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AIRTEL MOBILE COMMERCE RWANDA LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

PRINCIPAL PLACE OF
BUSINESS AND REGISTERED
OFFICE
Airtel Mobile Commerce Rwanda Limited
Remera, Gasabo
P.O. Box 4164
Kigali
Rwanda

AUDITORS
Deloitte Rwanda Limited
1st Floor, Umoja House,
KN 3 Road
P.O. Box 3903
Kigali, Rwanda

BANKERS
Bank of Kigali Limited
P.O. Box 175
Kigali
Rwanda.

I&M Bank Rwanda Limited
P.O. Box 354
Kigali
Rwanda

Equity Bank Rwanda Limited
P.O. Box 494
Kigali
Rwanda

KCB Bank Rwanda Limited
P.O. Box 5620
Kigali
Rwanda

SECRETARY
Mr. Baker Shema
C/o Airtel Rwanda Limited
P.O. Box 4164
Kigali
Rwanda
AIRTEL MOBILE COMMERCE RWANDA LIMITED
DIRECTORS’ REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors submit their report on the affairs of the company together with the financial statements and the auditor’s report for the year ended 31 December 2017.

1. PRINCIPAL ACTIVITIES

The principal activity of the company is to hold the funds in the Airtel Money infrastructure in trust, for Airtel Money E-Value account holders. There is no deviation in principal activities in 2017.

2. RESULTS

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

3. DIRECTORS

The directors who served during the year and to the date of this report were:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Nationality</th>
<th>Date of appointment/resignation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Alok Bafna*</td>
<td>Chairman</td>
<td>Indian</td>
<td>Appointed 12 February 2018</td>
</tr>
<tr>
<td>Mr. Philip Fofie Amoateng*</td>
<td>Director</td>
<td>Ghanaian</td>
<td>Appointed 12 February 2018</td>
</tr>
<tr>
<td>Mr. Michael Nii Boye Adjei*</td>
<td>Chairman</td>
<td>Ghanaian</td>
<td>Resigned 27 November 2017</td>
</tr>
<tr>
<td>Mr. Brian Kirungi*</td>
<td>Director</td>
<td>Rwandan</td>
<td>Resigned 31 October 2017</td>
</tr>
<tr>
<td>Ms. Jantina van de vreede Catharina**</td>
<td>Director</td>
<td>Dutch</td>
<td>Resigned 20 January 2017</td>
</tr>
<tr>
<td>Mr. Rahul Bedi*</td>
<td>Director</td>
<td>Indian</td>
<td>Resigned on 21 February 2017</td>
</tr>
</tbody>
</table>

*Executive Director  **Non-Executive Director

4. AUDITORS

Deloitte Rwanda Limited who were appointed during the year have expressed their willingness to continue in office in accordance with Law No. 27/2017 of 31/05/2017 governing companies in Rwanda.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved at a meeting of the Directors held on ________________________________2018.

By Order of the Board

Company Secretary

[Signature]

[Date] 2018
AIRTEL MOBILE COMMERCE RWANDA LIMITED
STATEMENT OF DIRECTOR’S RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

Law No. 27/2017 of 31/05/2017 governing companies requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Law No. 27/2017 of 31/05/2017 governing companies, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Law No. 27/2017 of 31/05/2017 governing companies. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Rwanda Law No. 27/2017 of 31/05/2017 governing companies.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

Director

Date 09/03/2018

Director
INDEPENDENT AUDITORS’ REPORT

TO THE DIRECTORS OF AIRTEL MOBILE COMMERCE RWANDA LIMITED
Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying financial statements of Airtel Mobile Commerce Rwanda Limited, set out on pages 8 to 20, which comprise the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Law No. 27/2017 of 31/05/2017 governing companies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the Institute of Certified Public Accountants of Rwanda Code of ethics (ICPAR Code of Ethics), which is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA code), together with other ethical requirements that are relevant to our audit of the financial statements in Rwanda, 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.

Other Information

The directors are responsible for the other information, which comprises the report of directors. The other information does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors: Norbert Kagoro*** Fred Okwiri** Sammy Onyango** Harveen Gadhoke* David Waweru ** Joseph Eshun****
*British **Kenyan ***Ugandan ****Ghanaian
INDEPENDENT AUDITORS’ REPORT

TO THE DIRECTORS OF AIRTEL MOBILE COMMERCE RWANDA LIMITED
(Continued)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and in the manner required by the Law No. 27/2017 of 31/05/2017 governing companies, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of director’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
INDEPENDENT AUDITORS’ REPORT

TO THE DIRECTORS OF AIRTEL MOBILE COMMERCE RWANDA LIMITED
(Continued)

Report on the Audit of the Financial Statements (Continued)

Report on other legal and regulatory requirements

As required by Article 132 of the Law No 27/2017 of 31/05/2017 governing companies, we report to you based on our audit that:

i. We have obtained all information and explanations which, to the best of our knowledge, was required for our audit;

ii. Based on our audit, we have not identified any reason to believe that proper accounting records have not been kept;

iii. We have no relationship, interests and debt in the company;

iv. We have reported to the directors and management in the form of a separate management letter, internal control and other weaknesses identified during the audit and our recommendations for improvement;

v. In our opinion, according to the best of the information and the explanations given to us as shown by the accounting and other documents of the company, the annual accounts comply with Article 123 of this Law regarding the requirement for individual annual accounts.

For Deloitte Rwanda Limited

P.O. Box 3903
KIGALI - RWANDA

David Waweru
Director

Signed at Kigali on 15th November 2018
<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Rwf '000</th>
<th>2016 Rwf '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating expense</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Loss before taxation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Tax expense</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Loss for the year</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
AIRTEL MOBILE COMMERCE RWANDA LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017

<table>
<thead>
<tr>
<th>Note</th>
<th>Rwf '000 2017</th>
<th>Rwf '000 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>5</td>
<td>1,255,280</td>
<td>1,419,098</td>
</tr>
<tr>
<td></td>
<td>1,265,280</td>
<td>1,429,098</td>
</tr>
</tbody>
</table>

TOTAL ASSETS

EQUITY AND LIABILITIES

EQUITY

<table>
<thead>
<tr>
<th>Share capital</th>
<th>Rwf '000 2017</th>
<th>Rwf '000 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Amounts due to related parties</th>
<th>Rwf '000 2017</th>
<th>Rwf '000 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>333,815</td>
<td>541,721</td>
</tr>
<tr>
<td>7</td>
<td>921,465</td>
<td>877,377</td>
</tr>
<tr>
<td></td>
<td>1,255,280</td>
<td>1,419,098</td>
</tr>
</tbody>
</table>

TOTAL EQUITY AND LIABILITIES

The financial statements on pages 8 to 20 were approved by the Board of Directors on 04/02/2018 and signed on its behalf by:

Director

Date 04/02/2018
<table>
<thead>
<tr>
<th>Ordinary share Capital</th>
<th>Rwf '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended 31 December 2016</td>
<td></td>
</tr>
<tr>
<td>At 01 January and 31 December 2016</td>
<td>10,000</td>
</tr>
<tr>
<td>Year ended 31 December 2017</td>
<td></td>
</tr>
<tr>
<td>At 01 January and 31 December 2017</td>
<td>10,000</td>
</tr>
</tbody>
</table>
### AIRTEL MOBILE COMMERCE RWANDA LIMITED
### STATEMENT OF CASH FLOWS
### FOR THE YEAR ENDED 31 DECEMBER 2017

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>2017 Rwf ’000</th>
<th>2016 Rwf ’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/(Decrease) in amount due to E-Value holders</td>
<td>44,088</td>
<td>(608,164)</td>
</tr>
<tr>
<td>Decrease in amount due to related parties</td>
<td>(207,906)</td>
<td>(677,328)</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(163,818)</td>
<td>(1,285,492)</td>
</tr>
<tr>
<td>Net decrease in cash and cash equivalent</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(163,818)</td>
<td>(1,285,492)</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,419,098</td>
<td>2,704,590</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>(Note 5)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,255,280</td>
<td>1,419,098</td>
</tr>
</tbody>
</table>
1. CORPORATE INFORMATION

Airtel Mobile Commerce Rwanda limited is a limited liability company registered and domiciled in Rwanda and licensed under the Law no 27/2017 of 31/05/2017 governing companies in Rwanda. The Company was incorporated on 22 February 2013 and it is owned by Airtel Mobile Commerce B.V with 100% of the shares in the company.


2.1 Amendments to IFRSs that are mandatorily effective for the current year.

Amendments to IAS 7 Disclosure initiative
Amendments to IAS 12 Recognition of Deferred tax assets for unrealised losses.
Amendments to IFRS 12 included on Annual improvements to IFRSs 2014-2016 cycle

The above mandatory amendments that were effective for an accounting period that begins on or after 1 January 2017 were not applicable to the entity.

2.2 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs and IFRICs that have been issued but are not yet effective:

<table>
<thead>
<tr>
<th>IFRS</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Financial Instruments¹</td>
</tr>
<tr>
<td>15</td>
<td>Revenue from contracts with customers¹</td>
</tr>
<tr>
<td>16</td>
<td>Leases²</td>
</tr>
<tr>
<td>17</td>
<td>Insurance contracts³</td>
</tr>
<tr>
<td></td>
<td>Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture¹</td>
</tr>
<tr>
<td></td>
<td>Amendments to IAS 40- Transfers of Investment Property¹</td>
</tr>
<tr>
<td></td>
<td>Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions¹</td>
</tr>
<tr>
<td></td>
<td>IFRIC 22 Foreign Currency Transactions and Advance Consideration¹</td>
</tr>
<tr>
<td></td>
<td>Annual improvements to IFRS standards 2014-2016 cycle</td>
</tr>
</tbody>
</table>

¹ Effective for annual periods beginning on or after 1 January 2018. With earlier application permitted.
² Effective for annual periods beginning on or after 1 January 2019. With earlier application permitted.
³ Effective for annual periods beginning on or after 1 January 2021. With earlier application permitted.

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.
2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 9 Financial Instruments (continued)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The directors of the Company do not anticipate that the application of IFRS 9 in the future will have a significant impact on amounts reported in respect of the Company’s financial assets and financial liabilities.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. The company has not generated revenue from inception and the directors do not anticipate IFRS 15 to have a material impact on the company’s financial statements when it becomes effective.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low values assets.

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principle and interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lease accounting, IFRS 16 subsequently carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease. Furthermore, extensive disclosures are required by IFRS 16.

The company has not entered into any lease contracts and the adoption of IFRS 16 when effective is not expected to have any significant impact on the company’s financial statements.

IFRS 17 Insurance contracts

IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity’s financial position, financial performance and cash flows.

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

IFRS 17 is not applicable on the company financial statements when it becomes effective.

Amendments to IAS 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management’s intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of the amendments is permitted and must be disclosed. The amendments are effective for annual periods beginning on or after 1 January 2018. These amendments are not expected to have any impact on the Company
Application of new and revised International Financial Reporting Standards (IFRSs)(continued)

2.2 New and revised IFRSs in issue but not yet effective (continued)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation
    Or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of
    the reporting period in which the entity first applies the interpretation.

Early application of interpretation is permitted and must be disclosed. First-time adopters of IFRS are also permitted to apply the interpretation prospectively to all assets, expenses and income initially recognised on or after the date of transition to IFRS. The standard is effective for annual periods beginning on or after 1 January 2018. This amendment will not have an effect on the entity financial statements.

Annual improvements to IFRS 2014-2016 cycle

Annual improvements to IFRSs include amendments to a number of IFRSs, which have been summarised below. The package also includes amendments to IFRS12 Disclosure of interests in other entities, which is effective for annual periods beginning on or after 1 January 2017. (See section 3.1)

IFRS 1 First time adoption of international financial reporting standards

This amendment delete certain short term exemptions in IFRS 1 because the reporting period to which the exemption applied have already passed. As such, these exemptions are no longer applicable.

IAS 28 Investment in Associates and joint ventures

The amendments clarify that the option to venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture and that election should be made at initial recognition of the associate or joint venture. In respect of the option for an entity that is not an investment entity(IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE Associate OR IE joint venture.

The amendments apply retrospectively with earlier application permitted
3. ACCOUNTING POLICIES

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies were consistently applied during the year, unless otherwise stated.

Basis of preparation

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Rwandan Franc (Rwf), which is the company’s functional currency, and all values are rounded to the nearest franc (Rwf '000), except when otherwise indicated.

Statement of compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Significant accounting policies

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company’s accounting policies. The company does not hold any assets of its own and therefore did not apply any estimates or impairment of assets.

i) Income recognition

Currently the company does not engage in any activities that generate any form of revenue.

ii) Payables and accruals

Payables and accruals being short term in nature are carried at cost as the effect of computing interest is considered to be insignificant.

iii) Retirement benefit costs

Currently the company operates solely under the Airtel Rwanda Limited’s infrastructure and does not have staff of its own.

iv) Cash and cash equivalents

Cash and cash equivalents are defined as cash in bank accounts, held on behalf of E-Value account holders of Airtel Rwanda Limited. For the purposes of the statement of cash flows cash and cash equivalents comprise bank balances.

v) Financial Instruments

Amounts due from related parties and cash and cash equivalents are financial assets of the Company. Similarly, amounts due to related parties, Due to E value holders are financial liabilities of the company. All financial assets and liabilities are valued at amortized cost due to their nature.

vi) Taxation

No taxes were accrued for in the year as the company did not engage in trading activities during the year.
vii) Statement of cash flows

Cash flows are reported using the indirect method as per IAS-7 "Statement of cash flows", whereby profit for the period is adjusted for the effect of transactions of a non-cash nature, any deferral or accrual of past or future cash operating receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

viii) Fair Value Measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements. The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The three levels of the fair-value-hierarchy are described below:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable.

ix) Share capital

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

x) Contingencies

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

Critical judgements in applying the entity's accounting policies

In the process of applying the company's accounting policies, management has made judgements in determining the classification of financial assets and liabilities.
4. RELATED PARTY TRANSACTIONS AND BALANCES

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf '000</th>
<th>2016 Rwf '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Amounts due from Airtel Rwanda limited</td>
<td>10,000</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Amount towards the paid up share capital of the company from Airtel Mobile Commerce B.V.(immediate parent of the company) was received in the bank account of Airtel Rwanda Limited (fellow subsidiary the Company) and hence it is disclosed as Receivable from Airtel Rwanda Limited. Refer note 6 for share capital note.

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf '000</th>
<th>2016 Rwf '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>b) Amounts due to Airtel Rwanda Limited</td>
<td>333,815</td>
<td>541,721</td>
</tr>
</tbody>
</table>

Amounts due to Airtel Rwanda Limited is payable towards consideration received from customers from airtime recharge done on behalf of Airtel Rwanda Limited.

c) Key management compensation

Key management are not compensated for their positions on the board of Airtel Mobile Commerce Rwanda Limited.

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf '000</th>
<th>2016 Rwf '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>1,255,280</td>
<td>1,419,098</td>
</tr>
</tbody>
</table>

6 SHARE CAPITAL

Authorised:
100 ordinary shares of Rwf 100,000 each | 10,000        | 10,000        |

Issued and fully paid:
100 ordinary shares of Rwf 100,000 each | 10,000        | 10,000        |

Airtel Mobile Commerce B.V holds 100 ordinary shares in the company.

7. DUE TO E-VALUE HOLDERS

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf'000'</th>
<th>2016 Rwf'000'</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Value amounts in circulation</td>
<td>921,465</td>
<td>877,377</td>
</tr>
</tbody>
</table>

8 OPERATING EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf'000'</th>
<th>2016 Rwf'000'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit fees</td>
<td>5,184</td>
<td>4,100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2017 Rwf'000'</th>
<th>2016 Rwf'000'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement by Airtel Rwanda Limited</td>
<td>(5,184)</td>
<td>(4,100)</td>
</tr>
</tbody>
</table>

Audit fees, like all other operating expenses of the Trust, is accrued and paid by Airtel Rwanda limited.
9. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company’s principal financial instruments comprise cash and cash equivalents, receivables and payables. These instruments arise directly from its operations. The company does not speculate or trade in derivative financial instruments.

The company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk. The directors review and agree policies for managing these risks.

The directors have overall responsibility for the establishment and oversight of the company’s risk management framework. The company’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

**MARKET RISK**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as foreign exchange rates, interest rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimizing on the return on the risk.

(i) **Foreign Exchange Risk**

Foreign exchange risk arises from future investment transactions on recognized assets and liabilities. The company’s policy is to record transactions in foreign currencies at the rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange in effect at the statement of financial position date. All gains or losses on changes in currency exchange rates are accounted for in profit or loss.

(ii) **Interest Rate Risk**

Interest rate risk is the risk that the future profitability and/or cash flows of financial instruments will fluctuate because of changes in the market interest rates. The interest rate exposure arises mainly from the interest rate movements on the borrowings. However, the company does not engage in borrowing activities as its obligation is to hold cash in trust.

**CREDIT RISK**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trading activities as well as placement and balances with other counterparties, advances to customers, deposits held with various service providers, prepayments and bank balances. The company does not involve itself in trading activities hence it is not exposed to credit risk.

**LIQUIDITY RISK**

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations from its financial liabilities. The company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company’s reputation.

**OPERATIONAL RISK**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company’s processes, personnel, technology and infrastructure and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the company’s operations.
The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

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

The primary objectives of the company are to hold, in trust, the funds owing to the Airtel Mobile Commerce E-Value holders and safeguard the safety and sanctity of these funds. The company does not trade and is not allowed to deal in these funds otherwise than to settle obligations arising from genuine transactions of Airtel Mobile Commerce E-Value. The principal obligation arising from the company is not to make money but to safeguard third party funds.

The capital structure of the company consists of cash and cash equivalents. In order to maintain or adjust the capital structure, the company may return loan capital to shareholders, issue new shares or sell assets to reduce debt.

Amounts due from related parties and cash and cash equivalents are financial assets of the company. Similarly, amounts due to related parties. Due to E-Value holders are financial liabilities of the company. The fair value of the assets and liabilities is valued at amortized cost, and fair value of the carrying amount due to short-term nature.

There were no material contingent liabilities and Capital commitments as at 31 December 2017 and 2016.

In this financial statement, the prior period typographical error in date of incorporation and ownership structure information was corrected and it was notified to the users of financial statement on 3rd of August 2017 by the Board of Directors as follows:

1. Airtel Mobile Commerce was incorporated on 31/05/2017.
2. The address of its registered office is located at:
   1. T�aurant, 01. The address of its principal place of business is located at:
   2. Airtel Mobile Commerce B.V. is incorporated on 01.01.2012. The company is domiciled in Rwanda and registered in Denmark by the Chamber of Commerce.
3. Airtel Mobile Commerce B.V. is incorporated and domiciled in Rwanda.
4. The address of its registered office is located at:
   1. The address of its principal place of business is located at:
   2. Airtel Mobile Commerce B.V. holds 100% of the shares in the company.