assessment- withholding tax	Balances at 1 January GH¢ '000	Tax paid	Charge for the year GH¢ '000	Balance at of 31 December GH¢ '000
				-
2009	(154)	-	-	(154)
2010	-	-	-	-
2011	13	-	-	13
2012	(6)	-	-	(6)
2013	(141)	-	-	(141)
2014	<u>-</u>	<u>(225)</u>	<u>-</u>	<u>(225)</u>
	<u>(288)</u>	<u>(225)</u>	<u>-</u>	<u>(513)</u>

10. BANK AND CASH BALANCE

	2014 GH¢ '000	2013 GH¢ '000
Bank and cash balances	10,969	16,604

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

10a BANK OVERDRAFT

This represents a bank overdraft facility of GH¢17,000,000 with Access Bank Ghana Limited at an interest rate of 27% per annum. This facility covers a tenor of twelve months, renewable every 20th April and is made available to support the working capital needs of the company.

11. RELATED PARTY BALANCES

Bharti Airtel Ghana Holdings B.V. is a private limited liability company existing under the laws of the Netherlands and it owns 75% shares of the company. The Government of Ghana, through the Ghana National Petroleum Company (GNPC), owns the remaining 25% shares. The following transactions were carried out with related parties:

11a) Amounts due from related parties

These represent year end the balances arising from sale of goods and services.

	2014	2013
	GH¢ '000	GH¢ '000
Airtel DRC	241	177
Airtel Gabon	1,333	989
Airtel Burkina Faso	19,967	8,129
Airtel Tanzania	198	147
Airtel Nigeria	36,730	20,871
Airtel Niger	5,600	2,506
Airtel Malawi	64	48
Airtel Congo	50	34
Airtel Chad	843	604
Airtel B. V	9	2,374
Airtel Kenya	53	77
Airtel Sierra Leone	2,772	1,991
Zain KSA	-	56
Airtel Uganda	94	48
Airtel Zambia	8	68
Airtel Madagascar	3	2
Airtel Towers	802	591
Airtel Money	6,970	
Airtel Rwanda	1	416
BAL India	5,154	5,560
Accruals	<u>4,395</u>	<u>2,568</u>
	85,287	47,256

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

11b) Amounts due to related parties

Year end balances arising from purchase of goods and services:

	2014	2013
	GH¢ '000	GH¢ '000
Due to other Airtel entities	73,939	50,669
Advance from parent entity	<u>1,224,590</u>	<u>761,046</u>
	<u>1,298,529</u>	<u>811,715</u>

The represents interest free loan provided to the Company.

12. ACCOUNTS PAYABLE

	2014	2013
	GH¢ '000	GH¢ '000
Trade creditors	55,536	54,519
Inter-carrier payable	125,300	43,074
Other payables and accruals	<u>257,296</u>	<u>102,648</u>
	438,132	200,241

13. BANK LOAN

This represents an export credit facility from EKN to support Ericsson payments for capital expenditure. The EKN facility is in two parts, one represents the reimbursement loan and the other is the payment loan. Of the reimbursement facility, US\$3.1m was repaid upfront whereas that of facility 2 commenced on 31 October 2014.

	2014	2013
	GH¢ '000	GH¢ '000
Due within year 1	126,057	17,200
Due after 1 year	<u>270,041</u>	<u>366,139</u>
	396,098	383,339

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

14. FINANCE LEASE

The company had a finance lease contract with Avaya who provided call center technologies. The lease period is 5 years. The assets have been classified under furniture and office equipment. The table below shows the minimum future lease payments in connection with the leased assets as at the reporting date.

	As on 31 December 2014 GH¢ '000	As on 31 December 2013 GH¢ '000
Cost	2,326	2,326
Accumulated depreciation	<u>(1,258)</u>	<u>(430)</u>
Net book value	<u>1,068</u>	<u>1,896</u>
Net carrying amounts of leased assets capitalized	1,068	1,896

	Minimum lease payments GH¢ '000	Interest GH¢ '000	Present value GH¢ '000
Within 1 year	534	-	534
In 1 to 5 years	<u>1,056</u>	<u>230</u>	<u>826</u>
Total	1,590	230	1,360

15. STATED CAPITAL

The authorised shares of the company are 10,000,000 (2013: 10,000,000) ordinary shares of no par value of which 2,585,500 (2013: 2,585,500) have been issued as follows

	Number of shares	2014 GH¢ '000	Number of shares	2013 GH¢ '000
Issued for cash consideration				
Ordinary shares	2,585	7,294	2,585	7,294
Preference shares	-	<u>153,024</u>	-	<u>153,024</u>
Grand total	2,585	160,318	2,585	160,318

There is no unpaid liability on any share and there are no treasury shares.

16. NET LOSS FOR THE YEAR

The net loss has been arrived after taking into consideration the following expenses:-

	2014 GH¢ '000	2013 GH¢ '000
Directors' emoluments	520	294
Auditor's remuneration	591	186
Amortisation of intangible assets	2,461	2,564
Depreciation expense	86,972	85,144

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

17. OTHER INCOME

	2014	2013
	GHC'000	GHC'000
Interest income	699	754
Other income	<u>1,692</u>	<u>2,073</u>
	2,391	2,827

18. CASH USED IN OPERATIONS

	2014	2013
	GHC'000	GHC'000
Loss before tax	(514,944)	(265,360)
Depreciation	86,972	85,144
Amortisation of prepaid lease	26	26
Amortisation of licences	2,461	2,564
(Increase)/decrease in inventories	(18,613)	116
(Increase)/Decrease in accounts receivable	(120,114)	42,840
Increase/(Decrease) in accounts payable	237,841	(89,553)
Increase in amounts due to related parties	23,270	21,688
Increase in amounts due from related parties	(38,031)	(30,697)
Change in fair value of derivative financial assets	1,105	(2,044)
Exchange losses on loans	325,832	183,062
Exchange losses/(gains) on receivables, payables and bank balances	30,624	5,362
Finance income	(699)	(754)
Finance charge	<u>46,723</u>	<u>42,490</u>
Cash used in operations	62,453	(5,116)

19. REVENUE

	2014	2013
	GHC'000	GHC'000
Total revenue is made up as follows:-		
Prepaid connections	96,031	39,146
Post-paid subscription	10,301	5,749
Airtime revenue	232,890	228,966
Roaming revenue	11,380	11,889
Interconnect revenue	139,173	155,924
Handset and data equipment sale	4,279	58,110
Site share	<u>9,592</u>	<u>5,197</u>
	503,646	504,981

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

20. INCOME TAX

	2014 GH¢ '000	2013 GH¢ '000
Current income tax	-	-
Deferred income tax (Note 6)	<u>(150,079)</u>	<u>52,542</u>
	<u>(150,079)</u>	<u>52,542</u>

21. COST OF SALES

Details of cost of sale are as follows:

	2014 GH¢ '000	2013 GH¢ '000
Cost of sims	3,217	3,249
Cost of scratch cards	1,960	1,738
Interconnect costs	126,668	144,279
Cost of handsets and data equipment	3,808	27,502
Airtime discount	44,688	32,432
Roaming costs	7,616	8,387
Depreciation of network equipment	72,359	66,893
Other direct costs	<u>18,945</u>	<u>16,663</u>
	<u>279,261</u>	<u>301,143</u>

22. CONTINGENCIES AND COMMITMENTS

Contingent Liabilities

There were no contingent liabilities as of 31 December 2014 (2013: nil).

Contingent Assets

There were no contingents assets as of 31 December 2014 (2013: nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 DECEMBER 2014

23. GOING CONCERN

The company incurred a net loss of GH¢665,024k for the year ended 31 December 2014 (2013: GH¢212,816k), as at that date, the total liabilities exceeded total assets by GH¢1,324,052k (2013: 809k).

The Company has received a letter of guarantee from the parent company, Bharti Airtel International (Netherlands) B.V., undertaking that it will continue to provide and maintain such financial support and assistance as may be needed to enable the business activities of the Company to continue to be conducted as a going concern and to satisfy the debts and obligations of the Company as they respectively become due for settlement.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the company will continue to receive the support of its holding company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

24. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (or disposal groups) are classified as non-current assets held for sale and are stated at the lower of their carrying amounts and fair value less costs to sell when their carrying amounts are to be recovered principally through sale rather than continued use and the sale is considered to be highly probable. During the year ended 31 December 2014, the Company decided to sell approximately 487 telecom towers to Eaton Towers Limited and lease-back a dedicated portion of the towers from Eaton under long term lease contracts, considered as finance lease.

The Company, on the basis of all required approval, considers that the criteria stated by IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" have been met.

The completion of the transactions is subject to certain customary closing conditions and is expected to be completed within a period of one year from the date of classification as held for sale.

The major classes of assets and liabilities reclassified as held for sale as of 31 December 2014 are as follows:

(a) Assets held for sale

	2014	2013
	GH¢'000	GH¢'000
Property, plant and equipment	70,721	-
Prepayments and other receivables	<u>10,126</u>	-
	80,847	-

(b) Liabilities held for sale

	2014	2013
	GH¢'000	GH¢'000
Provisions	<u>4,070</u>	-
	4,070	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

25. DERIVATIVE FINANCIAL ASSET

This is embedded derivative resulting from foreign exchange sensitivity on IBM and Bharti contracts signed for 10 years from 2010 to provide all IT and IT related services for Bharti subsidiaries, including Ghana.

26. EVENTS AFTER REPORTING PERIOD

On 27 May 2015 the 487 assets were sold to Eaton Ghana Limited. Proceeds from sale was GHC422.6 million. Fifty-five percent (55%) of the capacity of sites sold represents outright sales with the remaining forty- five percent (45%) representing sales and lease back.

27. RELATED PARTY TRANSACTIONS

Company name	Nature of transaction	2014 GHC Net movement
Airtel DRC	Provision of roaming services by Airtel Ghana Limited.	63
Airtel Gabon	Provision of roaming services by Airtel Ghana Limited.	344
Airtel Burkina Faso	Provision of roaming services by Airtel Ghana Limited.	11,838
Airtel Tanzania	Provision of roaming services by Airtel Ghana Limited.	51
Airtel Nigeria	Provision of roaming and interconnect services by Airtel Ghana Limited.	15,859
Airtel Niger	Provision of roaming and interconnect services by Airtel Ghana Limited.	3,094
Airtel Malawi	Provision of roaming services by Airtel Ghana Limited.	16
Airtel Congo	Provision of roaming services by Airtel Ghana Limited.	16
Airtel Chad	Provision of roaming services by Airtel Ghana Limited.	239
Airtel B. V	Provision of Airtel Money services by Airtel Ghana Limited.	-2,365
Airtel Kenya	Provision of roaming services by Airtel Ghana Limited.	-24
Airtel Sierra Leone	Provision of roaming services by Airtel Ghana Limited.	781
Zain KSA	Provision of roaming services by Airtel Ghana Limited.	-56
Airtel Uganda	Provision of roaming services by Airtel Ghana Limited.	46
Airtel Zambia	Provision of roaming services by Airtel Ghana Limited.	-60
Airtel Madagascar	Provision of roaming services by Airtel Ghana Limited.	1
Airtel Towers	License of tower company.	211
Airtel Money	Provision of Airtel Money services by Airtel Ghana Limited.	6,970
Airtel Rwanda	Provision of roaming services by Airtel Ghana Limited.	-415

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 2014

		2014 GHC
Company name	Nature of transaction	Net movement
BAL India	Provision of interconnect services by Airtel Ghana Limited.	-406
Accruals	Provision of interconnect services by Airtel Ghana Limited.	1,827
Due to other Airtel entities	Provision of Roaming and interconnect services, and Airtel money transactions by other entities.	23,270
Advance from parent entity	Shareholder loan from Bharti Airtel Ghana Holdings BV.	463,544

**SUPPLEMENTARY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014**

SUPPLEMENTARY FINANCIAL INFORMATION
31 DECEMBER 2014

SELLING, GENERAL, DISTRIBUTION AND ADMINISTRATIVE EXPENSES

	2014	2013
	GHC '000	GHC '000
Employee costs	40,511	33,675
Directors fees	520	294
Office expenses	15,603	13,744
Regulatory fees	33,830	35,884
Auditors' remuneration	591	186
Network sites expenses	131,442	82,496
Vehicle running costs	4,059	1,856
Office utilities	1,636	3,179
Residence expenses	266	104
Insurance	2,402	1,313
Training	2,036	1,693
Business travel costs	1,966	1,452
Outsourcing costs (IT, CS, receptionists, drivers)	4,354	518
IT expenses	6,208	11,338
Sales & marketing costs	24,784	19,925
Other office expenses	4,855	6,757
Depreciation & amortisation	17,074	20,815
Stock provisions	1,111	-
Bad debts	7,419	1,808
Exchange loss	393,912	192,049
Corporate social responsibility	418	447
Total	694,997	429,533