

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED
(Company Registration No. 10762104)

Annual financial statements

28 February 2023

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LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

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LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

Company information

Directors: Nicholas T. Rudnick
Kate E. M. Hennessy (resigned on 28 September 2022)

Secretary: Helen K. Marsh

Registered office: 6 New Street Square
London
United Kingdom
EC4A 3BF

Registered number: 10762104 (England and Wales)

Auditor: Deloitte LLP
Statutory Auditor
Abbots House,
Abbey St,
Reading,
United Kingdom,
RG1 3BD

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

Strategic report

The directors present the Strategic Report of Liquid Telecommunications Investments Limited (the "Company") for the year ended 28 February 2023. In preparing the Strategic Report, in accordance with section 414C (11) of Companies Act 2006, the directors have chosen 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.

Review of business and principal activity

The Company's principal activity is to act as the financing vehicle for the sister company Liquid Telecommunications South Africa (Pty) Limited ("LTSA"). The Company loaned ZAR 2.3 billion to LTSA in the 2017 financial year from the issue of USD 730 million Senior Secured Notes issued by its immediate holding company Liquid Telecommunications Financing plc (*see note 22 – Immediate, intermediate and ultimate holding companies*). To further aid the refinancing of debt and develop business operations in LTSA an additional ZAR 1.3 billion was loaned.

As part of the refinancing of the USD 730 million Senior Secured Notes undertaken by the immediate holding company, which was committed as at 28 February 2021, although only settled on 4 March 2021, LTSA repaid ZAR 3.2 billion of the principal amount. During the 2021 financial year, the Company performed a share buyback of 221.6 million ordinary shares, equivalent to ZAR 3.3 billion, to repatriate the fund to its immediate holding company for the refinancing process.

During the year ended 28 February 2022, LTSA repaid the entire outstanding receivable balance due to the Company. The Company then performed two share buybacks of 24.3 million ordinary shares (representing 99.6% of the called up share capital at 1 March 2021), equivalent to ZAR 364.7 million (*see note 10 – Called up share capital and share premium*), to repatriate the fund to its immediate holding company.

Following the above transactions, the Company now has very few transactions and is in the process of becoming dormant.

As shown in the Company's Statement of profit or loss and other comprehensive income on page 10, the Company has a loss of ZAR 64,379 (2022: 590,182) principally due to lower volume of transactions. The Company's key performance indicators of its operations are the finance income and profit before tax. The finance income has decreased significantly from last year due to the repayment of the entire outstanding receivable, by LTSA, during the previous financial year. The Statement of financial position on page 11 shows the Company's net assets for the year end were ZAR 1.9 million (2022: ZAR 2.0 million).

Principal risks and uncertainties

Following the repayment of the entire outstanding receivable balance from LTSA (as described above) in the prior financial year, the Company does not face any significant risks and uncertainties.

Foreign currency risk

The Company's functional currency is South African Rand ("ZAR"), and it conducts majority of its activities in ZAR, to reduce the Company's exposure to movement in the United States Dollar ("USD") exchange rate. However, in the prior years, due to the significant transactional foreign exchange exposure arising from its operations the Company hedged certain transactions with the use of a forward foreign exchange contracts, instead of currency being swapped into USD at spot rate. The Company did not perform such hedging transactions in the current financial year due to the low volume of transactions.

Interest risk

In the prior year, the Company was exposed to interest rate risk because the Company received internal funds at floating interest rates from LTSA. The risk was managed by the Company by monitoring the floating rate. The Company does not face any significant interest risk currently due to the low volume of transactions. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in note 16 for both financial years.

Credit risk

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as there are no outstanding receivables as of 28 February 2023. The group defines counterparties as having similar characteristics if they are related entities.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. It includes the risk of inability to manage unplanned changes in the funding sources and, also any failure to recognise and address changes in market conditions that could affect the Company's ability to liquidate assets quickly, with minimum value loss, if necessary. As the Company is in the process of becoming dormant, it has sufficient cash available to meet its future short term liabilities.

Section 172 disclosure

See the Report of the directors for more information.

Approved for and on behalf of the board:



Director: Nicholas T. Rudnick

Date: 25 August 2023

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

Report of the directors

The directors present their report with the audited financial statements of Liquid Telecommunications Investments Limited (company registration No. 10762104) (the "Company") for the year ended 28 February 2023. This annual report and financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") in conformity with the requirements of the Companies Act 2006.

General information

Liquid Telecommunications Investments Limited is a private limited company incorporated in the United Kingdom on 9 May 2017. Its parent company is Liquid Telecommunications Financing Plc and the ultimate controlling party is Econet Global Limited a company incorporated in Mauritius. The ultimate holding company of the Liquid group is Liquid Telecommunications (Jersey) Limited which is incorporated in Jersey. The address of the registered office and the Company's operations and of its immediate holding company is 9th Floor, 6 New Street Square, London EC4A 3BF. The Company's main activity is to act as the financing vehicle for a group company, Liquid Telecommunications South Africa (Pty) Limited.

Following the repayment of the entire outstanding receivable balance from Liquid Telecommunications South Africa (Pty) Limited in the prior financial year, the Company now has very few transactions and is in the process of becoming dormant.

Dividends

The Company did not pay any dividend during the year ended 28 February 2023 (2022: ZAR 41.1 million).

The directors have not proposed a dividend subsequent to the year end.

Impact of global events

On 24 February 2022, Russia invaded Ukraine in an internationally condemned act of aggression. This conflict is ongoing with a devastating impact on human life in the region. Globally, along with the widening sanctions against Russia, the conflict has had a direct impact on the energy sector, with increasing fuel prices and a general instability in the financial markets. This has led to higher costs for energy suppliers, product manufacturers and transportation services. The Company has been monitoring the situation and assessing any potential impact on its business model and has factored such price increases into its forward looking plans, where possible.

Events after the reporting date

There have been no events after the reporting date that require disclosure.

Directors and secretary

The names of the directors who have served during the year and up to the date of signing the financial statements (unless stated otherwise) are given below:

- Nicholas T. Rudnick
- Kate E. M. Hennessy (resigned on 28 September 2022)

Secretary

- Helen K. Marsh

Statement of directors' responsibilities

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 the United Kingdom adopted international accounting standards. The directors have also chosen to prepare the parent company financial statements under the United Kingdom adopted international accounting standards. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

Report of the directors (continued)

Statement of directors' responsibilities (continued)

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.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are described in the Strategic Report on page 2. The Company had a loss after tax of ZAR 64,379 for the year and net assets of ZAR 1,941,037 as at 28 February 2023. The Company's main activity is to act as the financing vehicle for a group company, Liquid Telecommunications South Africa (Pty) Limited.

Following the repayment of the entire outstanding receivable balance from Liquid Telecommunications South Africa (Pty) Limited in the prior year, the Company now has very few transactions and is in the process of becoming dormant. The directors note that the Company has received confirmation of support from Liquid Telecommunications Holdings Limited (the "Liquid Group") for a period of at least 12 months from the date of signing of the financial statements and are confident of the Liquid Group's ability to generate sufficient cash-flows to meet all obligations as they fall due.

Given the Company's current and long term liquidity, capital requirements and forecast financial position are assessed at the Liquid Group level, the directors have reviewed the cash flow projections of the Liquid Group. This included the impact of the currency changes in South Africa, the currency and economic situation in Zimbabwe, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and committed loan funding, and the provision of financial support to other subsidiaries where necessary, the directors are satisfied that the Liquid Group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations of the wider Liquid Group provide sufficient financial sustainability to generate positive cash flows for the foreseeable future

The Liquid Group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), an USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 30.0 million is undrawn at 25 August 2023, a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 164.2 million is outstanding at 28 February 2023 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 4.9 million is outstanding at 28 February 2023. Taking this into account, alongside the other reviews conducted as set out in this section and the undrawn USD 30.0 million RCF, the directors consider the group has sufficient liquidity to meet its obligations as and when they fall due and forecast this position to continue.

In making their assessment, the directors have considered the potential impact of the instability of financial markets, volatility of currency markets particularly the South African Rand, the currency and economic situation in Zimbabwe, inability of customers to pay and supply chain shortages on the operations, business plan and cashflow of the Liquid Group for the twelve months from the date of signing of the financial statements of the Company.

Even after assessing these factors, the directors consider the Liquid Group to have sufficient liquidity to continue and sufficient headroom on its covenants. Accordingly, the Company will continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial risk management

The financial risk management as well as exposure to same is disclosed in the Strategic report.

Section 172 disclosure

The Company's long term success is central to the Directors' discussions and decision making. In accordance with the requirements of Section 172 of the UK Companies Act 2006, the Directors give full consideration to the interests of key stakeholders, as described in the table below, to ensure their alignment in furthering the growth of the business.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

For the year ended 28 February 2023

Report of the directors (continued)

Section 172 disclosure (continued)

Customers	The Company does not have customers outside the Liquid group as it acts as the financing vehicle for the Liquid group. The Liquid group has many long standing customer relationships, and recognises that communication with them is the key to ensuring the continued longevity of these relationships. The Liquid Group works closely with the customers through experienced relationship managers who build an understanding of the customers' needs and business.
Employees	The Company does not have staff directly employed as it acts as the financing vehicle for the Liquid group. The Liquid group recognises that each employee has been integral to the success of the Liquid Group and wants them to be part of the future story. The group's monthly CEO webinar is hugely popular and interactive and, along with our regular employee engagement surveys, gives all employees the opportunity to share their views with senior management. The Liquid Group also uses a combination of newsletters and internal social media platforms to keep our employees up to date with developments in the company. Excellent employee performance is applauded and rewarded through both group and local recognition schemes.
Suppliers	The Company is committed to conducting its business in an open and ethical manner with all our suppliers. The company complies with local laws and regulations and has policies in place to cover working hours, equal opportunities, discrimination and data protection. Employees of the Liquid Group who engage with suppliers follow our internal code of conduct and understand we have a zero tolerance policy to unethical behaviour.
Shareholders	Our shareholders are consulted on all material issues in accordance with the governing requirements and in this way help to shape our future. Any transactions with shareholders are referred to the Related Party Committee which is governed by a group wide terms of reference.
Community and environment	The Liquid Group is always conscious of the impact our business has on the immediate and wider community and environment. The Liquid Group has made various contributions ranging from the provision of free telecommunications services, staff volunteering, assisting with healthcare provision and partnering with local initiatives to promote local businesses.

Energy and carbon reporting

The Company is exempted from Energy and carbon reporting as less than 40,000 kWh of energy was consumed during the year ended 28 February 2023.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditor

Pursuant of Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Approved for and on behalf of the board:



Director: Nicholas T. Rudnick

Date: 25 August 2023

Independent auditor's report to the members of Liquid Telecommunications Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Liquid Telecommunications Investments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 28 February 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included 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. These included the Data Protection Act 2018, GDPR and the Bribery Act 2010.

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

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 and legal counsel 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 and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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.

Independent auditor's report

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

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.

DocuSigned by:

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Antwi Okyere-Darko FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
25 August 2023

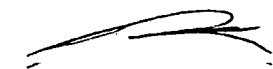
LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED
Statement of profit or loss and other comprehensive income
For the year ended 28 February 2023

		Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Notes			
	Revenue	-	-
	Administrative expenses	(64,379)	(9,234,829)
	Loss from operations	(64,379)	(9,234,829)
	Finance income	-	8,644,647
	Loss before income tax	(64,379)	(590,182)
	Income tax	-	-
	Loss for the year	(64,379)	(590,182)
	Other comprehensive income	-	-
	Total loss and other comprehensive loss for the year	(64,379)	(590,182)

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Statement of financial position****As at 28 February 2023**

	Notes	28 February 2023 ZAR	28 February 2022 ZAR
Assets			
Non-current assets			
Trade and other receivables	8	-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	8	40,394	-
Cash and bank balances	9	2,496,307	2,635,518
Total current assets		2,536,701	2,635,518
Total Assets		2,536,701	2,635,518
Equity and liabilities			
Capital and reserves			
Called up share capital	10	92,046	92,046
Share premium	10	1,288,633	1,288,633
Retained reserves		560,358	624,737
Total equity		1,941,037	2,005,416
Current liabilities			
Trade and other payables	11	595,664	630,102
Total current liabilities		595,664	630,102
Total liabilities		595,664	630,102
Total equity and liabilities		2,536,701	2,635,518

The financial statements with company registration number 10762104 were approved by the Board of Directors on 25 August 2023 and were signed on its behalf by:



Nicholas T. Rudnick
Director

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Statement of changes in equity****For the year ended 28 February 2023**

	Notes	Called up share capital	Share premium	Retained Earnings	Total Equity
		ZAR	ZAR	ZAR	ZAR
At 1 March 2021		24,403,613	341,650,576	42,363,796	408,417,985
Share buyback	10	(24,311,567)	(340,361,943)	-	(364,673,510)
Dividends	7	-	-	(41,148,877)	(41,148,877)
Total loss and other comprehensive loss for the year		-	-	(590,182)	(590,182)
At 28 February 2022		92,046	1,288,633	624,737	2,005,416
Total loss and other comprehensive loss for the year		-	-	(64,379)	(64,379)
At 28 February 2023		92,046	1,288,633	560,358	1,941,037

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Statement of cash flows****For the year ended 28 February 2023**

	Notes	Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Cash flows (used in)/generated from operating activities:			
Cash (used in)/generated from operations	12	(139,211)	25,993,201
Tax paid		-	-
Net cash (used in)/generated from operating activities		(139,211)	25,993,201
Cash flows generated from investing activities:			
Interest received	4	-	8,644,647
Net cash generated from investing activities		-	8,644,647
Cash flows used in financing activities			
Repayment of long-term trade receivable		-	369,217,444
Dividends paid	7	-	(41,148,877)
Share buyback	10	-	(364,673,510)
Net cash used it financing activities		-	(36,604,943)
Net decrease in cash and cash equivalents		(139,211)	(1,967,095)
Cash and cash equivalents at beginning of the year, before effect of foreign exchange changes		3,195,712	4,619,057
Effect of foreign exchange changes		(560,194)	(16,444)
Cash and cash equivalents at beginning of the year, after effect of foreign exchange changes	9	2,635,518	4,602,613
Cash and cash equivalents at end of the year	9	2,496,307	2,635,518

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

1. General information

Liquid Telecommunications Investments Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page. The Company's main activity is to act as the financing vehicle for a group company, Liquid Telecommunications South Africa (Pty) Limited.

Following the repayment of the entire outstanding receivable balance from Liquid Telecommunications South Africa (Pty) Limited, the Company now has very few transactions and is in the process of becoming dormant.

The presentation and the functional currency of the financial statements is the South African Rand (ZAR).

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty.

2.1 Application of New and Revised International Financial Reporting Standards (IFRS)

In the current year, the Company has applied all the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 March 2022.

New and revised IFRSs and IFRICs applied with material effect on the financial statements.

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the costs to include when assessing whether a contract is onerous.
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020 (fees in the '10 per cent' test for derecognition of financial liabilities).

New and revised IFRSs and IFRICs in issue but not yet effective

At the date of authorisation of these financial statements, the following relevant Standards were in issue but not yet effective on annual periods beginning on or after the respective dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities (effective 1 January 2024).
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective 1 January 2023).
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective 1 January 2023).

The directors anticipate that these IFRSs will be applied on their effective dates in the financial statements in future periods. The directors have not yet assessed the potential impact of the application of these amendments.

2.2 Summary of significant account policies

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by financial instruments recognised at fair value. These financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The significant accounting policies adopted in the preparation of these financial statements are set out in this note.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are described in the Strategic Report on page 2. The Company had a loss after tax of ZAR 64,379 for the year and net assets of ZAR 1,941,037 as at 28 February 2023.

The Company's main activity is to act as the financing vehicle for a group company, Liquid Telecommunications South Africa (Pty) Limited ("LTSA"). Following the repayment of the entire outstanding receivable balance from LTSA (see note 8 - Trade and other receivables for more details) in the prior financial year, the Company now has very few transactions and is in the process of becoming dormant. The directors note that the Company has received confirmation of support from Liquid Telecommunications Holdings Limited (the "Liquid Group") for a period of at least 12 months from the date of signing of the financial statements and are confident of the Liquid Group's ability to generate sufficient cash-flows to meet all obligations as they fall due.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty (continued).

2.2 Summary of significant account policies (continued)

Going concern (continued)

Given the Company's current and long term liquidity, capital requirements and forecast financial position are assessed at the Liquid Group level, the directors have reviewed the cash flow projections of the Liquid Group. This included the impact of the currency changes in South Africa, the currency and economic situation in Zimbabwe, the cash flow projections for the period (which include discretionary capital expenditure), the repayment of existing obligations and committed loan funding, and the provision of financial support to other subsidiaries where necessary, the directors are satisfied that the Liquid Group has access to adequate cash resources to settle obligations as they fall due. They also consider that the operations of the wider Liquid Group provide sufficient financial sustainability to generate positive cash flows for the foreseeable future.

The Liquid Group is currently funded by a combination of equity, USD 620 million Senior Secured Notes (maturity September 2026), an USD 60 million Revolving Credit Facility ("RCF") (maturity March 2026), of which USD 30.0 million is undrawn at 25 August 2023, a USD 220 million equivalent South African Rand term loan (maturity March 2026), of which USD 164.2 million is outstanding at 28 February 2023 and USD 23.3 million of locally provided term loans (maturity in the financial year 2025) in Zambia, of which USD 4.9 million is outstanding at 28 February 2023. Taking this into account, alongside the other reviews conducted as set out in this section and the undrawn USD 30.0 million RCF, the directors consider the group has sufficient liquidity to meet its obligations as and when they fall due and forecast this position to continue.

In making their assessment, the directors have considered the potential impact of the instability of financial markets, volatility of currency markets particularly the South African Rand, the currency and economic situation in Zimbabwe, inability of customers to pay and supply chain shortages on the operations, business plan and cashflow of the Liquid Group for the twelve months from the date of signing of the financial statements of the Company.

Even after assessing these factors, the directors consider the Liquid Group to have sufficient liquidity to continue and sufficient headroom on its covenants. Accordingly, the Company will continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

Financial assets are classified at amortised cost.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty (continued).

2.2 Summary of significant account policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Amortised cost and effective interest method (continued)

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in the Statement of profit or loss through 'Finance income'.

All financial assets on the consolidated statement of financial position, with the exception cash and cash equivalents, are classified at amortised cost.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically, for financial assets measured at amortised cost, exchange differences are recognised in the Statement of profit or loss through 'Administrative expenses'.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the receivable, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the receivable's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the receivable;
- significant increases in credit risk on other financial instruments of the same receivable;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the receivable's ability to meet its debt obligations.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty (continued).

2.2 Summary of significant account policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days (credit term) past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) it is becoming probable that the borrower will enter bankruptcy or other financial re-organisation; or
- (d) the disappearance of an active market for that financial asset because of financial difficulties.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty (continued).

2.2 Summary of significant account policies (continued)

Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses (ECL)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised when the proceeds are received, net of direct issue costs.

A repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Share capital and share premium are classified as equity.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial liabilities comprise of trade and other payables.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED

Notes to the financial statements

For the year ended 28 February 2023

2. Application of New and Revised International Financial Reporting Standards (IFRS), Summary of significant accounting policies and Critical accounting judgements and key sources of estimation uncertainty (continued).

2.2 Summary of significant account policies (continued)

Financial Instruments (continued)

Financial liabilities and equity (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in Statement of profit or loss through 'Administrative expenses'.

Derecognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the statement of profit or loss.

Cash and bank balances

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into South African Rand at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into South African Rand at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Cash flows

For the purpose of the Statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held, all of which are available for use by the Company unless otherwise stated.

2.3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies (note 2.2), management has made the following judgements, apart from those involving estimates, which have the most significant effect on the amounts recognised in the financial statements:

Significant judgements

The Company does not apply significant judgements in the preparation of the financial statements.

Key sources of significant estimation uncertainty

The Company does not make use of significant estimates in the preparation of the financial statements.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Notes to the financial statements****For the year ended 28 February 2023****3. Employees and directors**

There were no employees or staff costs for the year ended 28 February 2023 (28 February 2022: Nil). The directors do not receive payments in respect of their services for this Company and their fees are borne by another group company.

4. Finance income

	Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Interest received from related parties	-	8,566,453
Interest received from external parties	-	78,194
Total interest received	-	8,644,647

5. Profit before income tax

The profit before income tax is stated after (crediting)/charging:

Bank charges	21,118	18,292
Audit fees	525,206	508,529
Taxation advisory services	-	104,757
(Gain)/loss on foreign exchange	(481,945)	8,603,251

Fees payable to the company's auditor (Deloitte LLP) and their associates for the audit of the company's annual accounts

Total audit fees for audit of the Company	525,206	508,529
Total non-audit fees for other taxation advisory services	-	104,757

6. Income tax

Analysis of tax expense:

Income tax

In respect of current year	-	-
In respect of prior year	-	-

Deferred tax

In respect of current year	-	-
Total tax on profit on ordinary activities	-	-

The tax assessed for the year ended 28 February 2023 is at the standard rate of corporation tax in the UK, currently prevailing at 19% (28 February 2022: 19%).

Since the 1st of April 2023, the corporate tax rate has increased from 19% to 25%. This change does not have any impact on the Company.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Notes to the financial statements****For the year ended 28 February 2023****6. Income tax (continued)**

	Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Tax reconciliation:		
Loss before income tax	<u>(64,379)</u>	<u>(590,182)</u>
Income tax expense calculated at 19 % (2022: 19%)	(12,232)	(112,135)
Utilisation of tax losses under group relief/other reliefs	<u>12,232</u>	<u>112,135</u>
Income tax expense	<u>-</u>	<u>-</u>

7. Dividends

Final dividend of ZAR Nil (2022: ZAR 1.69) per share	<u>-</u>	<u>41,148,877</u>
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8. Trade and other receivables**Non-Current assets**

Liquid Telecommunications South Africa (Pty) Limited	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Current assets

Liquid Telecommunications South Africa (Pty) Limited	-	-
Other receivable	<u>40,394</u>	<u>-</u>
	<u>40,394</u>	<u>-</u>

The above receivable balance has been fully repaid during the year ended 28 February 2022 together with the current receivable balance.

No receivables are past due date and no receivables have been impaired in the year.

The Other receivable relates to VAT receivable.

9. Cash and cash equivalents

The amounts disclosed on the Statement of cash flows in respect of cash and cash equivalents are in respect of these Statement of financial position amounts:

Bank accounts	<u>2,496,307</u>	<u>2,635,518</u>
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The bank accounts are denominated in ZAR and USD.

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Notes to the financial statements****For the year ended 28 February 2023****10. Called up share capital and share premium**

	Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Called up share capital		
Opening balance	92,046	24,403,613
Share buyback	-	(24,311,567)
Closing balance	<u>92,046</u>	<u>92,046</u>
Share premium		
Opening balance	1,288,633	341,650,576
Share buyback	-	(340,361,943)
Closing balance	<u>1,288,633</u>	<u>1,288,633</u>

The authorized share capital of the Company is unlimited. The called-up share capital above represents 92,046 (2022: 92,046) ordinary shares with part value of ZAR 1.00 each. The shares were issued at a premium of ZAR 14.00 per share and all shares are fully paid. The holder of ordinary shares has voting rights of one vote per each ordinary share. Each ordinary share has equal rights on distribution of income and capital.

Following the repayment of the entire outstanding receivable balance from Liquid Telecommunications South Africa (Pty) Limited in the prior financial year, the Company performed two share buybacks of 24.3 million ordinary shares (representing 99.6% of the called-up share capital at 1 March 2021), equivalent to ZAR 364.7 million, to repatriate the fund to its immediate holding company.

11. Trade and other payables

Trade payables	242,361	-
Accruals	<u>353,303</u>	<u>630,102</u>
	<u>595,664</u>	<u>630,102</u>

The average credit period on the trade payables is 30 to 60 days. No interest is charged on the trade payables.

The directors consider the carrying amount of trade and other payables to approximate their fair value.

The accruals relate to audit fees.

12. Cash generated from operating activities

Loss before income tax	(64,379)	(590,182)
Finance income	-	(8,644,647)
	<u>(64,379)</u>	<u>(9,234,829)</u>
(Increase)/decrease in trade and other receivables	(40,394)	34,911,405
(Decrease)/increase in trade and other payables	<u>(34,438)</u>	<u>316,625</u>
Cash (used in)/generated from operations	<u>(139,211)</u>	<u>25,993,201</u>

13. Related party transactions

During the year, the Company entered into the following trading transactions with related parties:

Interest income:

Liquid Telecommunications South Africa (Pty) Limited	-	<u>8,566,453</u>
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Dividend paid:

Liquid Telecommunications Financing Plc	-	<u>41,148,877</u>
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LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Notes to the financial statements****For the year ended 28 February 2023****14. Categories of financial assets and liabilities**

	Year ended 28 February 2023 ZAR	Year ended 28 February 2022 ZAR
Financial assets		
Amortised cost	<u>2,496,307</u>	<u>2,635,518</u>
Financial liabilities		
Amortised cost	<u>595,664</u>	<u>630,102</u>

Financial assets and liabilities are amortised cost and are a reasonable approximation of fair value.

15. Foreign currency risk management

Management co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal management reports, which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy. The table below details the Company's sensitivity to a 10% variance in South African Rand against the relevant foreign currencies. 10 per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where South African Rand strengthens 10% per cent against the relevant currency. For a 10% per cent weakening of South African Rand against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

Financial assets		
Currency of United States (USD)	<u>2,467,755</u>	<u>2,606,966</u>
Financial liabilities		
Currency of United Kingdom (GBP)	<u>595,664</u>	<u>630,102</u>
Sensitivity analysis – 10%		
Currency of United States (USD)	246,776	260,697
Currency of United Kingdom (GBP)	(59,566)	(63,010)

LIQUID TELECOMMUNICATIONS INVESTMENTS LIMITED**Notes to the financial statements****For the year ended 28 February 2023****16. Interest rate risk management**

The Company is exposed to interest rate risk because the Company receives internal funds at floating interest rates. The risk is managed by the Company by monitoring the floating rate. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management note below.

17. Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 100 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Company's profit for the year ended 28 February 2023 would decrease/increase by ZAR 24,963 (28 February 2022: ZAR 26,355). This is mainly attributable to the Company's exposure to interest rates on its cash balance and loans to affiliated companies.

18. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below details the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities bases on the earliest date on which they can be required to pay. The table includes both interest and principal cash flows.

	Less than 1 month	1 to 3 months	3 months to 1 year	2 to 5 years	More than 5 years	Total
2023	-	-	595,664	-	-	595,664
2022	-	-	630,102	-	-	630,102

19. Capital risk management

The Company manage its capital to ensure it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt receivable and equity balance. The Company's strategy remains unchanged.

The capital structure of the Company consists of bank balances and equity attributable to owners of the Company, comprising issued share capital and retained earnings in the statement of changes in equity, respectively.

20. Credit Risk

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics as there are no outstanding receivables as of 28 February 2023. The group defines counterparties as having similar characteristics if they are related entities.

21. Events after reporting date

There have been no events after the reporting date that require disclosure.

22. Immediate, intermediate and ultimate holding companies

The Company's immediate parent company is Liquid Telecommunications Financing Plc ("LTFplc") which is incorporated in the United Kingdom with the registered office and operations at 9th Floor, 6 New street Square, London EC4A 3BF. The financial statements of the Company are consolidated into LTFplc.

The consolidated financial statements of LTFplc are consolidated into Liquid Telecommunications Holdings Limited ("LTH") which can be obtained from: 10th Floor, Standard Chartered Tower, 19-21 Bank Street, Cybercity, Ebene, 72201, Republic of Mauritius.

The intermediate holding company of the Company is Liquid Telecommunications (Jersey) Limited ("LTJ"), which is incorporated in Jersey. The consolidated financial statements of LTH are consolidated into LTJ.

The directors regard Econet New Arx Limited as the penultimate holding company and Econet Global Limited ("EGL") as the ultimate holding company, both incorporated in Mauritius. The consolidated financial statements of LTJ are consolidated into EGL.