

2023 Annual Report



Connecting Botswana
Uniting Communities

BOCRA
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Our vision

A Connected and Digitally Driven Society.

Mission

To regulate the Communications sector for the promotion of competition, innovation, consumer protection and universal access.



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Values

PEOPLE

We believe that our people are key to driving our success through their commitment and excellence. We shall therefore harness and develop **Individual skills and strengths to work as one**

INTEGRITY

In the execution of our mandate we will demonstrate openness, honesty and accountability in all our decisions.

PROACTIVENESS

We will be forward-looking in the delivery of our mandate, to keep up with evolving industry trends.

EXCELLENCE

We will strive to be the world-class leader in the provision of regulatory services through committed teams and impeccable customer service.

About Us

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Chairman's Statement.

Mr. Tefo Modise Setlhare

In a bid to facilitate growth of the broadcasting sector, the Board issued 15-year renewal licences for commercial radio broadcasters and noted the FM broadcasting expansion efforts supported by the UASF in the Goodhope District.

The Botswana Communications Regulatory Authority (BOCRA)'s role as a facilitator of Botswana's digital transformation was the Board's central focus during the year under review. This role was encapsulated in the Shareholder Compact Agreement that the Board signed with the Minister in 2021. The role remained under the Board's radar in line with the digital transformation and mindset change drive championed by His Excellency, President Mokgweetsi Eric Keabetswe Masisi.

Conscious of the demands that digital transformation places on the communications sector's legal, policy, and regulatory environment, the Board considered and approved several regulatory instruments in a bid to ensure that BOCRA stays ahead of the curve. Critical among those were the new SIMCARD Registration Guidelines, the revised Quality of Service & Experience Guidelines, Short Ranges Devices Guidelines, and the Type Approval Repair Services Guidelines. In addition, the Board approved the Country Code Top Level Domain (ccTLD) Policies that deal with Registration Terms and Conditions, Registrar Accreditation Agreement, and Acceptable Use Policy.

Continuing the strides to enhance the regulatory environment, the Board approved the alignment of tenures of office of the Universal Access and Service Fund (UASF) Board of Trustees, with the letters of Authority and the Deed of Trust issued by the Master of the High Court. The Board further appreciated and noted the legislative developments brought about by the Criminal Procedure and Evidence (Controlled Investigations) Bill of 2022, and how it will impact the sector regulated by BOCRA.

In a bid to facilitate growth the broadcasting sector, the Board issued 15-year renewal licences for commercial radio broadcasters and noted the FM broadcasting expansion efforts supported by the UASF in the Goodhope District.

Finally, as digitalisation invariably implies globalization, the Board signed a Letter of Intent with the Telecommunications Regulatory Authority of India (TRAI). The Letter of Intent has the objective of formalising relations with TRAI and establishing a channel for information exchange on a variety of regulatory issues, including the management of radio frequency spectrum, regulation of quality of service, monitoring of Internet service provision, etc.

Given the regulatory interventions that the Board managed to make, my Board and I have all the confidence that BOCRA will continue to deliver on its mandate. The Board will engage the Ministry on some of the challenges that come with digitalisation. Data protection issues are paramount in a digital environment. Acceleration of e-government, particularly e-education, will optimize the use of the schools' computerisation programme and increase information and communications technology (ICT) literacy.

I am grateful to the retired Board members for their dedication to the work of the Authority. As at the end of the reporting period, some members, including Chairperson, had completed their term of office. It is therefore in order that I give due credit to the Board for the work it expended during the 2022/23 period and wish those whose tenure has ended a happy retirement from the Board.

Board of Directors



**Mr. Tefo Modise Setlhare
Chairperson**

- LLB , University of Botswana.
- LLM, University of South Africa

Membership

- Compliance Institute of South Africa
- Law Society of Botswana
- The Institute of Risk Management South Africa

**Ms. Kago Mmolawa
Vice Chairperson**

- MA in Human Resources Management , University of Botswana.
- BA in Social Sciences, University of Botswana.

**Dr. Bokamoso Basutli, PhD
Board Member**

- Ph.D. Degree in Electronics, Electrical, and Systems engineering, Loughborough University, U.K.

Membership

- Engineers Registration Board (ERB)

**Dr. Mokaedi Monnane
Monnane, PhD
Board Member**

- PhD in Economics from the Lincoln University, New Zealand
- Member of the Botswana Minimum Wage Board.



**Mr. Martin Mokgware
Board Member**

- MA Transport Economics, University of Leeds, UK.
- PGD Telecommunications Regulation, University of Westminster, UK.
- BA Economics, University of Botswana.

**Ms. Senwelo Modise
Board Member**

- LLB, University of Botswana.

International Association of Privacy Professionals Membership

- Fellow of Information Privacy (FIP)
- Certified Information Privacy Professional (CIPP/E)
- Certified Information Privacy Manager (CIPM)
- Certified Information Privacy Technologist (CIPT)

**Ms. Tsholofelo Bogosi
Board Member**

- Chartered Institute of Management Accountants (CIMA)
- BComm, University of the Witwatersrand, South Africa
- Post Graduate Certificate in Risk Management, Botswana Accountancy College
- Member of both Botswana Institute of Chartered Accountants (BICA) and Chartered Institute of Management Accountants (CIMA).

**Ms. Mpho Motlhabane
Board Member**

- BA in Communications (Public Relations, Marketing and Advertising from the University of Northwest).

Retired Board

Ms. Tsaone Ruth Thebe
Former Chairperson

Prof. Joseph Monamati Chuma (PhD)

Dr. Gape Kaboyakgosi

Mr. Galeboe Mmetsi



Chief Executive's Statement.

Mr. Martin Mokgware



BOCRA's performance is attributed to its staff whose average performance continued to exceed set performance thresholds, with no staff registering below threshold performance.

As we draw the curtain on the fourth and penultimate year of the BOCRA Strategic Plan for the period 2019–2024, we note the strides that the Authority has made towards realizing its strategic vision that desires to facilitate Botswana’s transformation into an empowered, connected, and digitally driven society.



17 of 19 KPIs Achieved

<p>95 Recruited IT officers to facilitate the delivery of digital literacy in the Kweneng district.</p>	<p>4G Networks download speeds increased</p>
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Key area of focus: BOCRA Strategic Plan 2019–2024

The year under review registered yet another successful achievement of Key Performance Indicators (KPIs) as detailed under the organizational performance section. BOCRA managed to achieve 17 of its 19 KPIs. Among the major achievements were the increased download speeds for 4G networks; affordability of communications services to facilitate accessibility for all; improved competitiveness for Mobile Voice, Mobile Broadband Internet, Fixed Broadband, and Terrestrial Radio services; the improved management of spectrum resources and country code domain names; and the improved management of financial resources. With this performance, the Authority closed the year in a good position to succeed, in a large measure, in the realisation of its strategic objectives.

In line with the national aspiration of Digital Transformation and Mindset Change as espoused by His Excellency, President Mokgweetsi Eric Keabetswe Masisi, BOCRA, through the UASF, completed mobile network upgrades and broadband internet connectivity for the Kweneng District. The project culminated in the employment of 95 IT officers to facilitate the delivery of digital literacy to schools and communities in the district. BOCRA also completed the implementation of a similar project for the Goodhope District, with an additional component comprising installation of FM radio transmitters for the area.

At the regional level, BOCRA forged collaborations with Malawi Communications Regulatory Authority (MACRA) through a Memorandum of Understanding (MoU). The MoU sought to formalize working relations on matters of mutual interest, paramount of which is to establish diplomatic internet data transit corridors meant to mitigate the negative effects of transit costs on landlocked countries.

Botswana continued her pursuit of the digital transformation agenda on the international front where she partook in the World Telecommunication Development Conference and the Plenipotentiary Conference of the International Telecommunication Union. Through the two forums, the international community resolved to focus on Universal Connectivity and Sustainable Digital Transformation as the main pillars of facilitating the achievement of the 2030 Sustainable Development Targets.

At these forums, the Minister of Communications, Knowledge, and Technology, Honourable Thulagano Merafe Segokgo, pledged Botswana’s commitment towards the achievement of meaningful universal connectivity by the year 2024. The commitment as pronounced by the Minister will coincide with the end of the BOCRA Strategic Plan 2019–2024.

BOCRA’s performance is attributed to its staff whose average performance continued to exceed set performance thresholds, with no staff registering below threshold performance. To ensure a high-performance culture, BOCRA invested in several initiatives, including short-term and long-term training, regular individual and departmental performance reviews, as well as staff performance awards. It is pleasing to note that these interventions yielded positive results.

Finally, the support and direction of the Board of Directors was instrumental to organisational performance. I, on behalf of the team, wish to pay tribute to the Board for its support, and wish a happy retirement to members who completed their term of office.

Executive Management.



Mr. Martin Mokgware
Chief Executive



Ms. Joyce Isa-Molwane
Director Legal, Compliance
and Board Secretary



Mr. Bathopi Luke
Director Technical Services



Ms. Bonny Mine
Director Finance



Mr. Murphy Setshwane
Director Business
Development



Mr. Thapelo Mogopa
Director Strategy and
Projects



Ms. Tebogo Mmoshe
Director Licensing



Mr. Peter Tladinyane
Director Corporate Services



Ms. Maitseo Ratladi
Director Broadband and
Universal Service



Ms. Cynthia Jansen
Chief Engineer Networks
and Quality of Service



Mr. Aaron Nyelesi
Director Broadcasting &
Corporate Communications

Martin Mokgware
Chief Executive

- MA Transport Economics, University of Leeds, UK.
- PGD Telecommunications Regulation, University of Westminster, UK.
- BA Economics, University of Botswana.

Joyce Wema Isa-Molwane
Director, Legal, Compliance and Board Secretary

- LLB, University of Botswana.

Bathopi Luke
Director Technical Services

- MEng Communications Systems engineering, University of Portsmouth, UK.
- PGD Telecommunications Regulation, University of Westminster, UK.

Bonny Mine
Director Finance

- MBA, Henley Business School, University of Reading, UK.
- Chartered Institute of Management Accountants (CIMA).
- BCom (Accounting), University of Botswana.

Murphy Setshwane
Director Business Development

- MSc Policy Economics, University of Illinois, USA.
- PGD Telecommunications Regulation, University of Westminster, UK.
- BA Economics and Demography, University of Botswana.

Thapelo M. Mogopa
Director Strategy and Projects

- MA Communications Policy and Regulation, University of Westminster, UK.

Tebogo Mmoshe
Director Licensing

- MBA University of Derby, UK.
- BSc Applied Accounting- Oxford Brooks University, UK.
- ACCA, Botswana Accountancy College.

Peter Tladinyane
Director Corporate Services

- MA Management, University of the Witwatersrand, RSA.
- BA Economics & Statistics, University of Botswana.
- Diploma in Statistics, University of Botswana.
- Certificate in Human Resources Management, University of Pretoria, RSA.

Maitseo Ratladi
Director Broadband & Universal Service

- MBA, University of Stellenbosch, RSA.
- BBA Honors (University of Stellenbosch, RSA).
- PGD Telecommunications Regulation, University of Westminster, UK.
- Associate Diploma in Banking, Institute of Bankers, Botswana.
- BA Economics and Accounting, University of Botswana.

Cynthia Jansen
Chief Engineer Networks & Quality of Service

- MSc Operational Communication, Coventry University, UK.
- Associate Degree in Business Administration – University of the People, USA.
- BSc (Honours) Telecommunication – Coventry University, UK.

Aaron Nyelesi
Director Broadcasting and Corporate Communications

- MSc Public Relations, University of Stirling, UK.
- PGD Telecommunications Regulation, University of Westminster, UK.
- PGD Public and Media Relations, University of Wales, College of Cardiff, UK.
- BA Public Administration and Accounting, University of Botswana.





The average download speed for LTE network

20.04 Mbps

90%

Target achieved



70%

Population with access to LTE

Fixed broadband unit price

109BWP

per 1Mbps from 48BWP per 1Mbps



Governance

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89%

Performance
rating



17%

Households with
fixed broadband

Corporate Governance.

The Botswana Communications Regulatory Authority (BOCRA or the Authority) is led by a team of seven non-executive Board of Directors, appointed by the Minister responsible for the communications sector in terms of the Communications Regulatory Authority Act (CRA Act). The Chief Executive, also appointed by the Minister on recommendation by the Board, forms part of the Board as an ex-officio member.

In fulfilling its mandate, the Board derives guidance from the CRA Act, the Board Charter, Committee Terms of Reference – which encapsulate principles of the King III Code of Corporate Governance, and the Shareholder Compact Agreement. These documents guide the Board in making decisions and ensuring good corporate governance as it formulates its strategy and annual plans.

The Board of the Authority has a regulatory and administrative mandate, which are enumerated under Sections 5 and 6 of the CRA Act. Some of the Board's duties include:

- 1 Ensuring and promoting universal access to communication services while establishing ways of enhancing performance in the sector.
- 2 The protection and promotion of consumers in the regulated sectors.
- 3 Ensuring effective regulation and monitoring the performance of the regulated sectors.
- 4 Processing applications for and issuing licences, permits, or other authorisations for regulated sectors.
- 5 The preparation of the Authority's strategic plan and approval of annual plans necessary for the efficient operations of the Authority.
- 6 The preparation and submission of the annual report of the Authority to the Minister; and
- 7 The overall performance review of the organisation, its various committees, as well as that of the Chief Executive.

COMPOSITION OF THE BOARD

During the year under review, the Board of Directors comprised the following:

Ms. Tsaone Ruth Thebe
Chairperson of the Board
Appointed on 1 February 2020 (retired 31 January 2023).

Prof. Joseph M. Chuma
Vice-Chairperson of the Board
Re-appointed on 1 September 2020.

Dr. Gape Kaboyakgosi
Appointed on 1 September 2020.

Mr. Galeboe Mmelesi
Re-appointed on 1 September 2020.

Ms. Tsholofelo Bogosi
Appointed on 1 February 2020 (retired 31 January 2023).

Ms. Kago Mmolawa
Appointed on 1 February 2020 (retired 31 January 2023);

Mr. Martin Mokgware
Chief Executive of BOCRA
Ex-officio member.

2022/23 BOARD

Chairperson

Ms. Tsaone Ruth Thebe

- MSc Environmental Planning, University of Nottingham, UK
- BA Environmental Science, University of Botswana
- Diploma in Education, University of Botswana

Board

Prof. Joseph Monamati Chuma (PhD)

- PhD Electronic Engineering Systems, University of Essex, UK
- MSc. Telecommunications and Information Systems Engineering, University of Essex, UK
- MBA, University of Botswana
- BEng. Electrical and Electronic Engineering, University of Nottingham, UK

Committee Membership



Ms. Tsholofelo Bogosi

- Chartered Institute of Management Accountants (CIMA)
- Postgraduate Certificate in Enterprise Risk Management, Botswana
- Bachelor of Accounting (Commerce), University of the Witwatersrand, RSA

Committee Membership



Dr. Gape Kaboyakgosi

- PhD Public Policy, Australia National University
- MPA, Syracuse University, USA
- BA Social Sciences, University of Botswana

Committee Membership



Mr. Galeboe Mmelesi

- BSc Computer Sciences, University of Botswana

Committee Membership



Ms. Kago Mmolawa

- MA Public Administration – Human Resources, University of Botswana
- Postgraduate Diploma in Management, Henley Business School
- BA Social Sciences, University of Botswana

Committee Membership



Mr. Martin Mokgware

- MA Transport Economics, University of Leeds, UK
- Post Graduate Diploma Telecommunications Regulation, University of Westminster, UK
- BA Economics, University of Botswana

Committee Membership



Board Committees

In accordance with Section 20 of the CRA Act, the Board established four subcommittees in pursuance of its responsibilities to the Authority. The Board Committees were assigned different responsibilities and conferred with a range of powers under their respective Terms of Reference. The composition of the Committees is indicated below:

Regulatory Committee

Chair: **Prof. Joseph Chuma**
Members: **Mr. Galeboe Mmelesi**

The Committee advises the Board on regulatory policies, in fulfilment of BOCRA's mandate as encapsulated in the Act.

Human Resources Committee

Chair: **Ms. Kago Mmolawa**
Members: **Dr. Gape Kaboyakgosi**

The Committee advises the Board on policy issues relating to and ensures adherence to fair labour and corporate practices concerning employer–employee relationships from a strategic perspective.

Finance & Audit Committee

Chair: **Mrs. Tsholofelo Bogosi**
Members: **Dr. Gape Kaboyakgosi**
Ms. Kago Mmolawa

The Committee advises the Board on finance and audit issues. It also ensures that Management creates and maintains effective internal audit and financial controls, and manages all associated business and technological risks where BOCRA may be exposed.

GOVERNANCE

Corporate Governance (Continued)

Table 1: Board Meetings Attendance & Sitting Allowance, April 2022 to March 2023

Board Members	Board	Board Tender Committee	Regulatory Committee	Finance & Audit Committee	Human Resource Committee	Sitting Allowance
Ms. Tsaone R. Thebe	5/6	-	-	-	-	P11,250.00
Prof. Joseph Chuma	6/6	1/1	3/3	-	-	P18,000.00
Dr. Gape Kaboyakgosi	5/6	-	-	5/5	-	P18,000.00
Mr. Galeboe Mmelesi	6/6	1/1	3/3	-	-	P18,000.00
Ms. Tsholofelo Bogosi	5/6	1/1	-	5/5	-	P19,800.00
Ms. Kago Mmolawa	5/6	-	-	3/5	-	P14,400.00
Mr. Martin Mokgware	6/6	1/1	3/3	4/5	-	nil

Note:

- Board Chair sitting allowance: P2,250.00
- Member sitting allowance: P1,800.00

Board Activities

Attendance of Universal Postal Union

One board member attended the Universal Postal Union's (UPU) Council of Administration (CA) and the Postal Operations Council. The two are executive meetings of the postal sector that are convened annually to review the progress made by the Secretariat in its implementation of the strategic plan of the Union.

Mobile World Congress

In February 2023, board members travelled to Barcelona, Spain, to attend the Mobile World Congress (MWC). MWC is the premier mobile communications industry gathering where the global industry meets to exhibit the latest technologies and look into future technologies. The Congress features extensive learning opportunities from partner-led programmes, Global System for Mobile Communications (GSMA) seminars, summits, and more.

TRAINING

Cybersecurity and the Public Procurement and Regulatory Act (PPRA)

In August 2022, board members travelled to Maun, Botswana, for an annual retreat, where inter alia, they were trained on cybersecurity and the Public Procurement and Regulatory Act (PPRA). The cybersecurity training mainly focused on cybersecurity best practices and online hygiene, and it comprised a Tabletop Exercise (TTX) that mimicked a hack to the domain name critical systems, to assist management in understanding their roles in business continuity and disaster recovery.

The PPRA training was on the new PPRA.

Regulatory Masterclass

In October 2022, board members travelled to Bath, United Kingdom, where they completed a Regulatory Masterclass. The Masterclass provided a comprehensive understanding of key issues in the world of communications.

THE REVIEW OF POLICY AND LEGAL DEVELOPMENTS

The Commencement of Communications Regulatory Authority Regulations

In June 2023, acting pursuant to Section 94 of the CRA Act, the Minister responsible for Communications, Knowledge, and Technology, promulgated and published the Communications Regulatory Authority Regulations, after being gazetted. The Regulations are a subsidiary legislation to support the implementation of the CRA Act.

Litigation

Keemenao Self-Catering Apartments (the Complainant) (Pty) Ltd, lodged a complaint against Botswana Telecommunications Corporation (BTC), disputing the cost of internet services provided. BOCRA presided over the matter and ruled in favour of BTC. Following the ruling, the Complainant lodged an Appeal with the High Court of Botswana, which was later dismissed with costs.

Internal Audit.

INTERNAL AUDIT FUNCTION OVERVIEW

The Authority's commitment to transparency, accountability, and effective governance is exemplified by its strategic decision to outsource its internal audit function to an independent consulting and advisory firm. This appointment, duly approved by the Finance and Audit Committee, establishes a robust framework for maintaining the highest standards of financial integrity and operational excellence.

Appointment and Reporting Structure

The Finance and Audit Committee, representing a key governance body of the Authority, played a pivotal role in the selection and approval of the independent consulting and advisory firm responsible for internal audit services. This esteemed committee ensures that the highest standards of audit competence and independence are upheld.

The internal audit function operates with a dual reporting structure, with a functional reporting line to the Finance and Audit Committee, the governing body responsible for oversight of financial and audit matters, and an administrative reporting line to the Chief Executive. This dual reporting structure guarantees an appropriate balance between governance oversight and operational alignment.

Key Responsibilities

Key responsibilities of this function include:

Risk-Based Audit Plan: The internal audit team diligently prepares a risk-based audit plan, tailored to the unique risk profile of the Authority. This approach ensures that audit efforts are focused on areas with the highest potential impact.

Assurance on Controls: The function provides independent assurance on the effectiveness of the Authority's internal controls, contributing to the mitigation of operational and financial risks.

Risk Management Oversight: Through comprehensive audits and evaluations, the internal audit function assesses the robustness of the Authority's risk management processes, helping identify vulnerabilities and opportunities for improvement.

Transparent Reporting: To maintain transparency and accountability, the internal audit function issues quarterly reports to the Finance and Audit Committee. These reports include detailed information on the audit plan coverage and the status of implementing recommendations from prior audits. Such timely reporting not only keeps the governance body informed but also facilitates a proactive approach to addressing audit findings.

Risk Management.

RISK MANAGEMENT OVERVIEW

The Authority places a paramount emphasis on the management of risks to ensure the achievement of its strategic objectives and the safeguarding of its mission. A comprehensive enterprise risk management framework is integral to this commitment.

Risk Assessment Workshop

During the reporting period, the Authority conducted a rigorous risk assessment workshop to proactively collate its risk profile also considering emerging risks. This proactive approach ensures that the Authority remains resilient and adaptable in a dynamic operating environment.

Risk Register Update

The outcomes of the risk assessment workshop resulted in the meticulous update of the Authority's risk register, which now encompasses a total of 15 risks. These risks were thoughtfully profiled and categorized into three levels of severity: High (1), Moderate (5), and Low (9). The categorization provides a clear depiction of the varying degrees of impact these risks may have on the Authority.

Risk Categories:

The identified risks span across five vital categories:

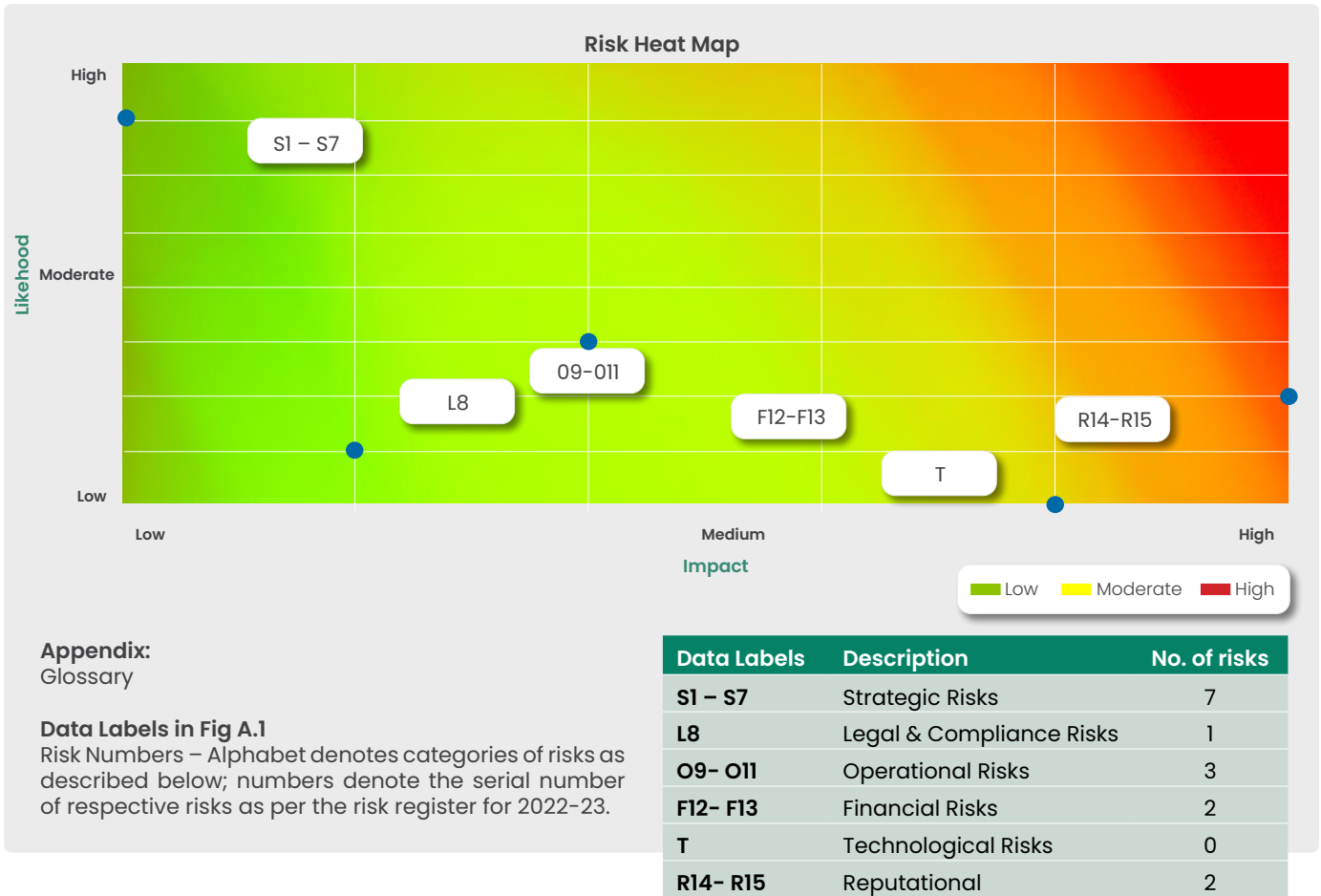
1. Strategic
2. Operational
3. Financial
4. Reputational
5. Legal & Compliance

Risk Heat Map

This holistic assessment culminated in the creation of a risk heat map, graphically illustrating the distribution of risks across the Authority. The heat map categorically shows that the Authority operates within a risk spectrum that primarily ranges from low to medium risk levels. This visual representation serves as an essential tool for stakeholders and decision-makers to gain a quick, intuitive understanding of the Authority's risk landscape. The risks are illustrated in *figure A* next page.

GOVERNANCE

Risk Management
(Continued)



Risk Based Internal Auditing

Internal Audit contributes towards the Authority’s risk management process by providing reasonable assurance that the risks identified are being effectively managed. The function has adopted a risk-based auditing approach. This is evidenced by development of the internal audit plan for the year 2022/2023 based on the outcome of the risk assessment conducted. Furthermore, risk assignments are conducted at an internal audit engagement level.

During the period, the function achieved 100% coverage of the approved audit plan, being 13 assignments covering high to medium risk areas across the Authority.

Implementation of Recommendations

Internal audit also conducts follow up audits and tracking of implementation of prior audit recommendations as a means of ensuring that internal control weaknesses are being addressed effectively to mitigate against the identified risks. As at 31 March 2023, the status of implementation of prior audit recommendations were as per figure B.

Outlook

As the Authority advances into the coming year, the Internal Audit function is geared towards a proactive and strategic approach to address emerging challenges and further enhance the Authority’s risk management and control

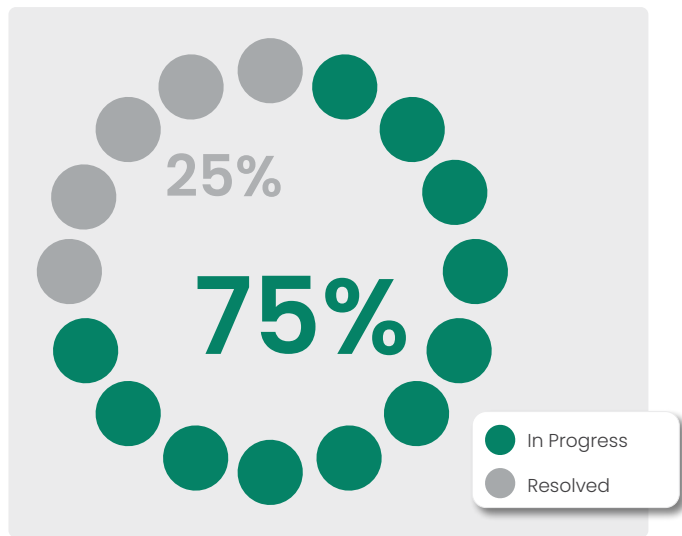


Figure B: Recommendations Implementation Status for Year Ended 31 March 2023

environment. The focus for the upcoming year includes continuous monitoring of the control environment, use of data analytics, strengthening Standard Operating Procedures, awareness on internal control and fraud risks.

Organisational Performance.

This section highlights BOCRA’s organisational performance for the Financial Year 2022/2023, which is the penultimate year of the 2019–2024 Strategic Plan. The performance was measured through Key Performance Indicators (KPIs) for each of the objectives in the organisational scorecard for the year. A total of 19 KPIs were identified.

The measurement scale for the KPIs was as follows:

- 95% and above represented exceeding the target.
- 80% and above represented meeting the target; and
- Below 80% represented attaining below the target.

Out of a total of 19 KPIs, 17 were achieved, which represents an 89% performance rating, as illustrated in *Figure 1*.

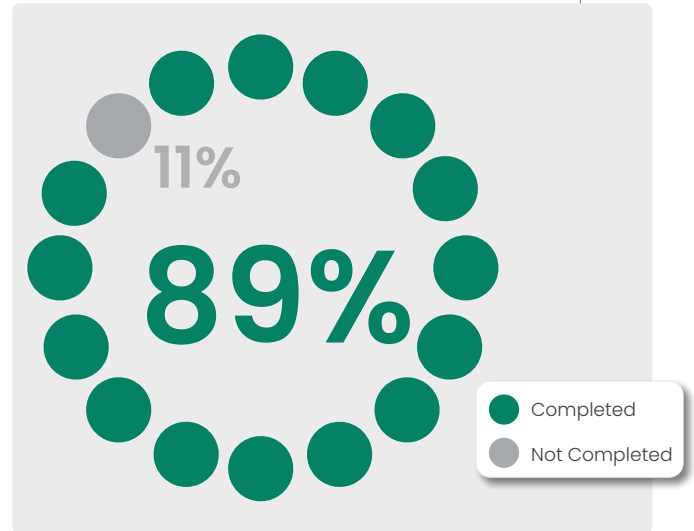


Figure 1: 2022/23 Annual Performance

Overall Performance Analysis.

The Performance of the Authority for some of the Strategic Objectives is detailed below.

Improve Consumer Protection

Through this strategic objective, the Authority sought to improve consumer protection by ensuring that consumers were offered reasonable download speeds of at least uncapped 20 Mbps from the Long-Term Evolution (LTE) network of the three Mobile Network Operators (MNO). The average download speed for LTE network of the MNOs was 20.04 Mbps against a target of 20 Mbps. The performance, as shown at *Figure 2*, indicates that the target was met consistently over the three-year period. Operators were issued the International Mobile Telecommunications (IMT) spectrum to increase capacity to meet broadband demand.

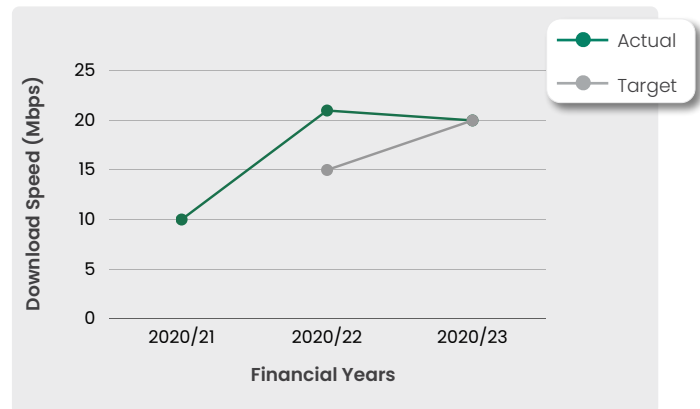


Figure 2: Throughput on LTE network.

Improve Access and Affordability of Broadband Services

This strategic objective ensured that communication services were accessible to all by mitigating against high pricing, while also ensuring that operators remained sustainable. This objective was measured through five KPIs, namely:

1. Price of 2GB per month.
2. Price of fixed 4Mbps per month.
3. 70% population with access to LTE.
4. 17% households with fixed broadband; and
5. 73% population coverage (terrestrial radio).

The Authority fared well in all the 5 KPIs, maintaining the price of the 2GB package at 69BWP since the 2020/2021 Financial Year, despite consistent pressure from telecommunication operators to increase broadband tariffs. The performance of this KPI is illustrated in *Figure 3*.

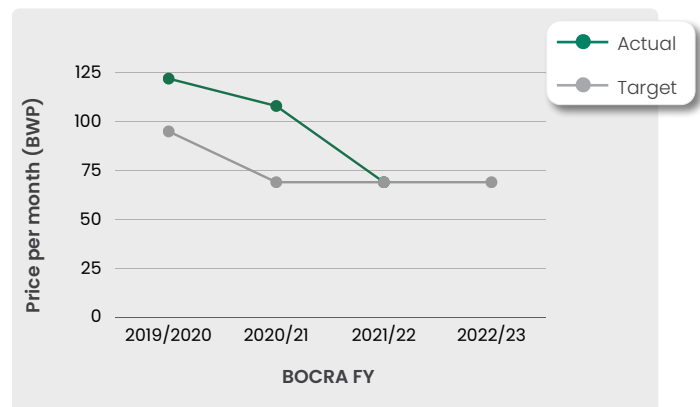


Figure 3: 2G Broadband Package Pricing

The fixed broadband unit price was reduced from 109BWP per 1Mbps to 48BWP per 1Mbps, indicating good performance.

The other measure used for this strategic objective was the percentage of the population with access to LTE, where

a target of 70% was set and surpassed, having recorded 96%. The high-performance rating was attributed to upgrades of base-stations to 4G and 5G by operators.

The strategic objective was also measured using the percentage of the population with access to fixed broadband and terrestrial radio, where performance ratings of 21% and 74% were recorded, against targets of 17% and 73%, respectively.

GOVERNANCE

Organisational Performance (Continued)

Improve Management of Financial Resources

This strategic objective was measured by the Authority's adherence to its approved budget, and the ability to recover long outstanding regulatory fees. There was under collection of regulatory fees due to a lack of traceability of some of the debtors. A debt collection committee was set up to accelerate the collections. In terms of the budget, the Authority was able to maintain the budget variance below the 10% threshold, having recorded a 2% variance as illustrated in *Figure 4*. In the past financial years (2020/2021 and 2021/2022), the Authority did not perform well on this KPI as there was limited spending on projects because of COVID19 restrictions, hence the big budget variances.

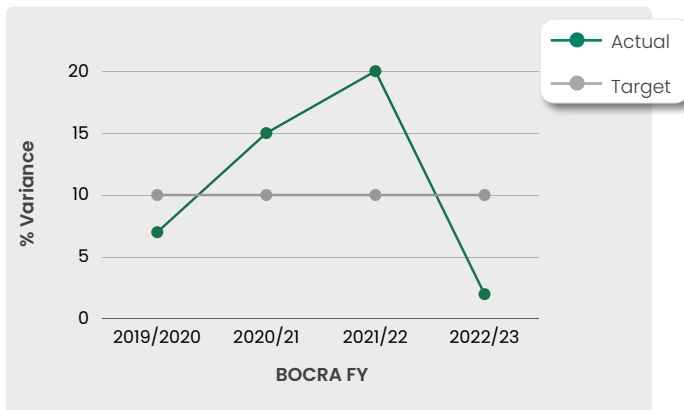


Figure 4: BOCRA Budget variance

Improve Competitiveness in the Market

Competitiveness in the market was measured by the Herfindahl-Hirschman Index (HHI) which is a common measure of market concentration. The closer a market is to a monopoly, the higher the market's concentration. A higher HHI means a non-competitive market and a lower means a relatively competitive market. Competitiveness is measured to keep track of market dominance and ensure there is no abuse of the dominant position in the market. The level of competition also determines the need for price regulation and licensing.

Competitiveness was measured for mobile voice, mobile broadband internet, fixed broadband, and terrestrial radio. The mobile voice market continued to be competitive, with Mascom having the largest market share at 43%, Orange was close second at 41%, followed by BTC at 16%. HHI for mobile voice is depicted in *Figure 5*.

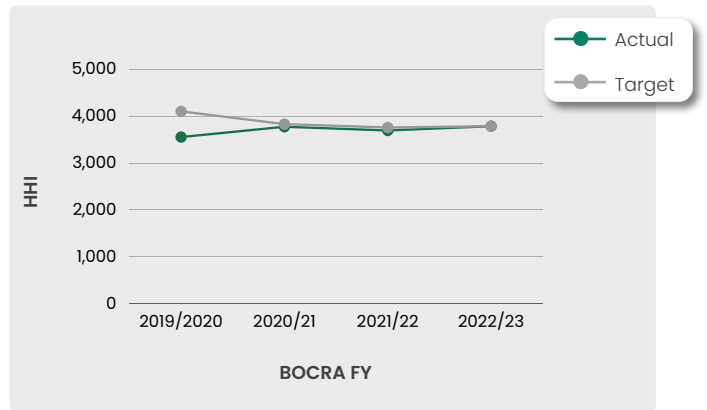


Figure 5: HHI for the Mobile Voice market

The mobile broadband market was also competitive, with Orange and Mascom as dominant players, followed by BTC. However, the HHI was within a tolerable level at 4386, as shown in *Figure 6*.

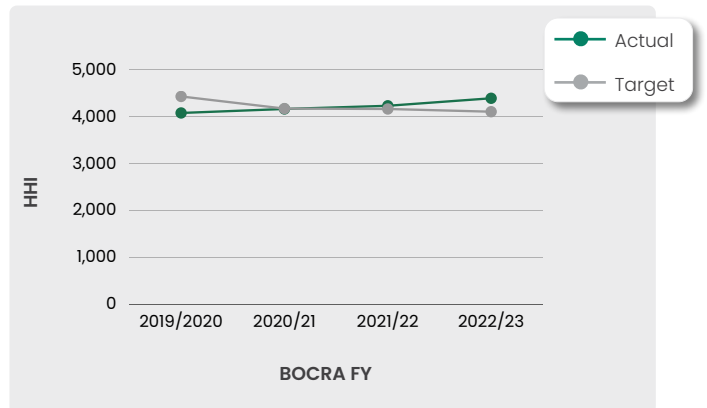


Figure 6: HHI for the Mobile Broadband market

BTC, being the incumbent operator of fixed broadband, continued to dominate the market. However, the licensing of ISPs has improved competition in this market segment.

Terrestrial radio broadcasting competition was measured through the advertising revenue market share. Duma FM held a 39% market share, followed by Yarona FM at 31%, and lastly Gabz FM at 30%. The terrestrial market was highly contested and hence competitive over the two-year period, as shown in *Figure 7*.

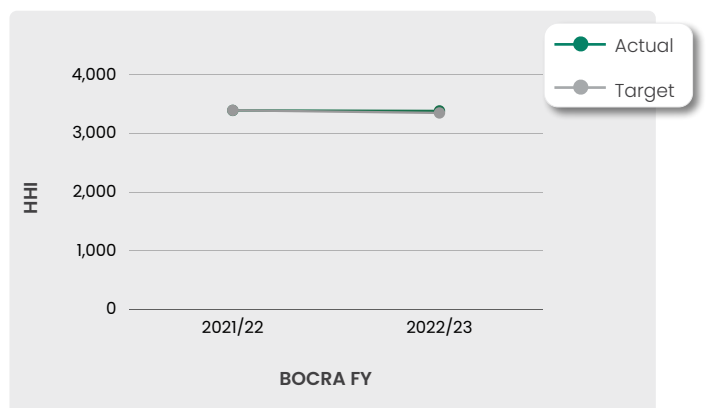


Figure 7: HHI for Terrestrial Radio

Improve the Management of Regulatory Resources

Regulatory resources in this context refers to enablers which are managed by the Regulator, being spectrum and local domain names. The Authority's strategic intent was to ensure maximum utilisation of these resources. To ensure maximum utilisation of the spectrum, BOCRA had set spectrum rollout obligations for operators, which they were able to fully comply with for the financial year 2022/2023, as they attained 100% against a target of 80%.

BOCRA further monitored the uptake of local domain names. The local domain names uptake continued to increase despite not meeting targets. While there was growth in the number of domains, there were substantial deletions. The deletions were caused by transient or temporary use of the domain names e.g., events or short-term business applications. Engagements with other local regulators were ongoing to explore mechanisms of growing the local domains. The uptake of local domains is illustrated in *Figure 8*.

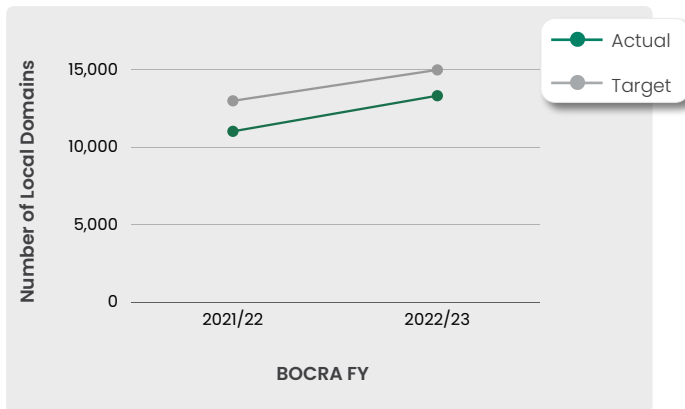


Figure 8: Local Domain Names Usage

Increase Research and Studies in the Regulatory Environment

BOCRA continued to proactively update and formulate regulatory frameworks and instruments. Reviews and formulation of the regulatory instruments were informed by research, hence the inclusion of this strategic objective. Research also included the Communication Needs Assessments carried out to inform the interventions of the Universal Access and Service Fund. The Authority fared well on this initiative having been able to conduct a total of 27 research papers against a target of 19. The Authority has been consistently able to meet the targets set for Research and Studies since the Strategy inception.

This strategic objective was also measured through formulation and/or review of Regulatory Instruments. The KPI was also achieved as the Authority formulated five guidelines viz: VoIP Interconnection Guidelines, QoS and QoE Guidelines, Type Approval Guidelines, and Broadcasting Signal Distribution Guidelines. This resulted in a cumulative number of 11 regulatory instruments against a target of seven.

Improve Strategic Relationships

The Authority sought to realise benefits from forged partnerships. In the period under review, it managed to do so, having undertaken three projects using partners in both the Public and Private sector. The provision of 4G services in the Southern District was undertaken in partnership with Mascom. The Authority also partnered with the University of Botswana to develop the Online Portal system. A local content creation initiative was also undertaken in partnership with the Department of Broadcasting Services. Implemented initiatives through partnerships stood at six against a target of three. The Authority has been able to consistently meet the targets throughout a 4-year period.

Improve Employee Performance

This strategic objective was measured by two KPIs, which were staff exceeding performance thresholds and staff below performance thresholds. Both KPIs were achieved during the reporting period, with 69% of staff exceeding performance thresholds against a target of at least 20%, while none of the staff performed below performance thresholds. The Authority embarked on several initiatives to ensure a high-performance culture was maintained, such as regular departmental and individual performance reviews and staff performance awards. *Figure 9* shows staff performance over a 4-year period.

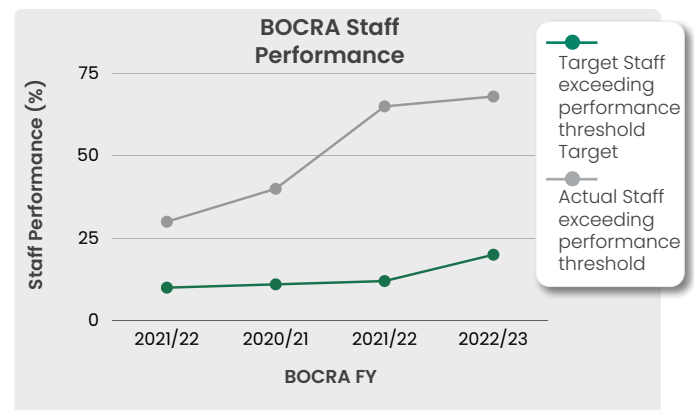


Figure 9: Staff performance over a 4-year period

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Market Review.

ICT MARKET PERFORMANCE REVIEW

Telecommunications Market Structure

There were three main telecommunications operators in the Botswana telecommunications market offering a variety of services including fixed and mobile telephony, internet service and data, value-added services, as well as international telephony services. The three operators were Botswana Telecommunications Corporation (BTC), Mascom Wireless (Pty) Ltd (Mascom), and Orange Botswana (Pty) Ltd (Orange). In addition to these, there was Botswana Fibre Networks (BoFiNet) which provided wholesale internet, and several Internet Service Providers (ISPs) which offered value added services and internet on a smaller scale.

Mobile Telephony Market Segment

Botswana experienced remarkable growth in mobile telephony subscriptions, primarily due to the convenience provided by mobile platforms. Mobile networks have become a necessity of life for everyday communication, for efficient business operations, and the enhancement of service delivery in all sectors of the economy. The trend for mobile telephony growth over the preceding five years is illustrated in *Figure 10*.

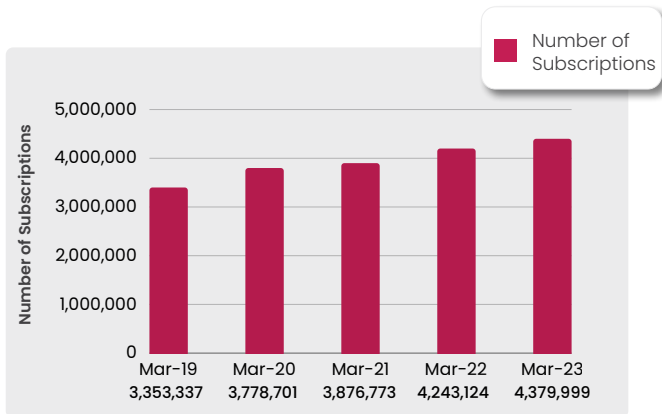


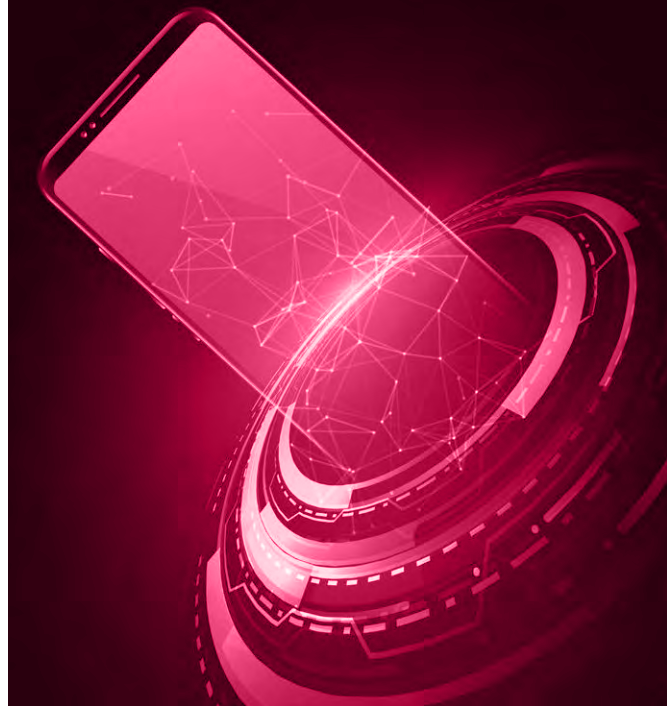
Figure 10: Mobile Telephony Subscriptions for 5 years (Source: BOCRA, 2023)

The five-year period demonstrated consistent growth in subscriptions, showing an overall 31% increase from 3,353,337 subscriptions in March 2019 to 4,379,999 subscriptions in March 2023. From the previous year ending March 2022, there was an increase of 3% in subscriptions. The mobile telephony market continued to experience competition where consumers enjoy different packages offered by the three operators, and the option of using more than one operator. Operators also indicated increased demand for social media applications, subsequently cultivating more engagement with mobile platforms.

Trend for mobile telephony growth over the preceding five years

31% increase in subscriptions ↑

23% Growth mobile tele-density ↑



Mobile tele-density (mobile cellular subscriptions per 100 people) stood at 168% during the period under review, compared with 210% registered the previous year. The decline in mobile tele-density was attributable to the increase in population as published in the 2022 Population Housing Census by Statistics Botswana. For the past five years, mobile tele-density has grown by 23% between March 2019 and March 2023.

As in the previous years, Mascom continued to lead the mobile telephony market share as measured by active mobile subscriptions. *Figures 11* and *12* give a pictorial representation of the market shares of the three operators for periods ending March 2022 and March 2023.

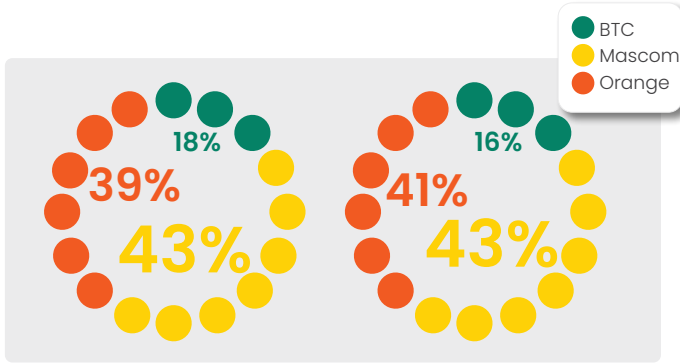


Figure 11: Mobile Telephony Market Share 2022

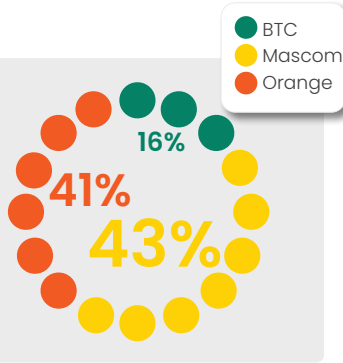


Fig. 12 Mobile Telephony Market 2023 (Source: BOCRA, 2023)

Although Mascom remained the market leader, its market share decreased over the years. As at March 2023, Mascom market share stood at 43% of all mobile subscribers, Orange at 41%, and BTC at 16%. BTC's market share decreased by 2% from 18% in the previous year. Orange market share increased by 2% from 39%, while Mascom market share remained constant at 43%. The shift in market shares was a sign of competitive forces and consumer demands that affect customer distribution among various operators. Central to the creation of a competitive environment was a regulatory strategy that focused on healthy competition in the sector. The increase in competitive forces such as prices, new services, promotions, and commensurate consumer demand played a significant role in the above market share changes.

Fixed Market Segment

Fixed telephony subscriptions offered exclusively by BTC stood at 91,625 compared with 90,158 recorded the year before, representing an increase of 1%. Tele-density for fixed telephony was recorded at 4% as in the previous year. The expected long-term market trend is that there may be a decline in subscriptions as consumers favour mobile technology for various reasons, including cost, flexibility, mobility, and the diversity of value-added services. The trend for fixed telephony subscriptions from March 2019 to March 2023 is illustrated in Figure 14, showing a general decline in the subscriber base.

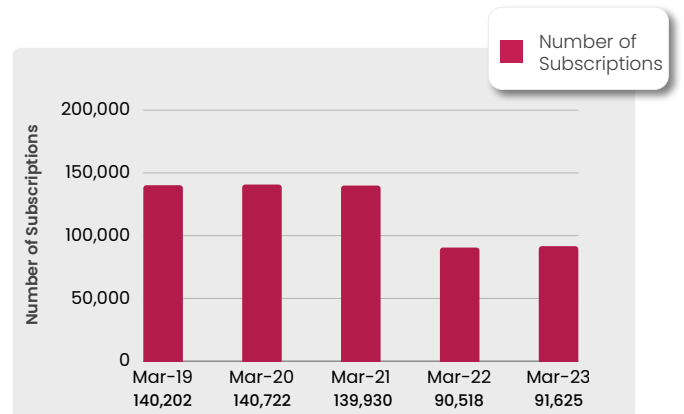


Figure 14: Total Fixed Telephony subscriptions (Source: BOCRA, 2023)

The Market Share of Prepaid and Postpaid Mobile Telephony

In the current period ending March 2023, the share between prepaid and post-paid mobile telephony subscriptions stood at 96% and 4%, respectively, as from the previous year as demonstrated in Figure 13. Although the usage charges for post-paid services were generally cheaper than those for prepaid services, consumers preferred prepaid services for the convenience of tracking their usage while avoiding contractual obligations. Prepaid mobile telephony also offered a variety of services which attracted more consumers compared to postpaid. The 96% and 4% share are expected to remain unchanged for the foreseeable future.

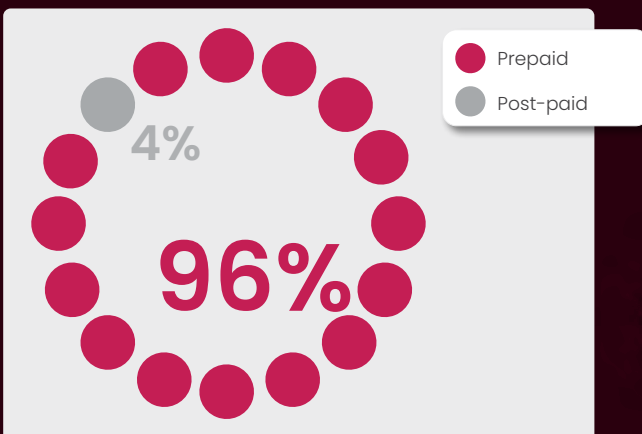


Figure 13: Market Share of Prepaid and Post-paid mobile telephony (Source: BOCRA, 2023)



REVIEWS

Market Review
(Continued)

INTERNET UPTAKE

Fixed Broadband Internet

The fixed broadband market has experienced growth over the years. BTC offered, among others, a fixed broadband product named Asymmetric Digital Subscriber Line (ADSL) at retail and wholesale level, with a market share of 18% of the total fixed broadband. Mascom and Orange offered a combined fixed wireless broadband at 82% of the total fixed broadband market in the year reviewed. ISPs offered ADSL as resellers of the BTC service. Most ISPs offered the fixed wireless internet because they used free spectrum in the Industrial, Scientific, and Medical (ISM) bands, for last mile access to fixed broadband has proven to be essential

for reliable, high speed, and high-capacity internet. In this regard, market trends indicate that access and usage of fixed broadband will increase over time: firstly, as a complimentary service to mobile wireless internet, and secondly, as a solution for bandwidth-intensive applications and services.

Figure 15 represents the number of fixed broadband subscriptions to ADSL and fixed wireless, as well as the total fixed broadband subscriptions, respectively.

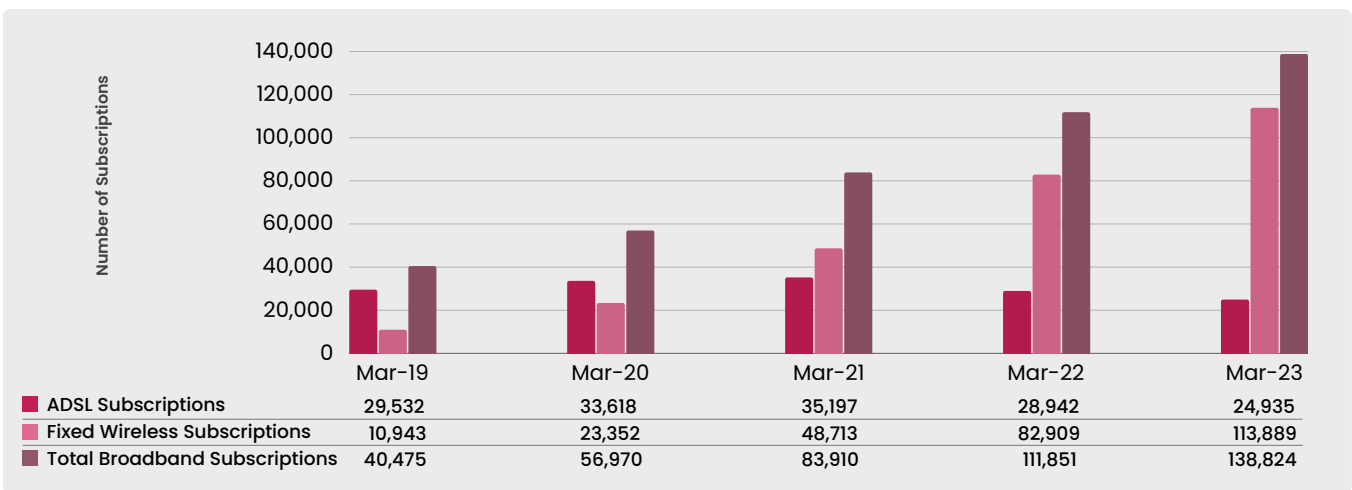


Figure 15: Fixed broadband subscriptions (Source: BOCRA, 2023)

BTC held ADSL market share declined by

18%

Mascom and Orange offered a combined fixed wireless broadband at

82%

fixed wireless subscriptions increased by

37%

Mobile broadband penetration increased by

14%

ADSL uptake declined by 18% from 28,942 recorded in the previous year to 24,935 this year. In the five-year period, ADSL subscriptions have been fluctuating, with subscriptions reaching 29,532 in March 2019, before declining to a low 24,935 recorded this financial year. The decline can be primarily attributed to a database clean-up exercise by BTC validating subscriptions records. Conversely, fixed wireless subscriptions grew significantly with 37% from 82,909 registered in March 2022 to 113,889 in March 2023. This increase was primarily due to the growth in new products and services introduced by mobile operators, as compared to the previous years.

Mobile Broadband Market

A significant portion of the population had access to and used mobile broadband services as operators increased their coverage of mobile broadband. Operators developed consumer-driven packages, including affordable smartphones, which contributed to increased access and usage. Figure 16 represents the number of mobile broadband subscriptions over the preceding five years.

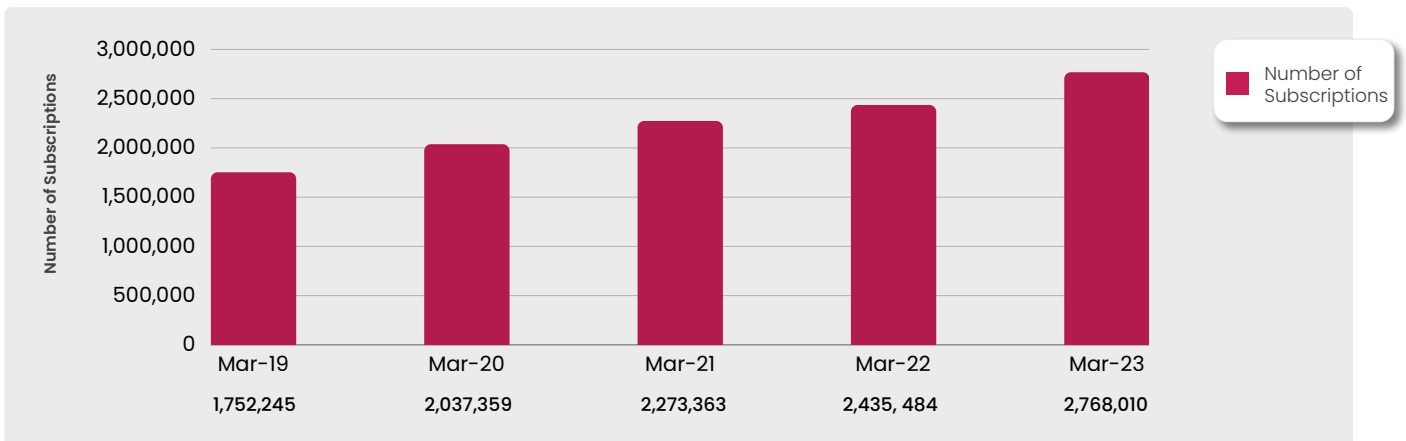


Figure 16: Number of Mobile Broadband Subscribers. Source: BOCRA

Mobile broadband penetration increased from 2,435,484 in March 2022 to 2,768,010 in March 2023, representing a 14% increase. Mobile broadband penetration is expected to continue growing faster than fixed broadband, due to its convenience, enabling of e-commerce, social media networking, knowledge resources, and entertainment.

MOBILE MONEY SERVICES

All the three Mobile Network Operators are players in the Mobile Money market, together with Botswana Post, which began offering the service in 2018. In the previous year ending March 2022, Orange was the market leader with 59%, followed by Mascom with 36%, BTC with 9%, then Botswana Post with 2%. As illustrated in *Figure 18*, in

the year ending March 2023, Orange led the market with 49% of the market share, followed by Mascom with 38%, then BTC with 11%, and Botswana Post remained at 2%. As at March 2023, the value of Mobile Money was P26 524 266 733.97 compared to P20 486 446 714 in March 2022. This represents a 29% increase between the two periods.

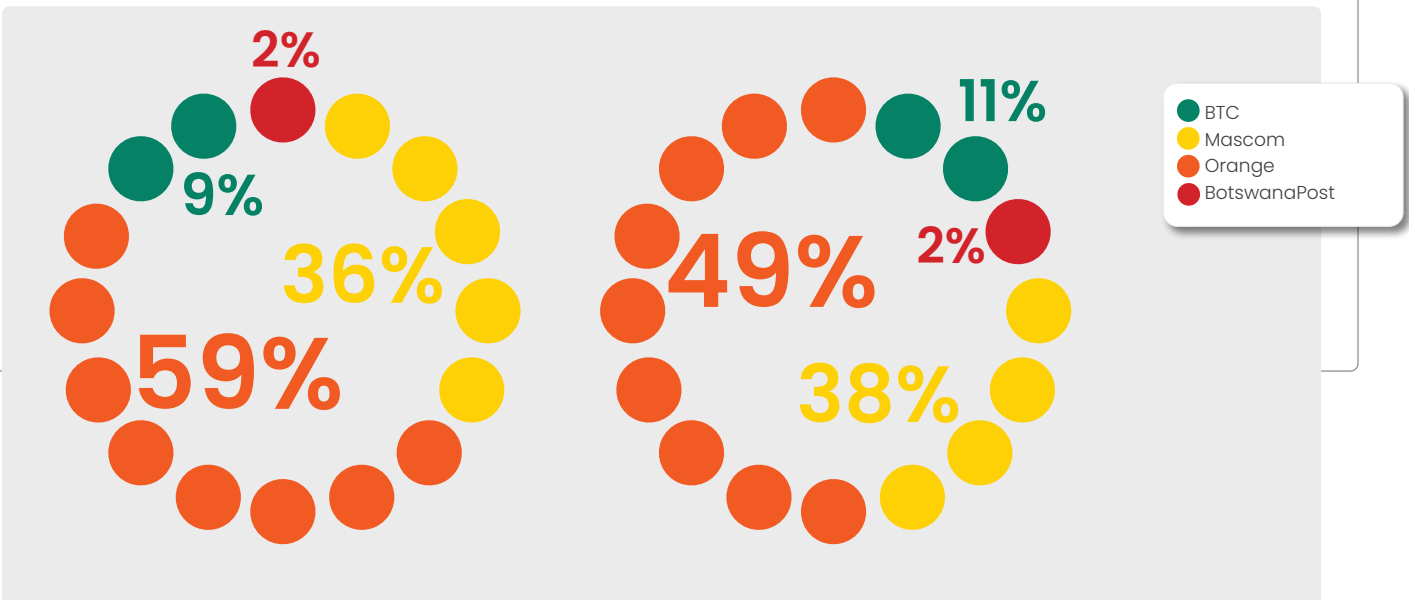


Fig. 17: Mobile Money Market Share 2022. (Source BOCRA)

Fig 18: Mobile Money Market Share 2023 (Source: BOCRA, 2023)

REVIEWS

Market Review
(Continued)

Owing to the convergence between technology and financial services, mobile money is interoperable with traditional bank accounts which brought about the much-needed convenience for users. Cross-border transactions are also possible, making mobile money an even more attractive and widely accepted option for payment processes.

Figure 19 illustrates the number of mobile money accounts recorded over the preceding five years, showing an increase of 46% from March 2019 to March 2023. Subscriptions increased from 1,662,843 in March 2022 to 1,685,072 in March 2023. Growth in the mobile money market was attributable to the wide acceptance of the service and its convenience related to bill payments, service subscriptions, and money transfers, to mention a few.

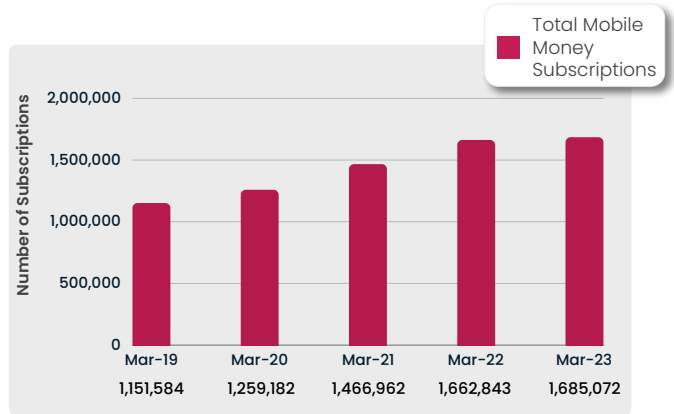


Figure 19: Total Mobile Money Subscriptions for Five Years. (Source: BOCRA)

POSTAL SECTOR PERFORMANCE REVIEW

Commercial Postal Operators' Market Share

Figure 20 illustrates the market share of commercial (courier) postal operators, measured by the number of items carried by each operator during the period ending March 2023. As in the previous financial year, Sprint Couriers (Pty) Ltd continued to lead the market, accounting for 71% of the market share, followed by Botswana Post at 16%. Ranking third was EG Couriers (Pty) Ltd accounting for 6%, and DHL International Botswana and FedEx Botswana holding 2% of the market share, both ranking fourth. Ranking fifth was Ram Transport Botswana (Pty) Ltd holding 1% of the market share. The aggregated operators labelled as 'Transport' accounted for 2% of the market share. These are operators which individually held less than 1% of the market share.

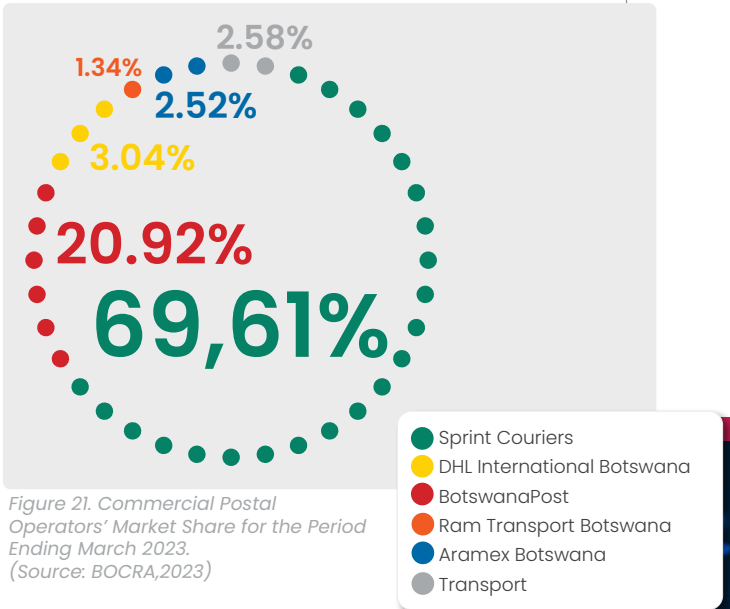


Figure 21. Commercial Postal Operators' Market Share for the Period Ending March 2023. (Source: BOCRA,2023)

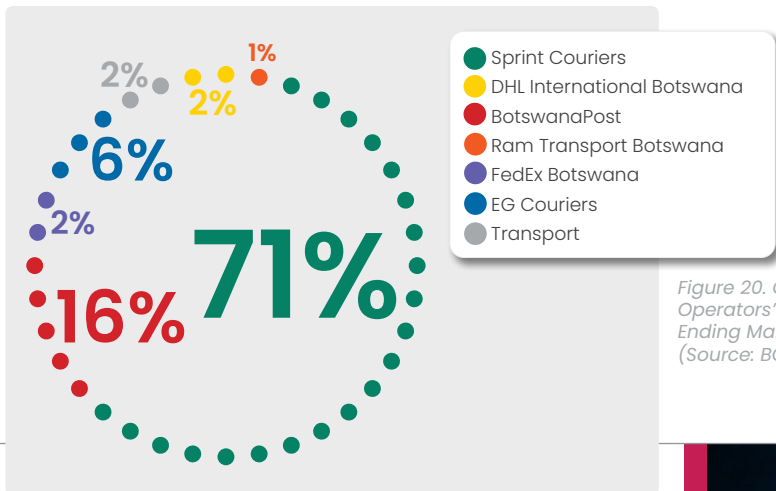


Figure 20. Commercial Postal Operators' Market Share for the Period Ending March 2022. (Source: BOCRA,2022)

Total Mail Volume for the Postal Sector

Analysis of mail volumes recorded between the period ending March 2022 and March 2023 showed a decrease of 24% in the movement of letters and parcel items. During the period ending March 2023, the postal market recorded a total of 9,894,281 mail items, inclusive of both letter mail and parcel mail, compared to a total of 13,847,587 mail items registered for the period ending March 2022.

Figure 22 illustrates that there was a high movement of letter mail items as compared to parcel mail items. Domestic letter mail items constituted 87.6% (8,669,875 mail items) of the total mail volume, while international letter mail items accounted for 1.6% (155,268 mail items). Domestic parcel mail items accounted for 10% (987,796

mail items) while international parcel mail constituted 0.8% (81,342 mail items) of the total postal mail volume.

Domestic letter items recorded a decrease of 3,981,332 (31%) mail items from a total of 12,651,207 recorded for the year ending March 2022 to 8,669,875 in March 2023. In comparison, international letter mail items registered a decline of 39,136 (20%) mail items from a total of 194,404 recorded for the previous financial year, to 155,268 in March 2023. The movement of parcels experienced an increase of 900,000 (1025%) for domestic parcel items and 10,333 (15%) for international parcel items.

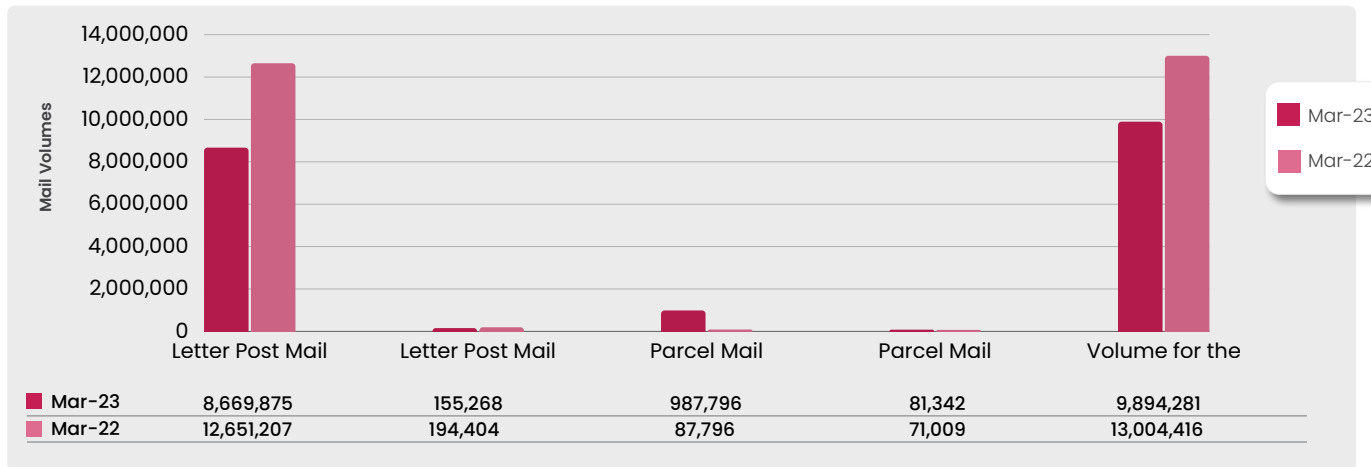


Figure 22. Total Mail Volumes for the Period Ending March 2023. Source:

Trend for postal sector growth over the preceding five years

Sprint couriers led a market share of **69,61%**

Domestic mail items constituted of **87,6%** ↑

Domestic letter items recorded a decrease of **31%** ↓

REVIEWS

Market Review (Continued)

BROADCASTING SECTOR PERFORMANCE REVIEW

FM Radio Broadcasting Market Share

Radio broadcasters market share performance was monitored using advertising revenue. Duma FM held the highest market share performance of 39%, a decline from 41% reported in the previous year. Yarona FM followed with a market share of 31%, a decline from 33% market share reported in the previous year. Gabz FM market share for the reporting period was 30%, which was an increase from 26% reported in the last reporting period.

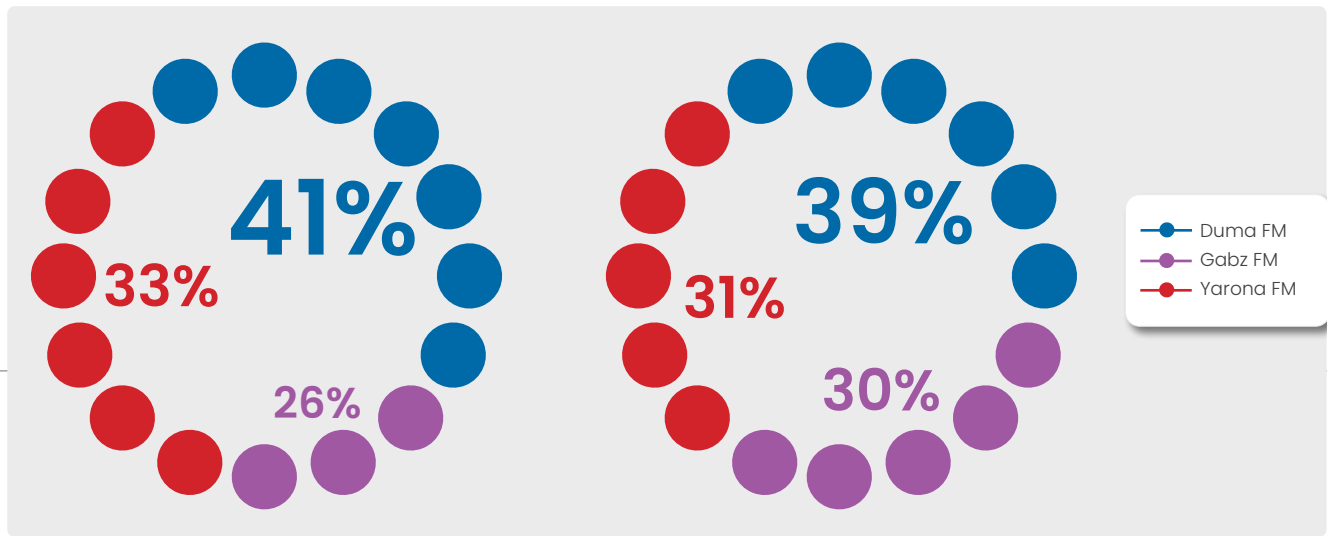


Fig 23: FM Broadcasting Market Share as at March 2022

Fig 24: Broadcasting FM Market Share as at March 2023

Service Availability Rate (SAR)

BOCRA monitors operations of the licensed broadcasters for compliance based on the Service Availability Rate (SAR), which was set at 99,9% minimum. SAR is defined as a percentage of time when the broadcasting service is available for access by consumers. SAR for the period under review is shown in *Table 2*.

Table 2: Service Availability Rate

Stations	April - June 2022	July -September 2022	October- December 2022	January - March 2023	Average	Shortfall
Duma FM	97,00%	97,00%	99,00%	99,00%	98,00%	1,90%
Gabz FM	91,74%	91,00%	87,00%	79,00%	87,19%	12,72%
Yarona FM	91,60%	89,89%	88,89%	88,89%	89,82%	10,08%
Ytv	99,00%	99,00%	99,00%	98,00%	98,75%	1,15%
SAR Target	99,90%	99,90%	99,90%	99,90%	99,90%	0,00%

An analysis of the Service Availability Rate SAR for the three commercial FM radio stations indicates that Duma FM registered an average performance of 98,00%, a decline from 99.3% in March 2022. Yarona FM reported at 89,82% SAR, which was a decline from 99.1% reported in March 2022. The SAR for Gabz FM was at 87,19%, representing an increase from 83.58% reported in the March 22. Yarona FM and Gabz FM attributed their failure to attaining the minimum SAR to the UASF sites in Hukuntsi and Sojwe,

which were out of service as at end of the reporting period. Gabz FM reported that its transmitters in Kasane were worn out and due for replacement in May 2023.

Ytv reported an average of 98,75% SAR, which was a decline from 99.0% reported in March 2022. The station attributed the decline to repairs that were performed in the studios. The declines accounts for 1.15% short fall in the SAR.

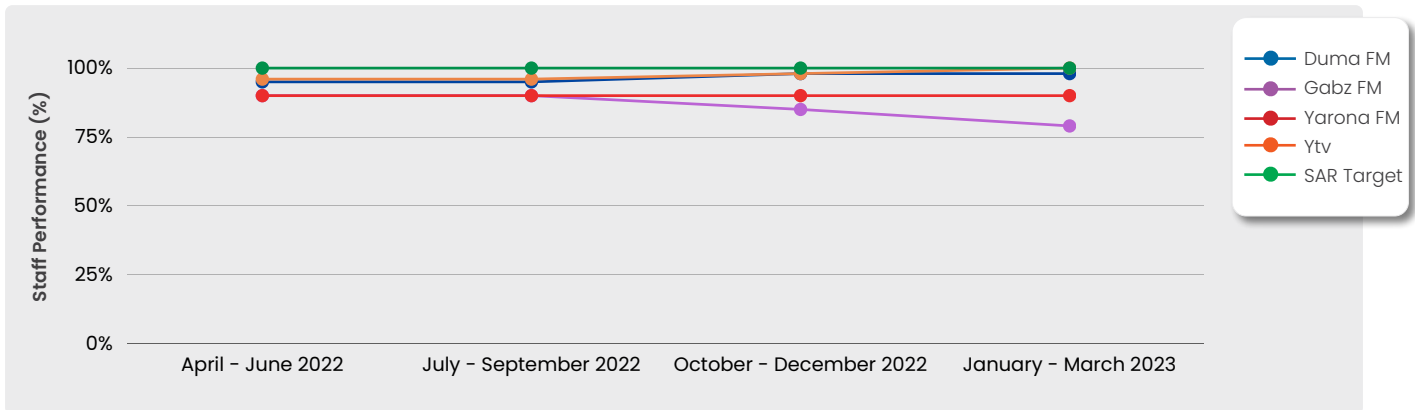


Figure 25: SAR Performance for 2022/23

Local Content Quota

BOCRA monitors broadcasters for compliance with local content quota requirements in line with the Licence Conditions. Local content quota for radio broadcasting was calculated as the total percentage of local music aired over the overall percentage of music played by a particular station over a period. Radio Stations were obligated to achieve a minimum of 40% local content.

Single Channel television service local content quota was calculated as a percentage of locally produced programmes over the overall programme aired by a particular station over time excluding news. Television stations were obligated to attain a minimum of 20% local content quota.

Table 3 is the local content quota achieved by the broadcasters during this reporting period.

Table 3. Local Content Performance for 2022/2023

Stations	April - June 2022	July - September 2022	October - December 2022	January - March 2023	Annual Performance
Duma FM	63,00%	63,00%	63,00%	63,00%	63,00%
Gabz FM	53,76%	53,21%	54,00%	49,00%	52,49%
Yarona FM	57,00%	57,00%	57,00%	57,00%	57,00%
Ytv	33,00%	46,00%	46,00%	47,00%	43,00%
Radio Target	40,00%	40,00%	40,00%	40,00%	40,00%
TV Target	20,00%	20,00%	20,00%	20,00%	20,00%

The commercial radio broadcasters achieved the minimum set local content quota of 40%. Duma FM achieved an average annual performance of 63%. This figure has not changed from the previous financial year. Gabz FM’s average performance on local content was 52.49%, an increase from the previous reporting period where the Station reported 41.1% Local Content Quota performance. Yarona FM reported an average of 57% local content performance, an increase from the average of 55% reported in the previous reporting period.

Equally in commercial television broadcasting, Ytv surpassed the 20% local content target, recording an annual average performance of 43% local content, an increase from 29.8% reported in the last reporting period. The station attributed the performance to the inhouse production of most of its content.

REVIEWS

Market Review (Continued)

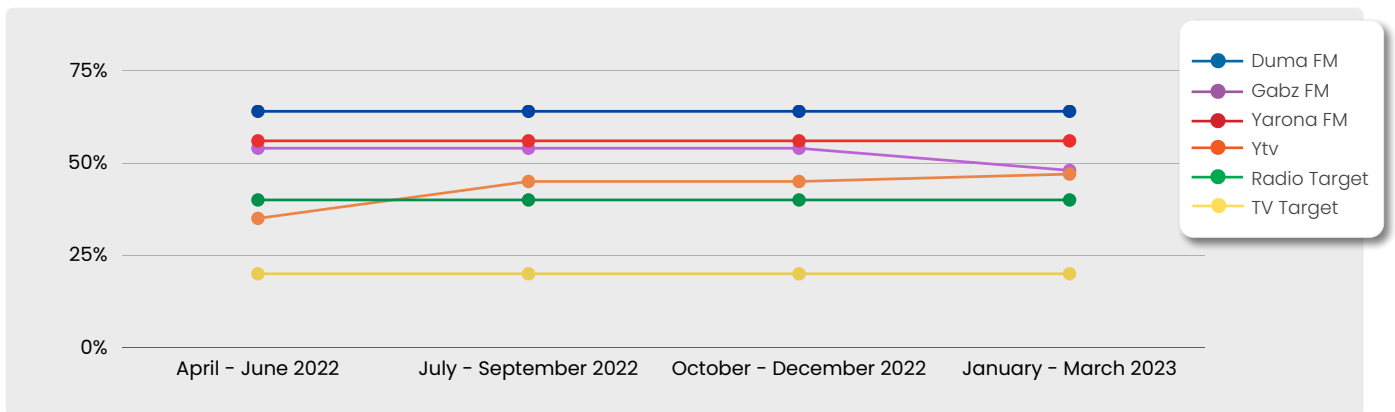


Fig 26: Local Content Performance for 2022/2023

Monitoring of FM Broadcasters

The Authority undertook a consumer coverage monitoring exercise for FM broadcasting in North-East, Chobe, Kgalagadi, and Central districts. The main purpose of this project was to assess the quality of service of FM broadcasters and to appreciate the quality of experience of the audience. The monitoring exercise also included the usage of allocated frequencies compliance check. A standard FM radio that is used in homes was used to assess the reception of commercial broadcasters. The services were identified by doing a full scan using a portable FM receiver and noting the frequency where the service was picked.

Table 4: The Presence of Commercial FM Broadcasters

District	Yarona FM	Gabz FM	Duma FM	Total
North-East	5	10	13	28
Chobe	0	0	2	2
Central District	10	11	17	38
Kgalagadi District	4	4	7	15

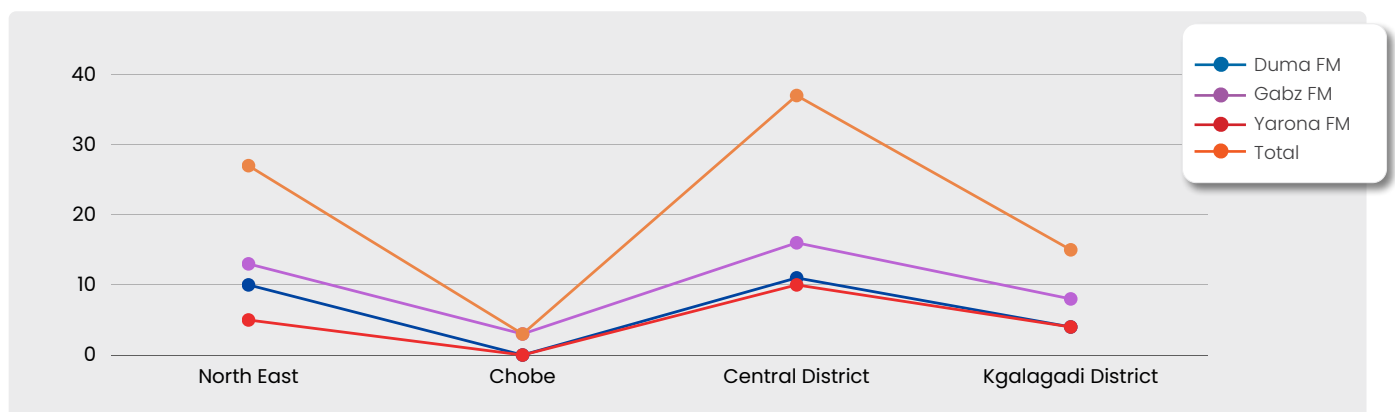


Figure 27: Presence of FM Radio Station

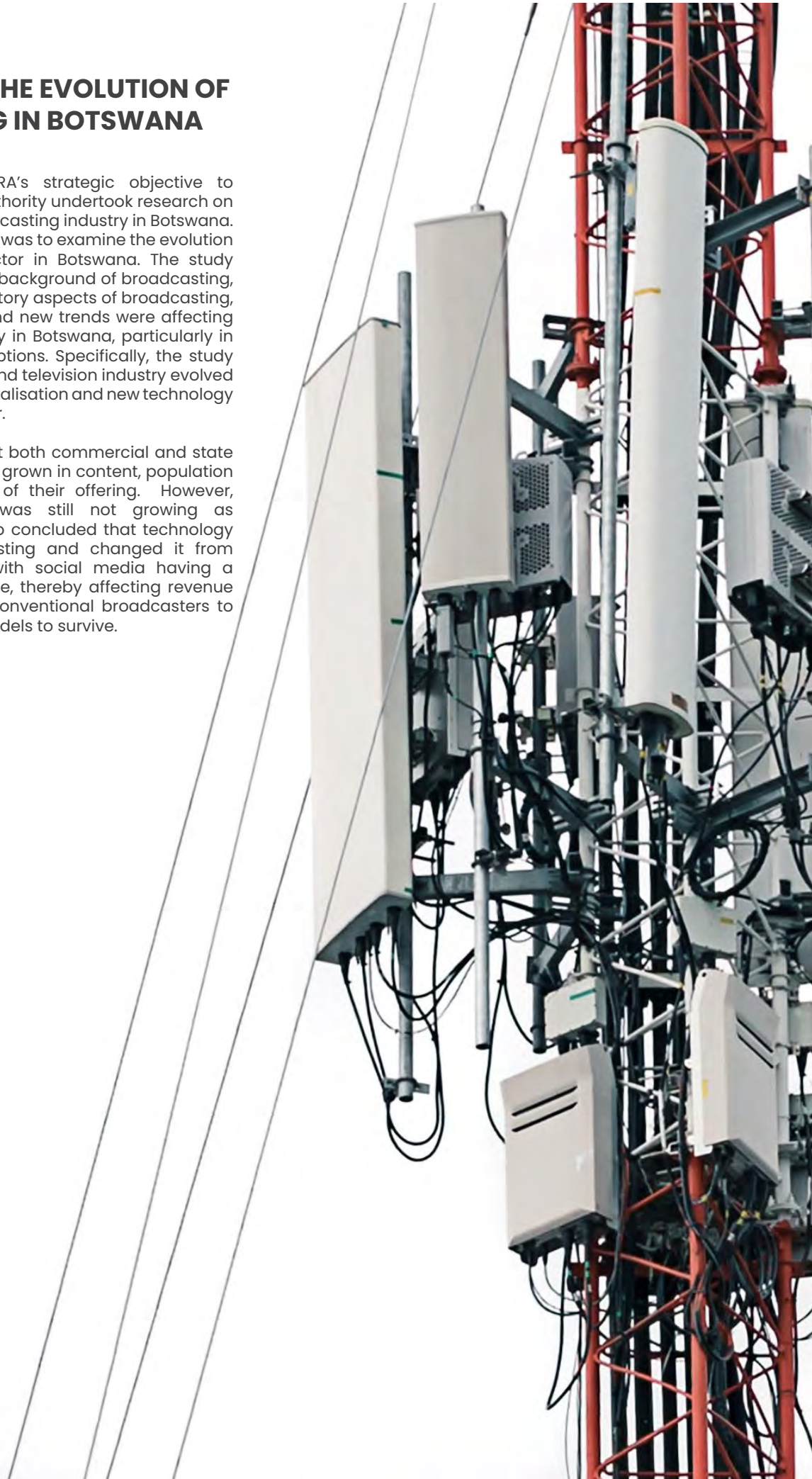
An analysis of the results from the North-East District indicated that Yarona FM was available in 5 areas, while Gabz FM was available in 10, and Duma FM was available in 13 villages. The results from Chobe District indicate that Yarona FM and Gabz FM were not available in the Chobe District, while Duma FM was available in two (2) areas in the Chobe District. In the Central District, Yarona FM was receivable in 10 areas, Gabz FM was receivable in 11 areas, and Duma FM was receivable in 17 areas. In the Kgalagadi District, Yarona FM and Gabz FM were receivable in 4 areas each, while Duma FM was receivable in 7 areas.

In the four districts that were monitored, the commercial FM broadcasters were compliant with the frequencies allocated to them by BOCRA. The monitoring exercise also revealed that commercial FM broadcasters had strong signal strength, and the areas monitored correlated with the roll out obligations as indicated in the reports submitted by Broadcasters to BOCRA.

RESEARCH ON THE EVOLUTION OF BROADCASTING IN BOTSWANA

In furtherance of BOCRA's strategic objective to conduct research, the Authority undertook research on the evolution of the broadcasting industry in Botswana. The objective of the study was to examine the evolution of the broadcasting sector in Botswana. The study focused on the historical background of broadcasting, the legislative and regulatory aspects of broadcasting, and how digitalisation and new trends were affecting the broadcasting industry in Botswana, particularly in the wake of COVID disruptions. Specifically, the study looked at how the radio and television industry evolved in Botswana and how digitalisation and new technology trends affected the sector.

The study concluded that both commercial and state radio and television have grown in content, population coverage, and diversity of their offering. However, commercial television was still not growing as expected. The study also concluded that technology had impacted broadcasting and changed it from its conventional form, with social media having a fair share of the audience, thereby affecting revenue streams. This requires conventional broadcasters to rethink their financing models to survive.



REVIEWS

Market Review (Continued)

FM EXPANSION

BOCRA, through the UASF, implemented the FM broadcast signal expansion in the Mabule area and neighbouring villages (within a radius of 50km). The project introduced commercial broadcasting services to a population of 6,628, which resulted in 0.33% increase in population coverage of commercial radio stations.

Table 5: Villages that benefitted from the FM expansion project

Cluster	Location of Transmitter	Villages intended for coverage	Population	Total Population Coverage	% Increase of Population Coverage
1	Mabule	Mabule	1,835	74.28%	0.33%
		Sekhutlane	1,266		
		Lorolwane	1,721		
		Dikhukhung	303		
		Mmakgori	749		
		Tshidilamolomo	754		

Documentaries

In April 2021, BOCRA through the UASF, onboarded 20 media graduates and placed them under the care of the Department of Broadcasting Services to learn and gain practical experience on the various aspects of television production.

The media graduates completed the second year of their three-year engagement period, where part of their deliverables was to produce documentaries. The media graduates produced two documentaries: one was on the various ICT/internet connectivity projects delivered by the UASF and the other was on BOCRA's 25th Anniversary.

Roll Out Obligations

As part of their licence conditions, FM radio stations are obliged to provide services to cover a defined population during their licence period. Licensees realised marginal increase of their "expected coverage" obligations following the installation of a shared transmitter at Mabule Village.

Commercial broadcasters received renewed licences in May 2022. Therefore, they are required to have met their expected coverage obligations by 2037.

Table 6: Commercial Operators Expected Coverage Performance

FM Radio Stations	April - June 2022	July - September 2022	October - December 2022	January - March 2023	% Expected Coverage
Duma FM	81,26%	81,26%	81,26%	81,59%	92%
Gabz FM	78,25%	78,25%	78,25%	78,58%	91%
Yarona FM	72,39%	72,39%	72,39%	72,72%	92%

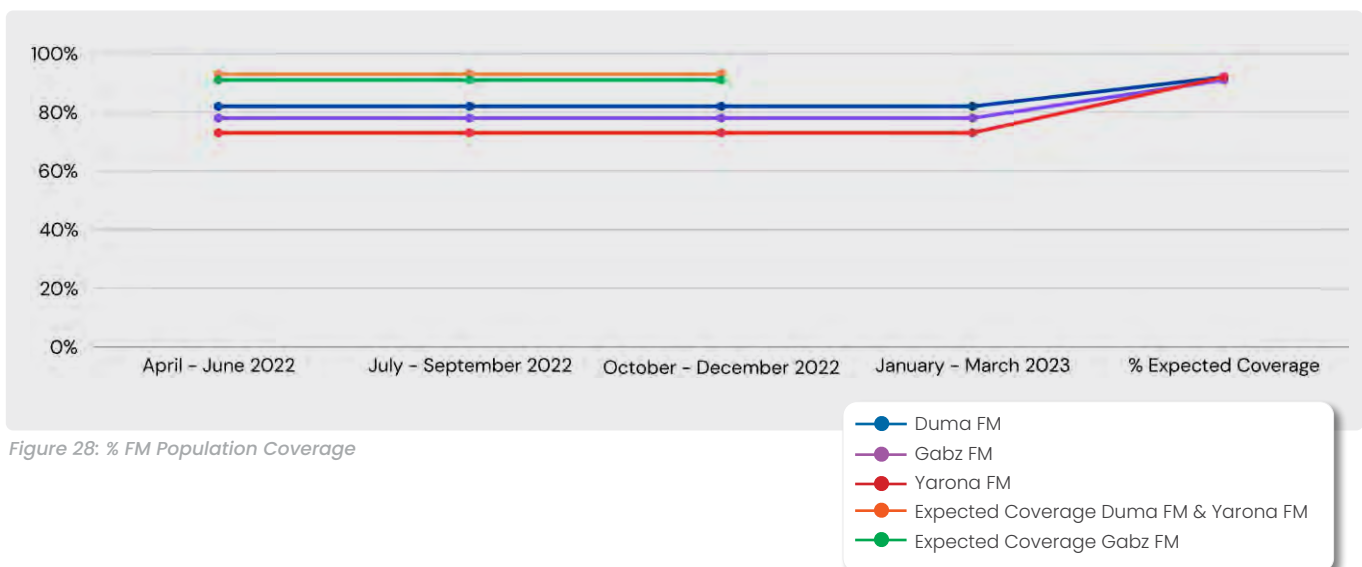


Figure 28: % FM Population Coverage

Transmitter Locations of the three FM radio stations are as shown in Table 7

Duma FM	Gabz FM	Yarona FM
Lobatse	Gaborone	Lobatse
Palapye	Lobatse	Mahalapye
Serowe	Mahalapye	Palapye
Maun	Palapye	Phikwe
Mahalapye	Phikwe	Orapa
Francistown	Serowe	Gaborone
Gaborone	Francistown	Francistown
Orapa	Maun	Maun
Jwaneng	Orapa	Serowe
Kanye	Kasane	Hukuntsi
Ramatlabama	Tsabong	Sojwe
Kasane	Gantsi	Malwelwe
Gantsi	Hukuntsi	Salajwe
Serule	Sojwe	Takatokwane
Sefhare	Malwelwe	Mabutsane
Bobonong	Salajwe	Senyamadi
Molepolole	Takatokwane	Malau
Letlhakeng	Mabutsane	Phitshane Molopo
Tutume	Senyamadi	Mabule
Hukuntsi	Malau	
Sojwe	Phitshane Molopo	
Malwelwe	Mabule	
Salajwe		
Takatokwane		
Mabutsane		
Senyamadi		
Malau		
Phitshane Molopo		
Mabule		

Licensing.

Section 6 (1) (h) of the CRA on the regulatory responsibilities of the Board, mandates the Board to process applications for and issue licences, permits, permissions, concessions, and authorisations for regulated sectors. Pursuant to this mandate, BOCRA developed and implemented a licensing framework that provides for four categories, viz information technology licences (ICT), Broadcasting Licences, Postal and Courier licences, and Radio licences.

Under ICT licences, there are three sub-categories, namely Services and Applications Provider Licences (SAP), Network Facilities Provider Licences (NFP), and Private Telecommunications Licences (PTNL). An SAP licence authorises an operator to provide ICT services to the public, while an NFP licence authorises an operator to erect communications infrastructure, also for public use. A PTNL authorises an operator to provide infrastructure and services for self-service. Broadcasting licences include radio and television broadcasting licences. Radio Licences are concerned with the licensing of all transmitting equipment. Postal and courier licences are issued to operators for the transmission of mail and parcel items.

Provisional Licensing

As the communications industry continued to experience growth and innovation, the Authority undertook to modernise and improve its licensing processes to reflect the current market conditions. One significant change that came with the modernisation was the transition from long-term licences to provisional short-term licences. Previously, BOCRA issued long-term licences with 10- and 15-years validity periods for the communications sector. The disadvantage with this licensing approach was that, despite the due process followed when issuing licenses, some licensees acquired long term licences but failed to commence operations. In that instance, the Authority had to undergo a lengthy process before it could revoke the licence.

Following a market review, the Authority introduced a phased approach to licensing. The first phase caters for a Provisional Licence with a 2-year duration, which sets conditions for the holder to fulfil before a long-term licence could be issued. BOCRA will only issue a long-term licence following satisfactory demonstration of full operationalisation and roll out services to the market by the holder of a provisional licence. Therefore, a provisional licence was introduced to reduce the number of non-compliance resulting from failures to commence operations.

The use of the provisional licences was implemented in April 2022, and by the end of the year, 10 licences had been issued.

Broadcasting Licensing

During the period under review, the Authority issued a Campus Radio Licence to the University of Botswana as the first non-commercial Broadcasting Licence issued. Meanwhile, the status quo remained in the commercial broadcasting licensing category, with a tally of three commercial Radio Broadcasting Licences and nine television stations, as no new licences were issued during the financial year.

Further, the Authority issued three Online Broadcasting Authorisations comprising two online radios and one Internet Protocol Television (IPTV) authorisation to Em'Bee Media & Ent' (Pty) Ltd, Modi Creatives Arts, and Glass Media (Pty) Ltd, respectively. As at the end of the financial year, the total number of issued authorisation letters stood at 29, comprising 11 IPTV and 18 online radio broadcasting authorisations. These numbers depicted a marginal growth compared to the previous year which recorded a total of 26 online broadcasting services comprising 16 online radio and 10 IPTV.

Table 8 depicts the total number of broadcasting licences and Authorisation Letters issued as at March 2023.



Table 8: A breakdown of licensed broadcasters

SERVICE CATEGORY	TYPES	ACCESS	LICENSEES	NUMBER OF LICENCES AT END OF QUARTER			
				Q1	Q2	Q3	Q4
Subscription Management Services provider	Satellite	Subscription	Multichoice Botswana	3	3	3	3
			Harrington square t/a Star Times				
			Media core-t/a Urban tv				
Commercial FM radios	Terrestrial	FTA	Duma FM	3	3	3	3
			Gabz FM				
			Yarona FM				
Non- Commercial FM radio	Terrestrial	FTA	University of Botswana				1
Analogue television	Terrestrial	FTA	Ytv	1	1	1	1
Digital Terrestrial Television (CSP)	Terrestrial	FTA	Access TV	2	2	2	2
			Khuduga Tv				
Satellite	Satellite	FTA	On Air News	3	3	3	3
			Maru				
			Ovy Network				
Online Radio	Online		Various	17	17	18	18
IPTV	Online		Various	11	11	11	11



REVIEWS

Licensing (Continued)

ICT Licensing

During the year under review, BOCRA issued ICT licences divided into three categories, viz Services and Applications Provider (SAP), Network Facilities Provider (NFP), and Private Telecommunications Network (PTN) licence.

The Authority issued a total of 10 licences, comprising one long term SAP licence, seven provisional (SAP) licences, and two provisional (NFP) licences. This brought the total number of long-term SAP licences issued to 115 and 47 for NFP licences. This performance represents a decrease of 37.5% compared to the previous year, where a total of 16 licenses were issued. *Table 9* depicts a comparison of issued licences in the financial years 2021/2022 and 2022/2023.

Table 9: Number of licences issued in March 2022 and March 2023

Licences Issued	Financial year	
	2021/2022	2022/2023
SAP long-term	15	1
NFP long-term	1	0
SAP Provisional	N/A	7
NFP Provisional	N/A	2
Total	16	10

Postal Licensing

The Authority issued a Provisional Commercial Postal Operator licence to Botswana Railways. The total number of licensed long-term Commercial Postal Operators remained at 34.

Table 10: Market Focus for Each Licensed Postal Operator as at March 2023

Domestic and International Courier, Express, and Parcel Services	International Courier, Express, and Parcel Services Only	Domestic Courier, Express, and Parcel Services Only
Aramex Botswana (Pty) Ltd	Tri-Optimum Logistics (Pty) Ltd	First Connections Couriers (Pty) Ltd
Botswana Postal Services	Logistixware Botswana (Pty) Ltd	NorthGuys Messaging & Couriers (Pty) Ltd
Courier Solutions (Pty) Ltd	S Couriers (Pty) Ltd	Montel View (Pty) Ltd T/A Drop It
DHL International Botswana (Pty) Ltd		Bonesa Distribution (Pty) Ltd
FedEx Express Botswana (Pty) Ltd		Pelican Moving Company (Pty) Ltd
KTU Express		Avante Couriers & Logistics
Ram Transport Botswana (Pty) Ltd		Dulys (Pty) Ltd
Courier Africa (Pty) Ltd		Acardia Couriers (Pty) Ltd
Sprint Couriers (Pty) Ltd		Cowen Deliveries (Pty) Ltd
TMS Logistics (Pty) Ltd		Wesosmart (Pty) Ltd
Zebra Hub of Excellence (Pty) Ltd		Light Charge (Pty) Ltd
A2B Logistics (Pty) Ltd		E.G Holdings (Pty) Ltd t/a EG Couriers
Delight Express (Pty) Ltd		
The Silver Reserve (Pty) Ltd		
Triton Express (Pty) Ltd		
Pinnacle Express (Pty) Ltd		
Omponye Operating Services (Pty) Ltd		
Fast Link Couriers (Pty) Ltd		
Difference Marker (Pty) Ltd t/a Flightconnect		
Provisional Domestic and International Courier, Express and Parcels Services		
Botswana Railways		

Radio Licences

BOCRA issued 187 new radio licences compared to 302 issued during the previous year as depicted in *Figure 29*. The decline in the number of radio licences issued could be attributed to the general downturn in the economy.

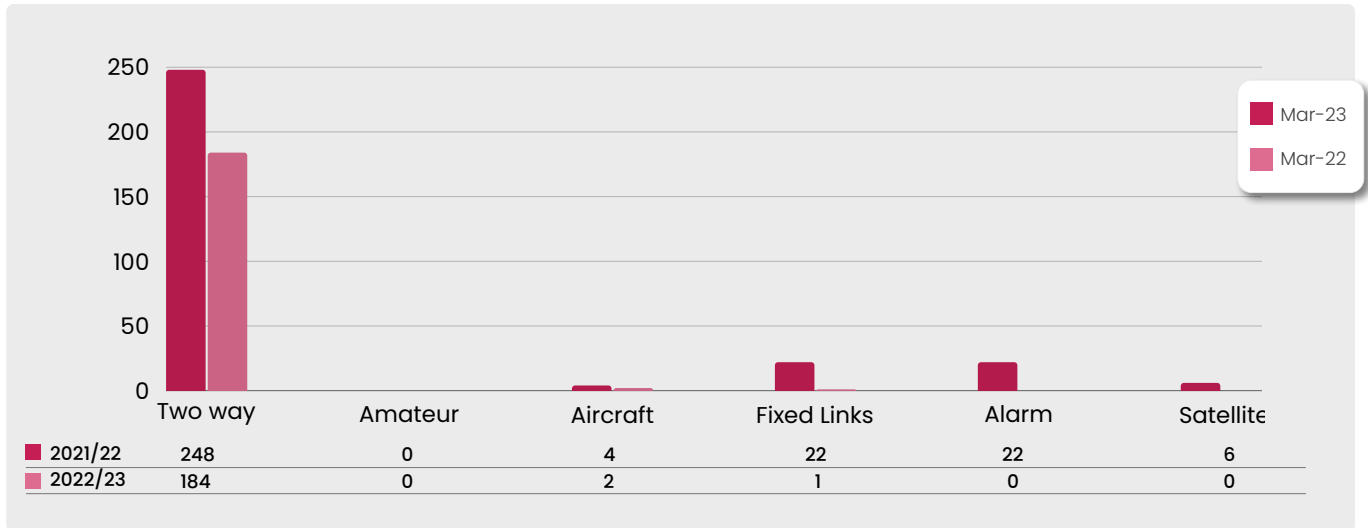


Figure 29. Number of Radio Communication Licences Issued during 2022/23 Financial Year

As at the end of March 2023, the total number of active licences stood at 908, while two were terminated and four cancelled, as shown in *Table 11*.

Table 11: Radio Licences statistics as at March 2023

LICENCE TYPE	ACTIVE	TERMINATED	CANCELLED
Land Mobile	831	2	4
Aircraft	44		
Amateur	1		
Fixed links	7		
Alarm	19		
Satellite	6		

Monitoring Of Provisional Licences

BOCRA carried out active monitoring of one provisional licence holder, out of the 10 provisional licences issued. Nine licensees were not actively monitored since they were newly licensed and deemed to have not had enough time to mobilise. It was discovered that the licensees were not separating accounts for regulated services from those of unregulated services as provided for within licence conditions.

The monitoring exercise covered eight other long-term licensees including four Postal and Courier Licences and four Services and Applications provider licensees. Several licences were found to be in breach of licence conditions, including the requirement to display their licence and relocation without informing the Authority. However,

some were in good standing despite the competition. The general picture emerging out of the monitoring exercise was that most of the licensees were still recovering from effects of Covid-19.

Licensing System Upgrade

In March 2023, the Authority implemented the use of an upgraded licensing system to facilitate online applications and modifications. The upgraded system led to a reduction in turn-around times for the processing of applications, since customers applied and paid online.

Technical Services.

Trend for Type Approval over the preceding five years

12% reduction in electronic communications devices. Type Approval compared to March 2022. ↓

7,500,000 mobile numbers assigned to MNOs.

21% increased registered domain names. ↑

Type Approval

The Authority is empowered by sections 84 and 85 of the CRA Act to type approve communications equipment that may be connected, used, or operated to provide communications services in Botswana. The type approval regime is meant to ensure that communications equipment used in Botswana is compliant with national standards, which cover health and safety, electro-magnetic compatibility, interoperability, and the latest National Radio Frequency Plan.

Device Type Approval

The Authority type approved new electronic communications equipment that entered the market in line with Type Approval Guidelines issued in 2016.

A total of 955 electronic communications devices were type approved during the 2022/2023 period, representing a 12% reduction compared to 1079 devices recorded during the 2021/2022 period. This decrease can be attributed to the Type Approval trend returning to normalcy after the surge caused by COVID-19 restrictions in the previous fiscal period, and MoU with BURS where Type Approval is being enforced at the ports of entry.

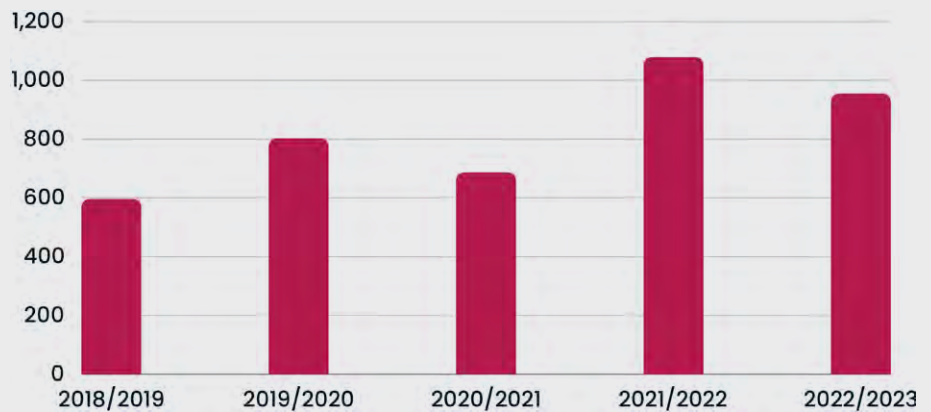


Figure 30: Number of Type Approved Devices – 2018/2023

Review of Type Approval Guidelines

The Authority, in consultation with stakeholders, carried out a review of the Type Approval Guidelines. The Guidelines provided a framework of the type approval process, including the list of Technical Specifications adopted for Botswana. Some of the significant changes introduced by the review included:

- The removal of a requirement for type approval of the same device multiple times by different importers.
- An exemption from type approval requirement for devices implementing Wi-Fi Standard, Bluetooth, and Network interface cards such as Laptops, Home Devices, PCs, etc.
- An exemption from type approval requirements for broadcasting receiving equipment such as television sets, Set Top Boxes (Decoders), radio receivers, etc.
- The revision of type approval fees; and
- The inclusion of provisions to address second hand devices.

These changes were necessitated by the latest technological trends and the need to align the Guidelines with other existing Regulatory instruments.

NUMBERING MANAGEMENT

Numbering Plan Update

The International Telecommunication Union (ITU) requires member states to submit their national numbering plans on an annual basis. This allows ITU to advise other member states of assigned number resources for purposes of facilitating global interconnection. The Authority submitted Botswana’s National Numbering Plan advising the Union of new numbering assignment in line with the ITU Number Management Processes. This is important as ITU is the repository for numbering plans, where other entities and member states can access the Botswana plan to enable global connectivity.

Number Assignment

A summary of different numbers assigned to SAP service providers according to service requirement, i.e., Mobile, M2M, and VoIP at the end of the Financial Year 22/23 is shown in Table 12.

Table 12: Total Numbers according to services assigned

Operator	Mobile Numbers Assigned	M2M Numbers Assigned	VoIP Numbers Assigned
Mascom Wireless	3,000,000	160,000	50,000
Orange	3,100,000	80,000	20,000
BTC	1,400,000	60,000	10,000
Other SAP Licensees	-	-	29,000
TOTAL Assigned:	7,500,000	300,000	109,000

Unique Numbers and Short Code numbers

The unique numbers and short code numbers (Reference is made to the National Numbering Plan) are a group of numbers used for product promotions or leased to third parties by mobile service providers. BOCRA assigned unique numbers and short codes in accordance with the following categories: Toll Free Numbers, Unstructured Supplementary Service Data (USSD) Codes, and Short Codes as shown in Figure 28, which summarises numbers assigned per quarter.

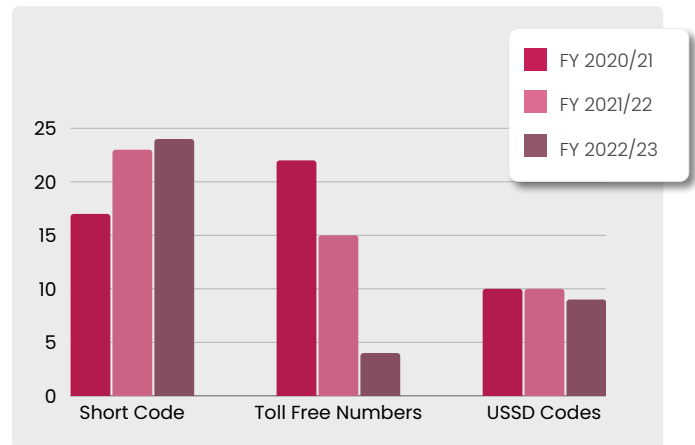


Figure 31: Unique Numbers and Short Code Numbers assigned from FY20/21 to FY22/23

Short codes increased from 24 in the FY 2021/22 to 25 in the FY 2022/23. This increase kept with the trend of the service being very popular with MNOs. Toll Free Numbers dramatically fell from 16 in the FY 2021/22 to 5 in the FY 2022/23. This can be attributed to the service losing popularity among MNOs, even though the service was in huge demand during the COVID-19 period. USSD Codes had a slight fall from 11 in the FY 2021/22 to 10 in the FY 2022/23. Since this negligible drop is within the trend, it is not alarming.

During the financial year under review, the Authority assigned Short Code 116 to ChildLine Botswana to harmonise with the rest of the SADC region and align with international best practices of having child line services be universal across the SADC region. For emergency services, Short Code 112 was also harmonised across all the operators in the SADC region.

Mobile Numbers

Mobile numbers are non-geographic resources used to provide mobile telephony services, including voice communications, short messages, and data services using a mobile wireless network. During the financial year 2022/23, 300,000 numbers were assigned to Orange Botswana. In total, 7,500,000 mobile numbers have been assigned to MNOs.

REVIEWS

Technical Services (Continued)

Machine to Machine (M2M) Numbers

Machine-to-Machine (M2M) numbers are a resource that provides for direct data transfers between devices using wired or wireless network. Examples include modems, Automatic Teller Machines (ATMs), and Points of Sale (POS) terminals. In total, 300,000 M2M numbers were assigned to MNOs. A total of 130,000 M2M numbers were assigned to BTC and Orange, as per *Table 13*, during the financial year 2022/23. M2M numbers increased from 170,000 in the financial year 2021/22 to 300,000. This was increase of 76.47%, which is an upward trend in the numbers assigned.

Table 13: Machine to Machine Numbers Assigned to MNOs

Mobile Operator	Machine to Machine Number (M2M)	Total Number Assigned
BTC	89 0009 0000 to 89 0009 9999 89 0069 0000 to 89 0069 9999	20,000
Orange	89 0018 0000 to 89 0028 9999	110,000
TOTAL:		130,000

Voice Over Internet Protocol (VoIP) Numbers

Voice Over Internet Protocol (VoIP) refers to a group of technologies for the delivery of voice communications and multimedia over the internet. Therefore, VoIP numbers are used to enable the provision of such service(s). In total, 109,000 VoIP numbers were assigned to MNOs, while 1,000 VoIP numbers were assigned to Liquid Intelligent Technologies during the financial year 2022/23.

Mobile Number Utilisation Rate

Mobile number utilisation rate is the ratio of active mobile numbers in a respective MNO's network over assigned mobile numbers measured as a percentage. A higher percentage correlates to MNOs using most of the assigned numbers efficiently.

The Number Code of Conduct (CoC) provides that a number utilisation rate of 75% is a good indication that numbers are used efficiently. On average, 74.3% was utilised in the FY 2022/23 as compared to 77.4% which was reported for the FY 2021/22. This shows that MNOs were underutilising the numbers assigned to them. The Authority will review the Number Policy in the Financial Year 2023/2024. This revision will address number utilisation and/or underutilisation, resulting in a retrieval of some of the unutilised numbers from MNOs.

Table 14: Mobile Number Utilisation from FY20/21 to FY22/23

Financial Year	Number Utilized	Numbers Allocated	Percentage Utilization
FY 2020/21	5,742,219	7,200,000	79.75%
FY 2021/22	5,575,755	7,200,000	77.4%
FY 2022/23	5,575,000	7,500,000	74.3%

ELECTROMAGNETIC RADIATION

Electromagnetic Fields Measurements

EMF measurements were conducted in various sampled regions throughout the country. The purpose of the measurements was to ensure that consumers were protected against possible harmful radiation emitted from cellular base stations. The measurements were made in line with the national, regional, and international requirements, and in compliance with the International Commission on Non-Ionizing Radiation Protection (ICNIRP) Guidelines.

The sampled EMF measurements were conducted on a total of 117 sites in the Ngamiland and Kgatleng regions. *Figure 32* presents an exposure histogram for the measured points in all the sampled areas.

The results showed that all the 117 (19+64+34) measurements were below the 0.08W/Kg health and safety standard set by ICNIRP. This means that the base stations were safe for humans and the surrounding environment.

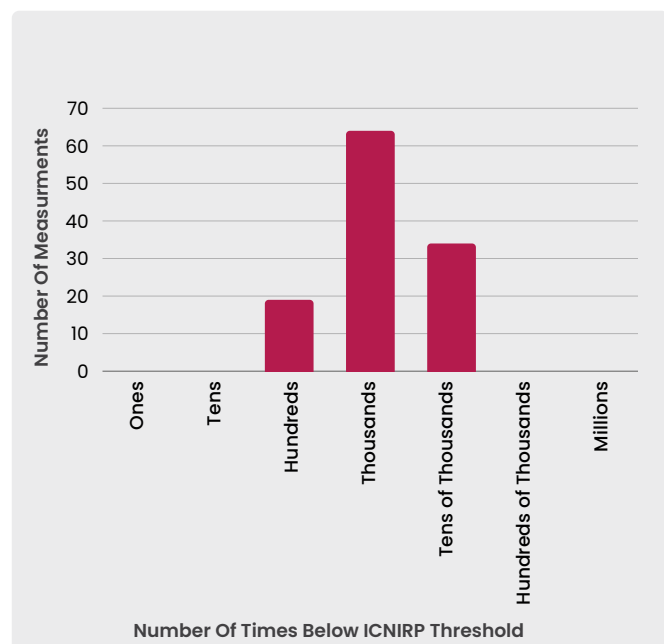


Figure 32: Exposure Histogram for the 117 points measured in Kgatleng and Ngamiland.

DOMAIN NAME MANAGEMENT

Registered domain names (.bw)

A total of 13,331 .bw domain names were registered as at end of March 2023, compared to 11,029 recorded in the previous reporting period. This represents an increase of 2,302, being 21% of registered domain names. Reference is made to *Table 15* which summarizes the Domain Name Registrations and Deletions.

Table 15 Domain Name Registrations

Financial Year	2019/20	2020/21	2021/22	2022/23
Total Domains Under Management	8,992	10,409	11,029	13 331

Conversely, the Authority recorded a total of 1,940 deletions compared to 2,211 deletions recorded in the prior period, which continued to retard domain name growth. Most deletions were due to expired domains, while some were attributed to malicious domains and domain name trademark infringements, while others were because registrants changed from top level domain to second level (i.e., x.bw to x.org.bw).

A total of 7 Registrars were added, making a total of 94 Registrars since inception.

Furthermore, the .bw domains experienced domain name abuse in the form of phishing, web shells, and domain name IP infringements. Predominately, 88 phishing Uniform Resource Locators (URLs) were recorded and resolved. "Phishing is the fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords and credit card numbers". Phishing is a problem as it tends to tarnish the reputation of the .bw domain name, if .bw domains were used for malicious acts of phishing.

Dispute Resolution Policy

BOCRA is mandated to establish and maintain a non-discriminatory and efficient Domain Name System regulatory framework to be applied by the Registry, Registrars, Registrants, individuals and/or entities with interests in the .bw domain name space. The Authority put in place policies which included the allocation, assignment, and use of .bw domain names.

The Authority revised the Dispute Resolution Policy. This policy was meant to provide a framework for dealing with disputes arising from the use of .bw domain names.

The significant changes to the policy included:

- Alignment with ICANN Policy Structure.
- Appointment of a panel to facilitate the dispute resolution process, instead of one expert.
- Removal of charges by the Authority to resolve disputes; and
- The improvement of the policy to include Dispute Resolution Procedure as an Annexure.

These changes were necessary to ensure that the policy was comprehensive, considered the current technology trends, as well as catering for the evolving nature of domain name disputes.

SPECTRUM MANAGEMENT

Spectrum Assignment

The year 2022/2023 experienced a rise in requests for microwave links due to additional International Mobile Telecommunications (IMT) spectrum assigned to operators. BOCRA assigned 96 microwave point-to-point links to operators, representing an increase from the previous year when 34 links were assigned. The increase in the number of assigned links could be attributed to the need for backhaul, following the release of an additional IMT spectrum.

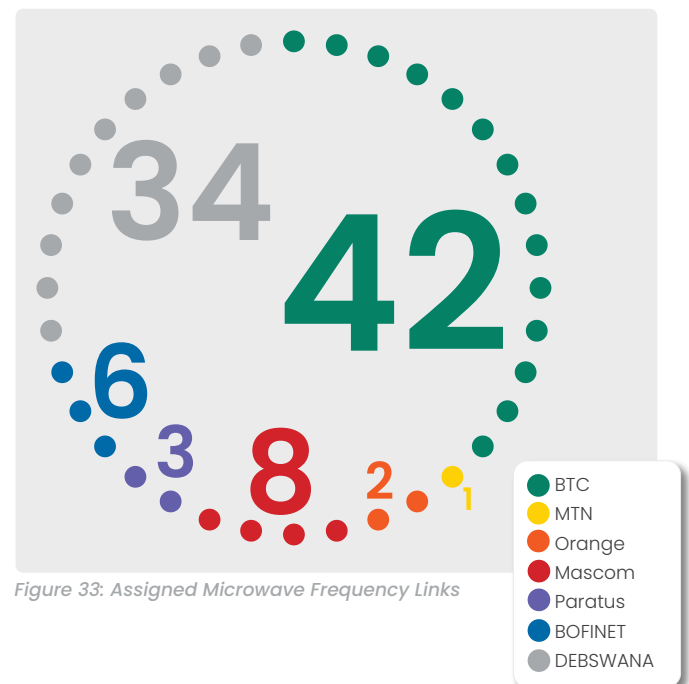


Figure 33: Assigned Microwave Frequency Links

REVIEWS

Technical Services (Continued)

In the same year, the University of Botswana was assigned three FM frequencies for Broadcasting in Gaborone, Francistown, and Maun. Similarly, commercial FM broadcasters were assigned the FM spectrum for use in Mabule.

IMT Spectrum

In line with the IMT Spectrum release of 2021 and the BOCRA IMT Spectrum Release Roadmap in October 2022, the Authority conducted a needs assessment survey for potential release of the 2300 MHz spectrum. Most operators wanted the release of 2300 MHz and others wanted it to be put on hold until the market was ready. BOCRA decided to delay the release owing to:

- outcomes of the World Radio Conference (WRC23) which could affect the channelisation of the affected bands.
- The ongoing rollout of the released IMT spectrum; and
- Low device ecosystem in the 3300 MHz and 700 MHz bands.

World Radio Conference 2023 (WRC-23) Preparatory Process

Botswana took part in the preparations for the World Radio Conference 2023 (WRC-23). The function of the WRC is to review, and, if necessary, revise radio regulations, the international treaty governing the use of the geostationary-satellite and non-geostationary satellite orbits, as well as the use of radio-frequency spectrum.

In preparation for WRC23, Botswana undertook the following:

- Formulated preliminary positions on its priority agenda items such as Chapter 1 (Land Mobile and Fixed Services), 2 (Aeronautical and Marine Services), and 4 (Satellite Services).
- Contributed to regional positions at Southern African Development Community (SADC) and Africa Telecommunication Union (ATU).
- Rapporteur for Chapter 4, Agenda Item 7, which dealt with satellite issues on behalf of SADC and Africa.
- Represented the views of SADC and Africa by ensuring that the position of Botswana and Africa were protected in the Conference Preparatory Meeting (CPM) 23.
- Contributed to the CPM report to inform decision making at the WRC-23.

Spectrum Monitoring

In monitoring the spectrum, BOCRA undertook an exercise to check compliance to the licence conditions with respect to the rollout obligations. Orange managed to complete the deployment of all its planned sites on the 800 MHz, 2100 MHz, and the 3500 MHz spectrum bands. Mascom deployed all sites on the 800 MHz and 2100 MHz spectrum bands, and only five percent (5%) on the 3500 MHz. Mascom was granted an extension of time to have completed the 3500 MHz deployment by May 2023. BTC had completed the deployment of all the sites on the 2100 MHz spectrum.

Satellite Orbital Slot

Botswana was one of the 31 affected African administrations which applied the special procedure in accordance with Resolution 559 (WRC-19). Resolution 559 afforded African administrations whose slots were degraded with low Equivalent Protection Margin (EPM) values the opportunity to apply for new orbital slots to replace the degraded ones. The process would take approximately 8 years to complete. ITU was notified about the request for a new satellite orbital slot.

As at the end of March 2023, notable progress was achieved with Botswana having completed some of the important processes connected to the request for a new orbital slot. Notably, Botswana and Luxembourg entered into a formal agreement governing the power flux density limits in accordance with Section 2.2 of Annexure 4 (Rev. WRC-19) for satellite services. Both countries commit to respect the power flux – density limits for the satellite bands in question.

Computer Security Incident Response Team (CSIRT)

Cybersecurity Capacity Building and Awareness Campaigns

The Computer Incident Response Team (CSIRT), in collaboration with Cyber for Development (Cyber4Dev), organised and conducted cybersecurity awareness and training programs for various sectors. These programs included training girls in ICT, delivering guest lectures on cybersecurity, and providing ransomware training. Additionally, the CSIRT facilitated simulations and risk management trainings for professionals from different sectors.

The CSIRT collaborated with ISPs and custodians of the National Critical Information Infrastructures (NCII) to identify and address potential security threats. Additionally, CSIRT provided training to 22 ISPs on incident response management and procedures, emphasising the importance of best practices for default settings and misconfigurations. The CSIRT also conducted training sessions for 20 constituents on CSIRT essentials and Train the Trainers, in partnership with Cyber4Dev, to enable constituents to further disseminate knowledge and enhance their ability to respond to security incidents. In general, the initiatives by CSIRT contributed to enhancing cybersecurity practices and readiness across numerous organizations.

While there was a notable improvement in cybersecurity issues between the CSIRT and its constituents, the national security posture remained at low risk. Therefore, it was imperative to increase the engagement of all sectors of the economy, including the public, to mitigate potential cybersecurity threats.

Bilateral and Multilateral Cooperation on Cybersecurity

BOCRA and MACRA signed a MoU which, among others, included a collaboration on cybersecurity activities.

Additionally, the CSIRT collaborated with various organisations, including Non-Bank Financial Institutions Regulatory Authority (NBFIRA), Water Utilities Corporation (WUC), Debswana, GeoScience, KGK Diamonds, and Motor Vehicle Assurance Fund (MVA FUND). It is important for the CSIRT to continue collaborating with more organisations for information sharing.

The CSIRT had several significant partnerships and collaborations in the financial year 2022/23, including joining the National Computer Security Incident Response Teams (NatCSIRT) based at Carnegie Mellon University (USA), and the African Union - Global Forum for Cybersecurity Experts - Africa Cyber Experts (ACE) projects. These bodies provide a forum for National CSIRTs to share information, tools, techniques, and strategies that address problems unique to CSIRTs that are responsible for a nation or economy.



REVIEWS

Network Quality of Service (Continued)

Network Quality of Service

BOCRA is mandated to ensure compliance to Quality of Service (QoS) Standards by mobile and fixed networks providers. Over the past years, including the year under review, QoS monitoring was achieved through a comparison of network performance reports received from service providers against the parameters provided in the QoS/Quality of Experience (QoE) Guidelines to determine adherence to compliance. In 2022/23, BOCRA improved the process of QoS monitoring by reviewing the QoS/QoE ICT Guidelines and procuring a QoS monitoring system to enable independent monitoring. The Authority also secured five fixed internet connections from five ISPs to sample QoS in fixed networks.

A list of selected KPIs was monitored over the year, and these are.

- **Drop Call Rate (DCR)**
- **Call Set-up Success Rate (CSSR)**
- **Congestion Rate (CR) – (Target 2% maximum)**
- **Network Availability (NA) – (Target 99% minimum)**
- **Handover Success Rate (HSR) – (Target 96% minimum)**
- **SMS Delivery Success Rate (SMS DSR) – (Target 99% minimum)**

NETWORK PERFORMANCE

Generally, the performance of Botswana's mobile networks improved over time, as operators continued to invest in upgrading and expanding their networks. There was a significant improvement in QoS performance from all the three operators, as compared to the previous year. A discussion of service providers' QoS performance for various technologies against the QoS/QoE guidelines follows.



2G Networks

The 2G network, which was mainly used for voice communication, performed relatively good throughout the year, recording an improvement from the previous year. All operators managed to perform within a target of 2% for Drop Call Rate (DCR) and Congestion for each month in the year.

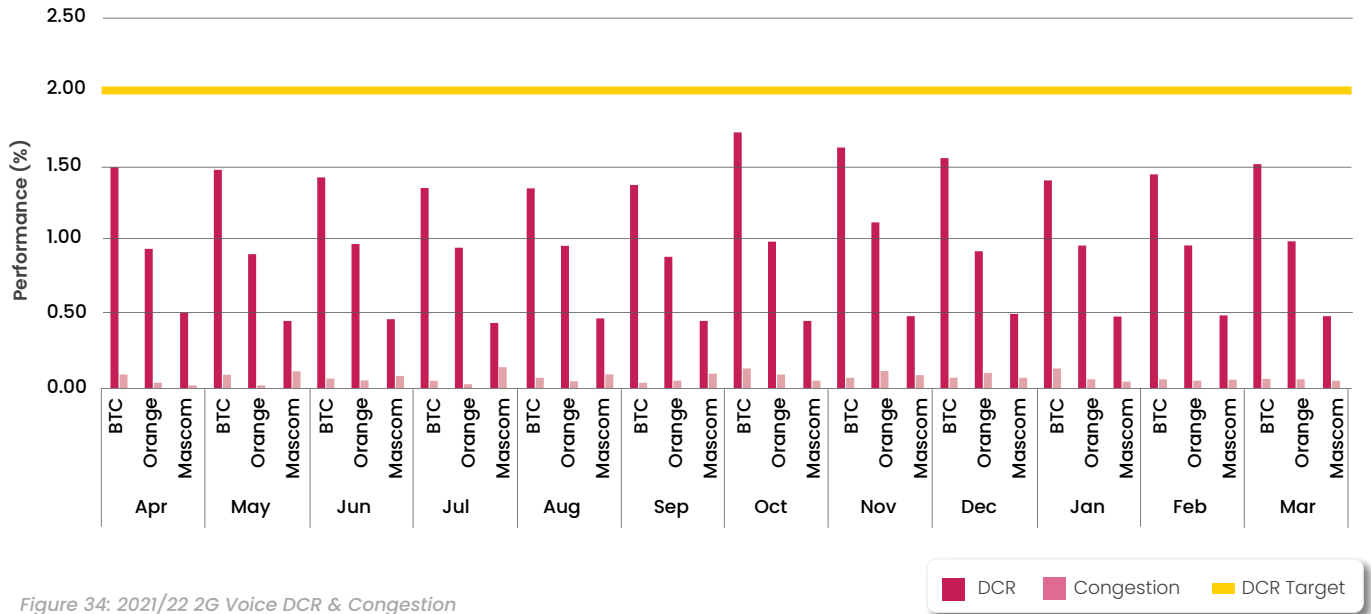


Figure 34: 2021/22 2G Voice DCR & Congestion

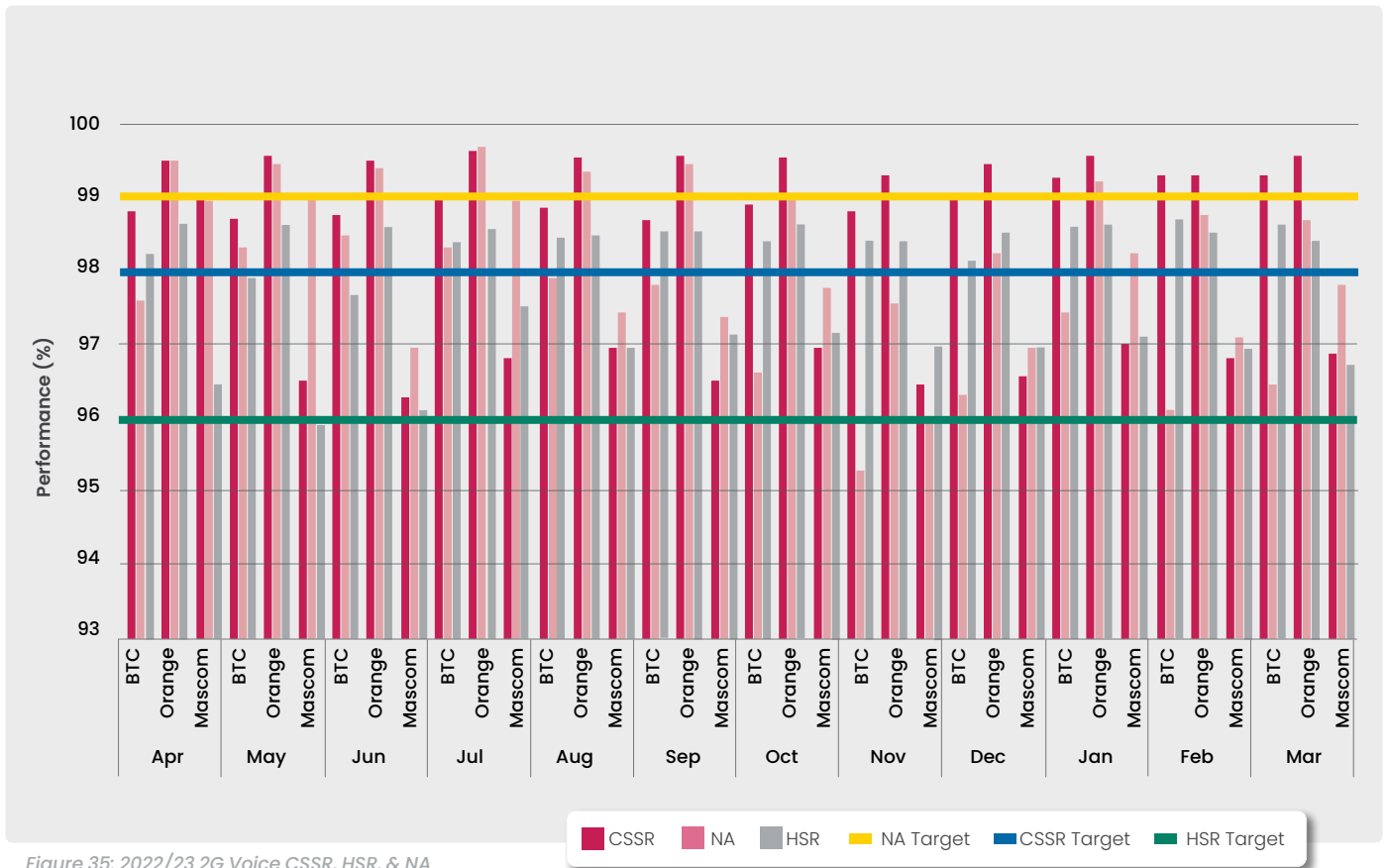


Figure 35: 2022/23 2G Voice CSSR, HSR, & NA

REVIEWS

Network Quality of Service
(Continued)

2G and 3G SMS

Short Messaging Service (SMS) is supported over 2G and 3G networks. The service is controlled and managed from an SMS server with its own KPIs. BTC and Mascom’s performance on SMS delivery success rate was mostly within target, except for the month of December. Orange recorded a slightly below target performance for SMS delivery success rate KPI for most of the year. Orange advanced several reasons for its poor performance, and absent customers were found to be predominant from month to month. In General, there was an improvement from all operators on SMS delivery success rate compared to the previous year.

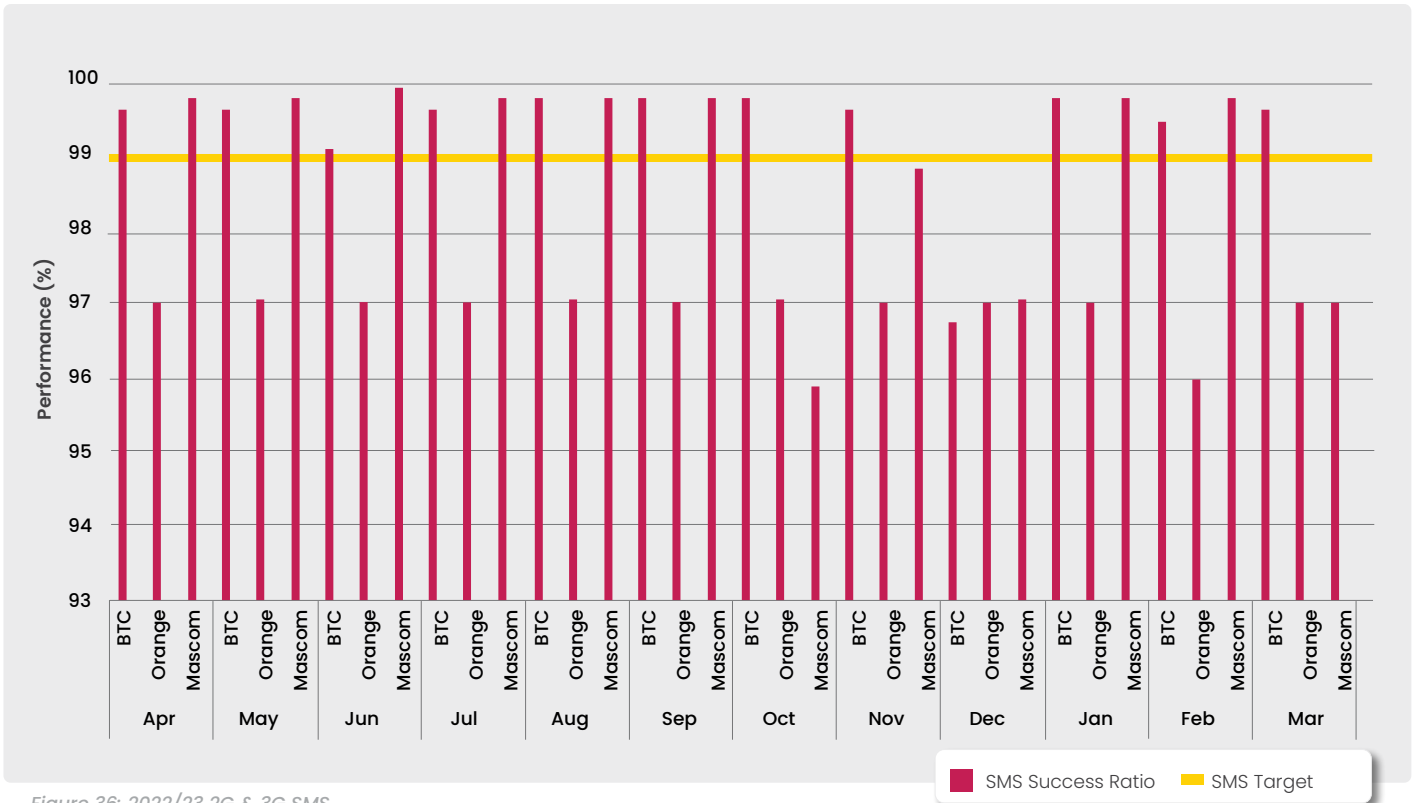


Figure 36: 2022/23 2G & 3G SMS



3G networks

A 3G network is configured to provide both voice and data services. In this regard, BOCRA monitors the performance of the network for both data and voice services. Parameters monitored for 3G include Drop Call Rate (DCR), Call Set-up Success Rate (CSSR), and Call Handover Success Rate (HSR).

The DCR for voice services was recorded to be within a target of 2% for all three mobile operators. However, BTC missed the target for its 3G data network for most of the year. However, improvements were recorded later in the year.

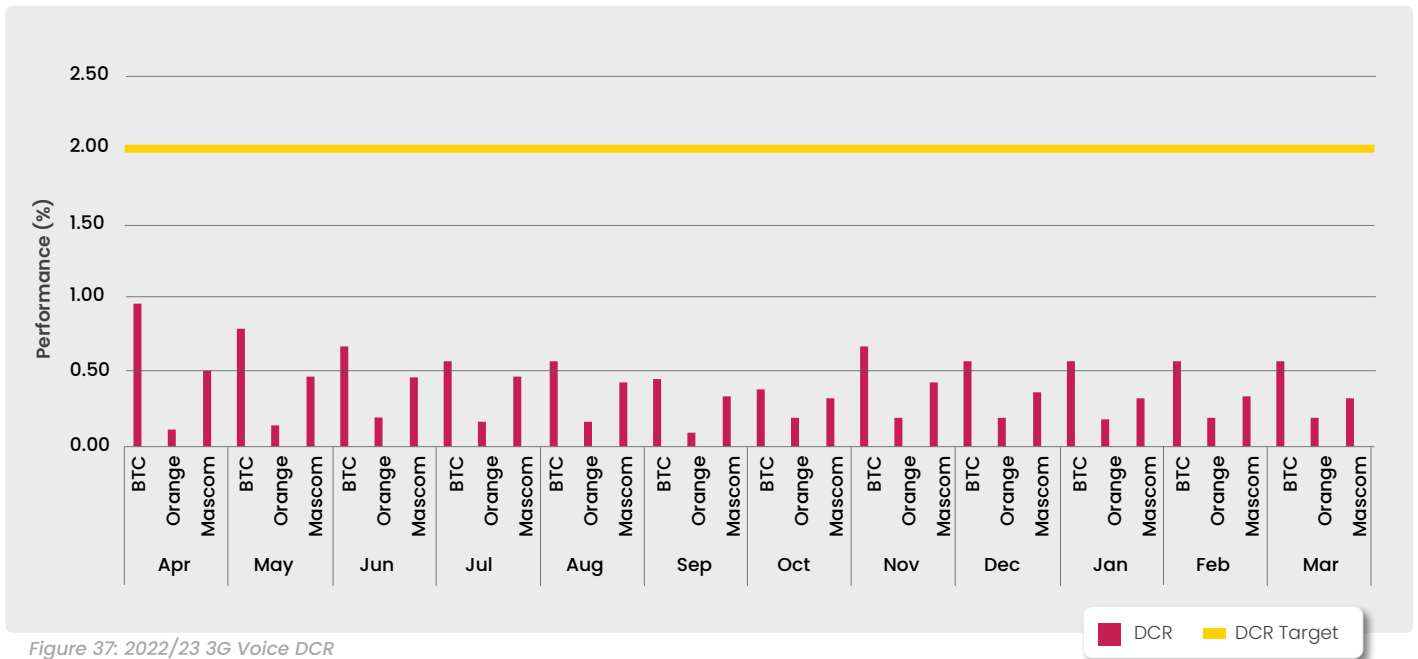


Figure 37: 2022/23 3G Voice DCR

Like in 2G networks, 3G networks performed relatively well for CSSR and HSR KPIs for both voice and data. However, the networks recorded below target performance for Network Availability Rate for both voice and data. All 3G networks performed badly in the months of November and December, with power outages cited as the root cause as in the case of 2G networks.



REVIEWS

Network Quality of Service
(Continued)

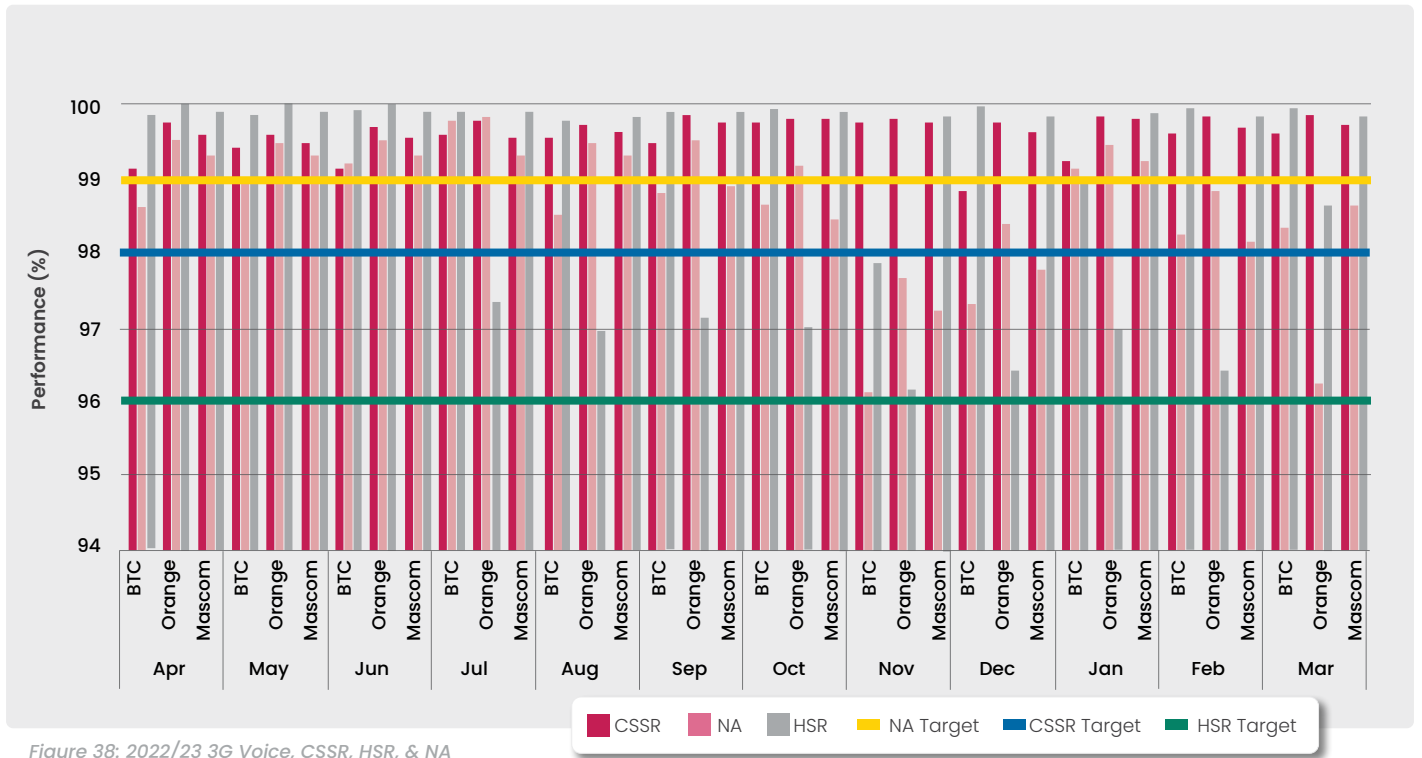


Figure 38: 2022/23 3G Voice, CSSR, HSR, & NA

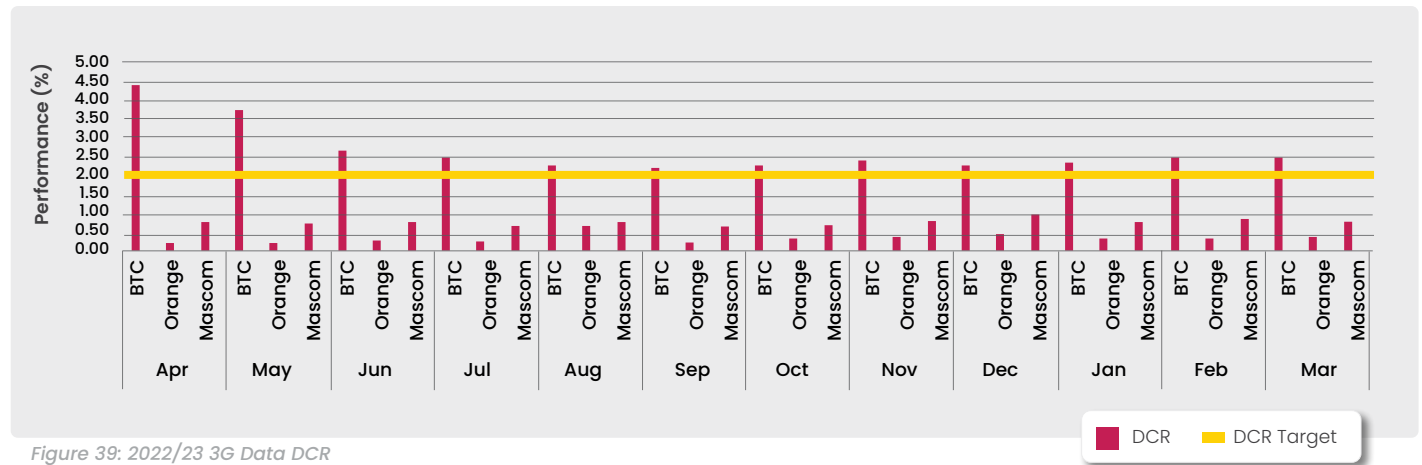


Figure 39: 2022/23 3G Data DCR

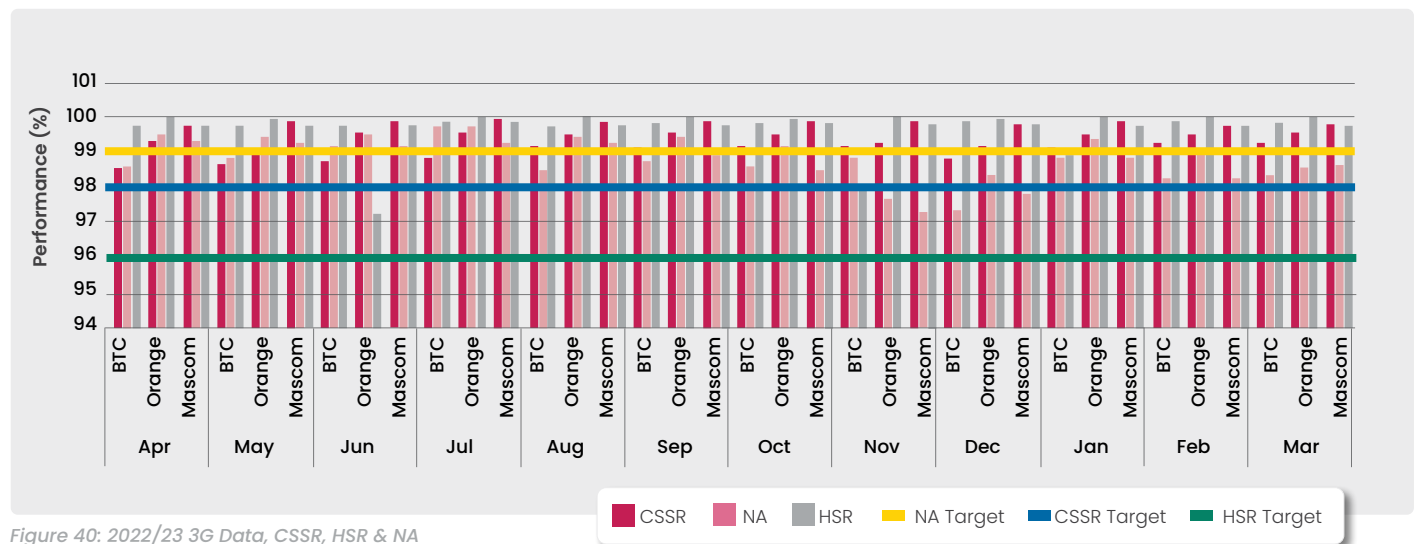


Figure 40: 2022/23 3G Data, CSSR, HSR & NA

4G Networks

All three operators met the DCR target of 2% for 4G networks during the year. Unlike in the case of 2G and 3G networks, 4G networks recorded good KPIs for CSSR and HSR. This good performance in 4G was also recorded in the previous year for all the 3 operators.

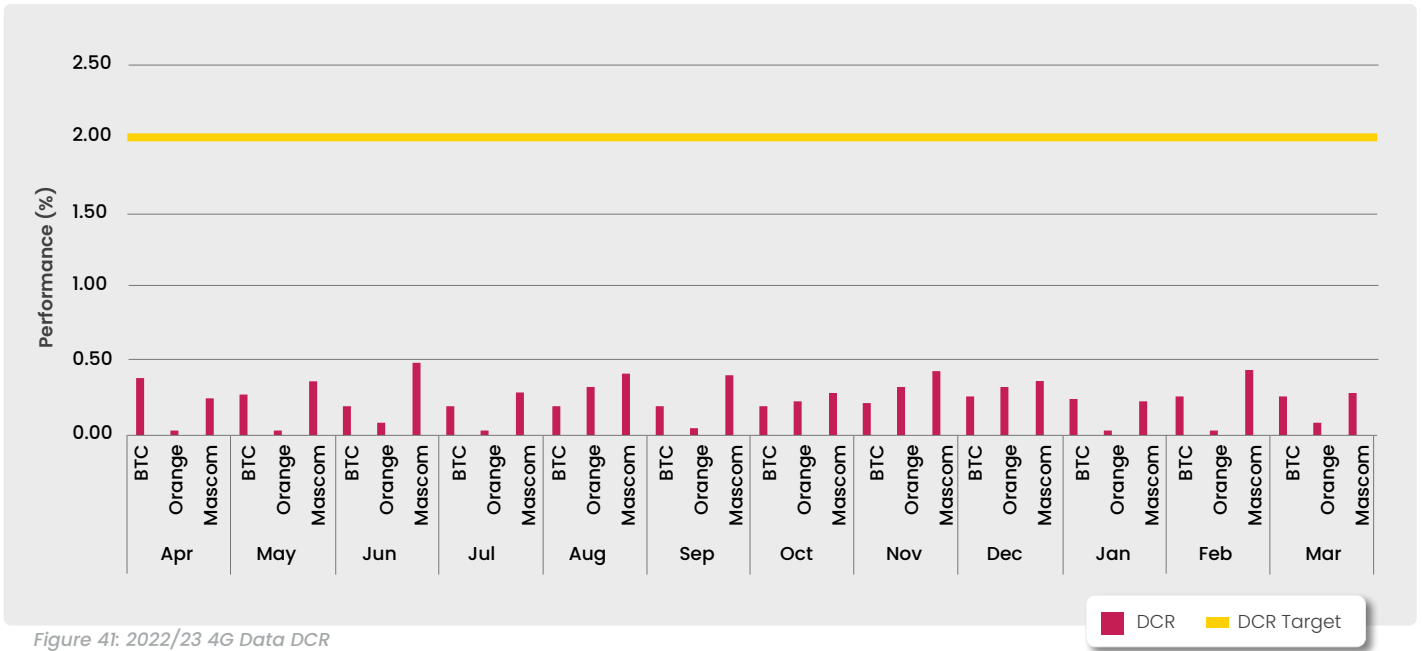


Figure 41: 2022/23 4G Data DCR

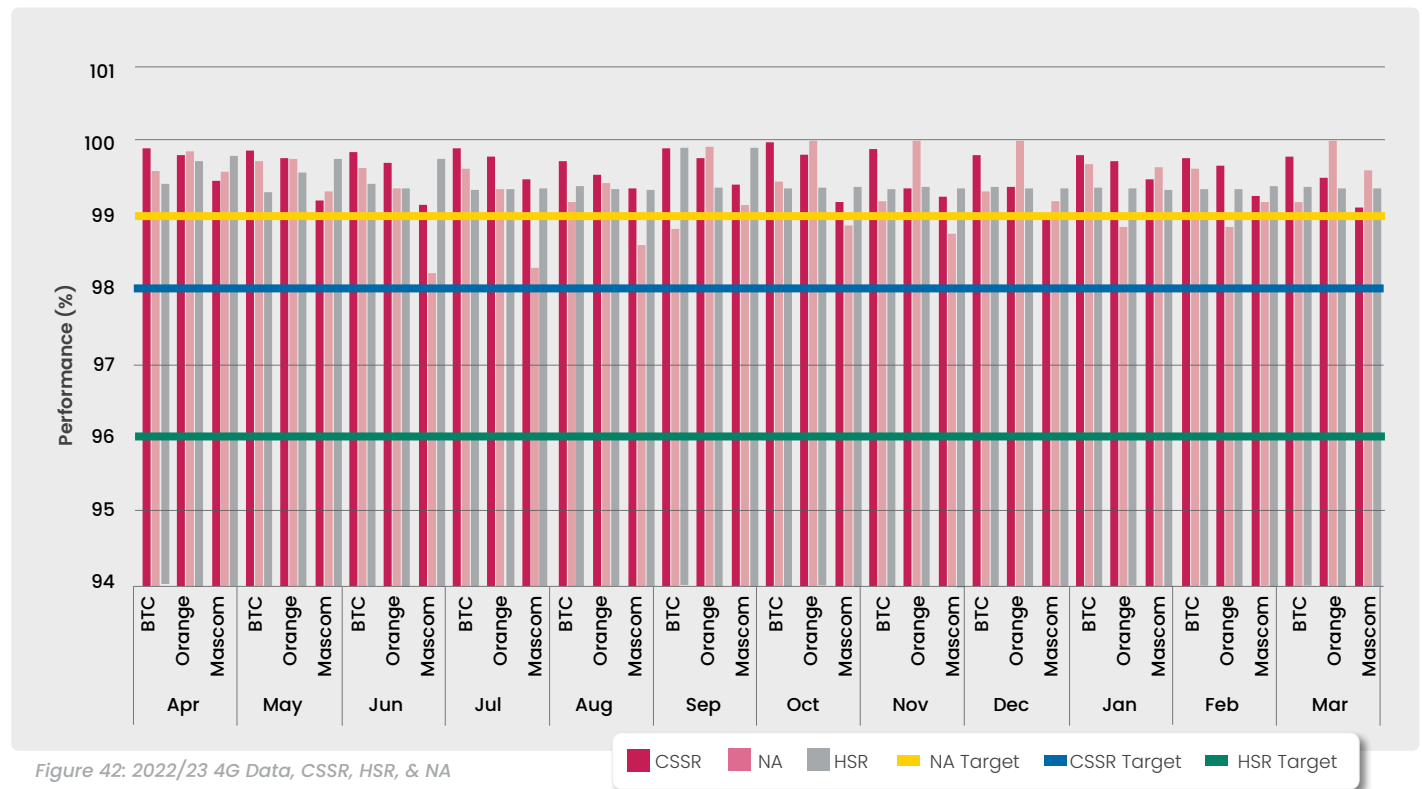


Figure 42: 2022/23 4G Data, CSSR, HSR, & NA

REVIEWS

Network Quality of Service
(Continued)

The download throughputs of all the 4G networks were also recorded during the year, where Orange was found to maintain high average user throughput values of the three operators. Mascom came second while BTC was last. On analysis of the download speed served to subscribers, Mascom was found to distribute high speed to most of its customers. The speed distribution curve for Mascom is wider than that of Orange, which focuses on high speed to fewer customers than Mascom, meaning that most of Mascom internet customers opt for higher data speed packages than at Orange.

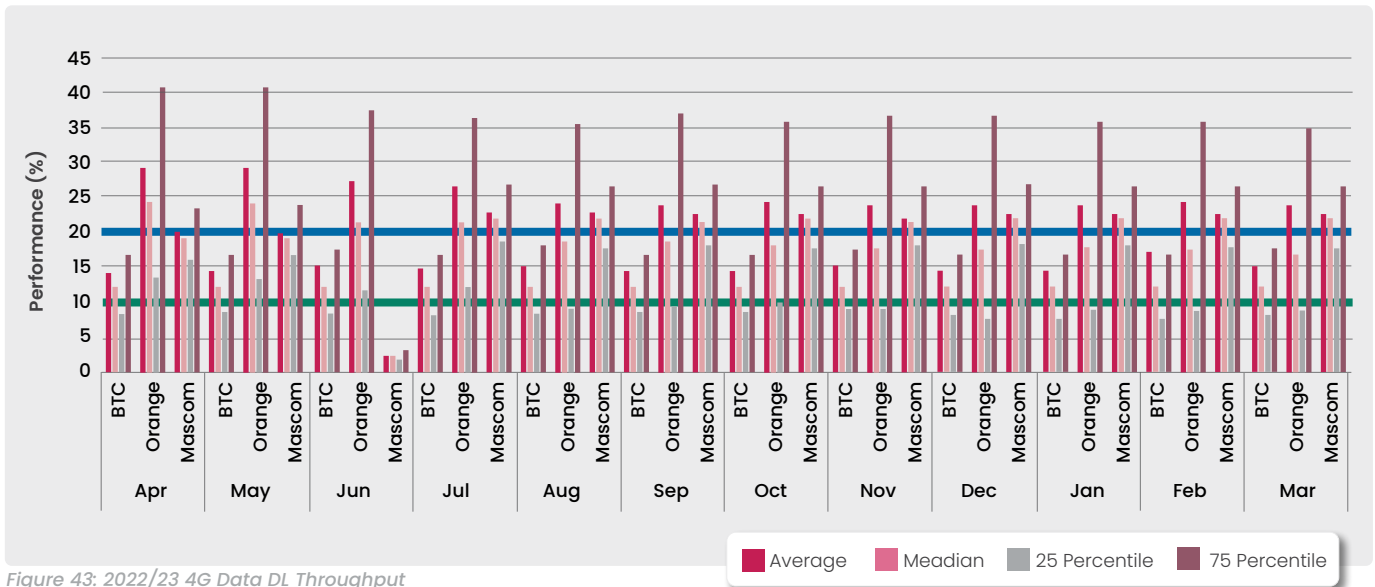


Figure 43: 2022/23 4G Data DL Throughput

The good performance of the 4G network could be attributable to the fact that 4G networks are mostly found in urban or semi-urban areas, where Botswana Power Corporation (BPC) mains were used as a source of power and operators had good alternative power supplies.



QoS/QoE Guidelines

A review of the QoS/QoE Guidelines was conducted ahead of the procurement of the QoS Monitoring System to ensure that the Guidelines were up to date and relevant to enable BOCRA to derive optimum benefits, and effectively monitor and ensure compliance by operators using the QoS system. The exercise also resulted in additional KPIs for data service.

QoS Monitoring System

During the financial year 2022/23, BOCRA procured and commissioned the use of a QoS monitoring system. The system consisted of MNO linked Network Monitoring System and Drive Testing tools.

The MNO linked Network Monitoring System

The MNO linked Network Monitoring System is a monitoring system that connects directly to each operator's management centre. It relies on the received network performance management files, analyses them, and presents a QoS performance rating. The system deployed the ITU method of Network Element Counters and generated a network performance report of up to the latest 3 hours, presenting national, regional, and individual cell performances.

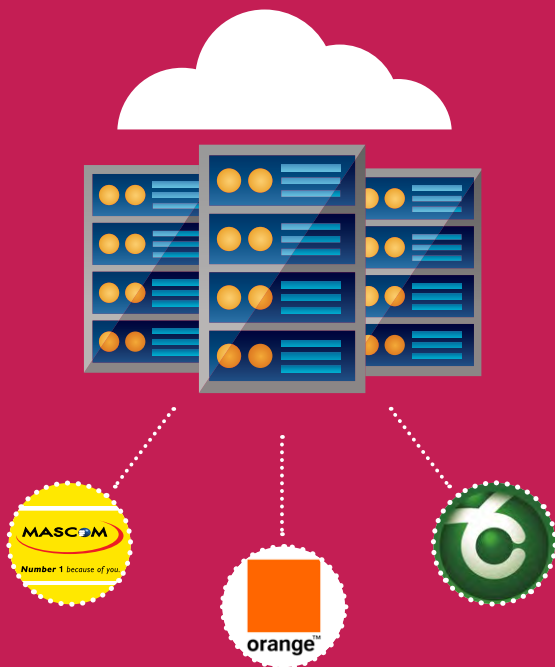


Figure 45: The Network layout of a RPM system

The Nemo Drive Testing System

The Drive Testing System

The Drive Test QoS/QoE monitoring system employed the ITU method of drive testing. The tool was designed to enable users to measure in-building KPIs across multiple mobile operators' LTE/2G/3G/4G/5G networks simultaneously. The system is aimed at augmenting the results of the RPM system.

Nemo Outdoor



Nemo Backpack Pro 10 x Terminals



Scanner PCTEL IBflex



Power Inverter

Figure 44: The Nemo Backpack Pro Drive Test System

As at March 2023, both systems were still undergoing stability analysis.

REVIEWS

Network Quality of Service (Continued)

Audit of Base Transceiver Station BTS

The Audit of the Base Transceiver Station (BTS) project provided a reactive approach to monitoring and managing QoS. The project provides a comprehensive view of:

1. Mobile network geographical and population coverage across the country.
2. Traffic capacity and growing demands for both voice and data services.
3. Individual BTS' capability to support served communities; and
4. Information on network redundancy plans against power failures and other interruptions.

In December 2022, phase 2 of the project came to an end with a total of 288 audited sites, bringing the total number of audited sites to 1003 in both phase 1 and 2. This accounted for over 90% of the geographically unique sites audited nationally. Phase 3 was carried out in 2021/22.

The project, which was successfully completed, came up with recommendations based on the project findings,

such as the need for coordinated site naming, improved recording of geographical coordinates, and improvements in site security.

Number of BTS

BOCRA continues to monitor operators' investment in communications infrastructure, such as base stations, to ensure network growth and address the ever-growing demand for services by users. A realignment of the quantities of BTS was conducted following the launch of the new QoS monitoring system. From the QoS monitoring system which has the capability to present the number of BTS per technology from the performance files received from the operators, BOCRA was able to validate the field work data from the audit of the BTS project and align the quantities. The realignment resulted in a reduction in the number of BTSes for some technologies, which differed from the submission made earlier by the operators. Some of the differences were due to operators counting one site as two, because the site consisted of more than one set of cells.

Table 16: The Number of Base-stations per Operator per Technology

		Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
2G	BTC	649	649	646	639	625
	Orange	685	685	685	688	695
	Mascom	992	992	731	729	714
TOTAL		2326	2326	2062	2056	2068
3G	BTC	209	210	210	204	204
	Orange	685	685	685	688	684
	Mascom	852	852	853	862	859
TOTAL		1746	1747	1748	1754	1747
4G	BTC	508	514	528	539	559
	Orange	435	435	435	676	689
	Mascom	670	700	680	952	612
TOTAL		1613	1649	1643	2167	1856
5G	Mascom	5	5	5	5	5
	Orange	-	-	-	-	-
TOTAL		5	5	5	5	5

Coverage maps

The following figures depict the coverage of mobile networks per technology across the country.

2G Network Coverage Maps

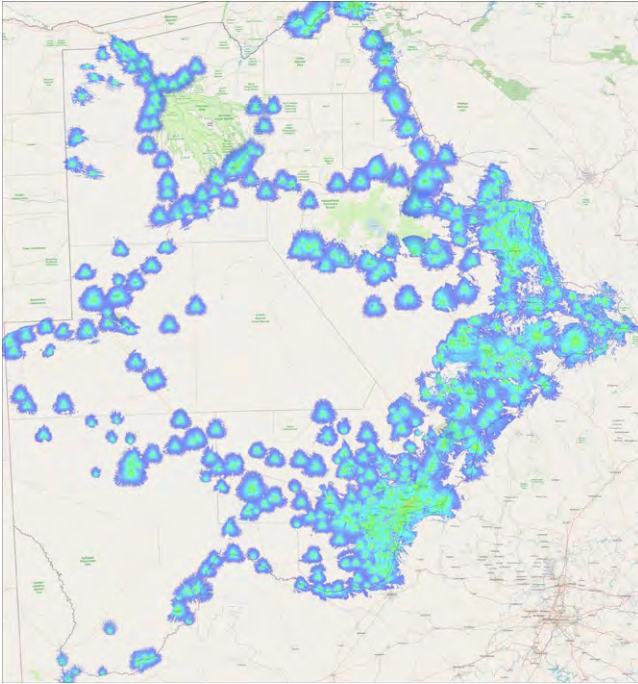


Figure 46: BTC 2G

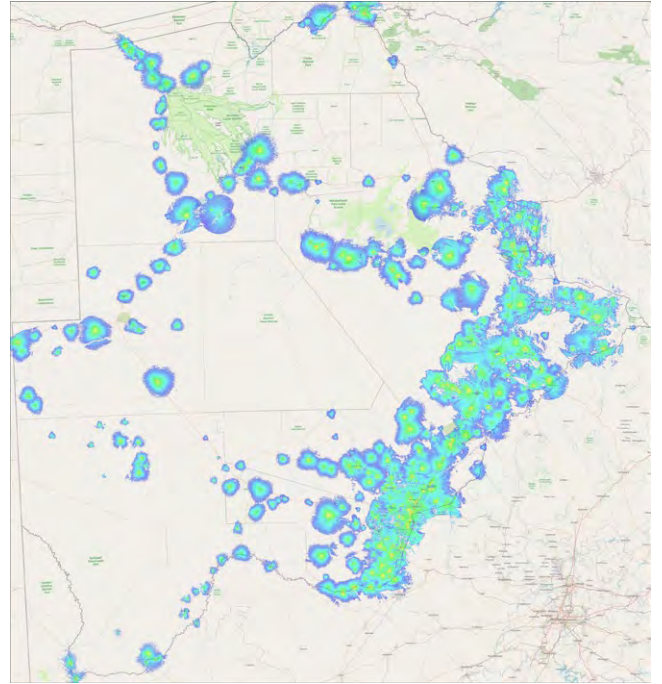


Figure 47: Mascom 2G

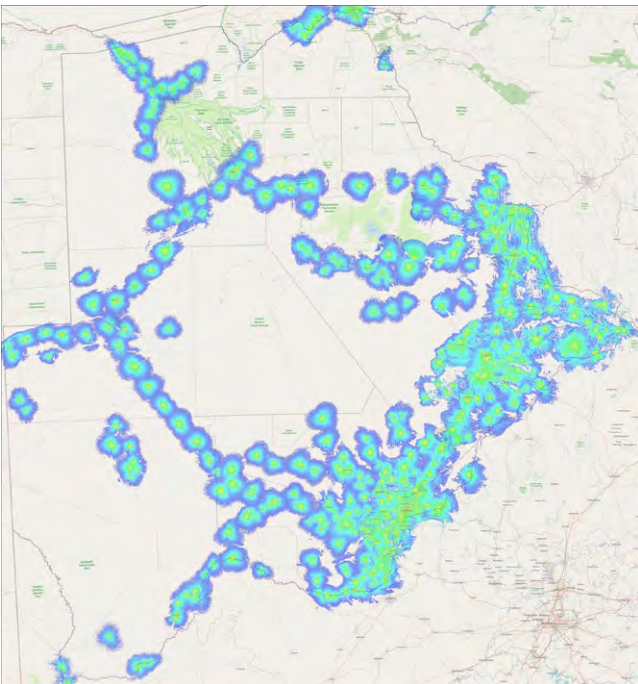


Figure 48: Orange 2G

REVIEWS

Network Quality of Service (Continued)

3G Network Coverage Maps

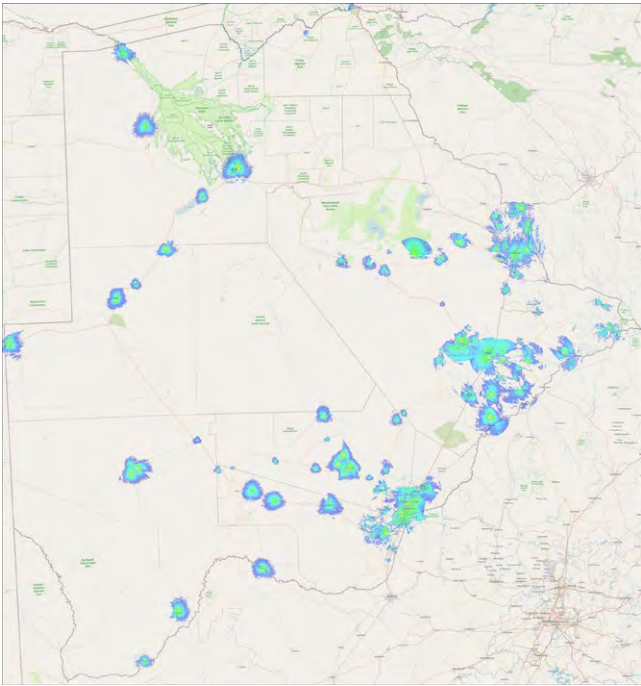


Figure 49: BTC 3G

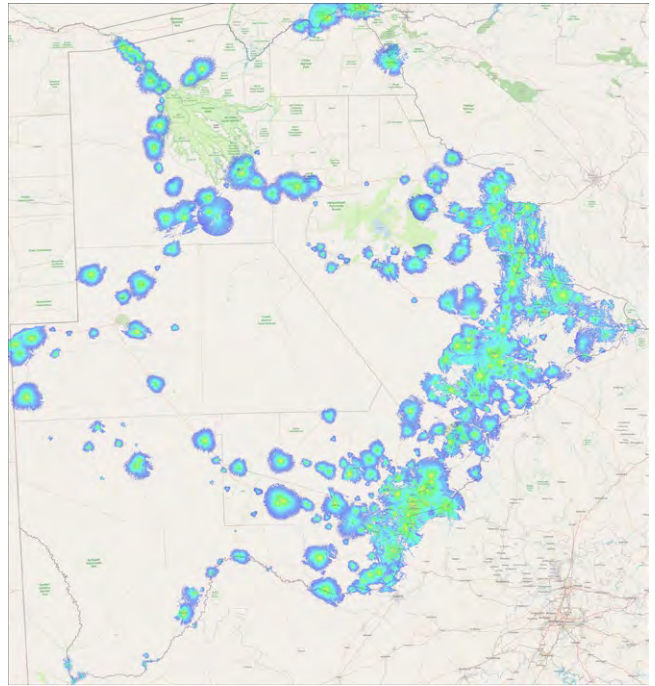


Figure 50: Mascom 3G

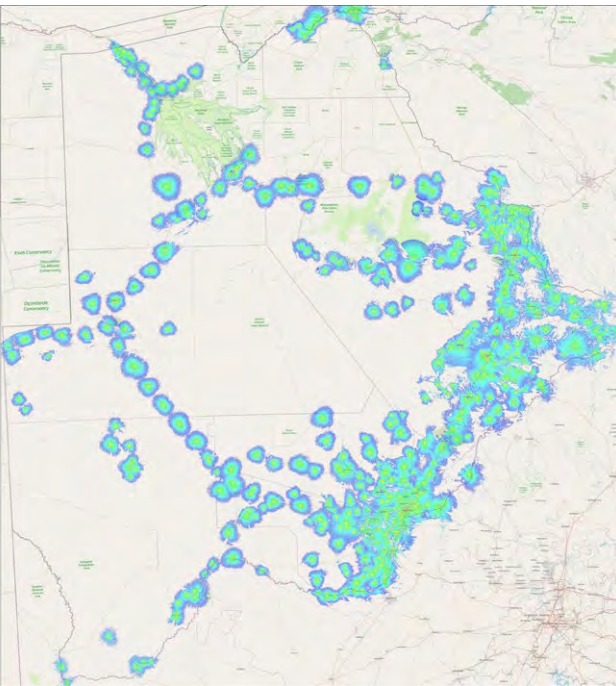


Figure 51: Orange 3G

4G Network Coverage Maps

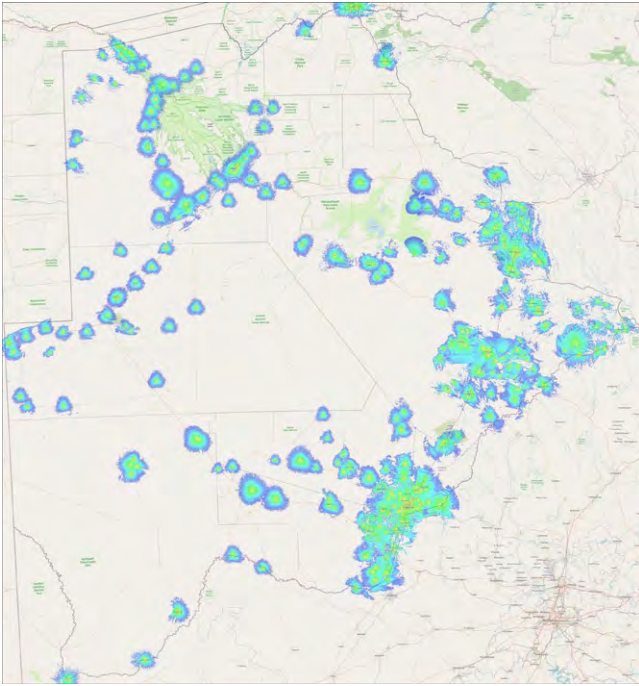


Figure 52: BTC 4G

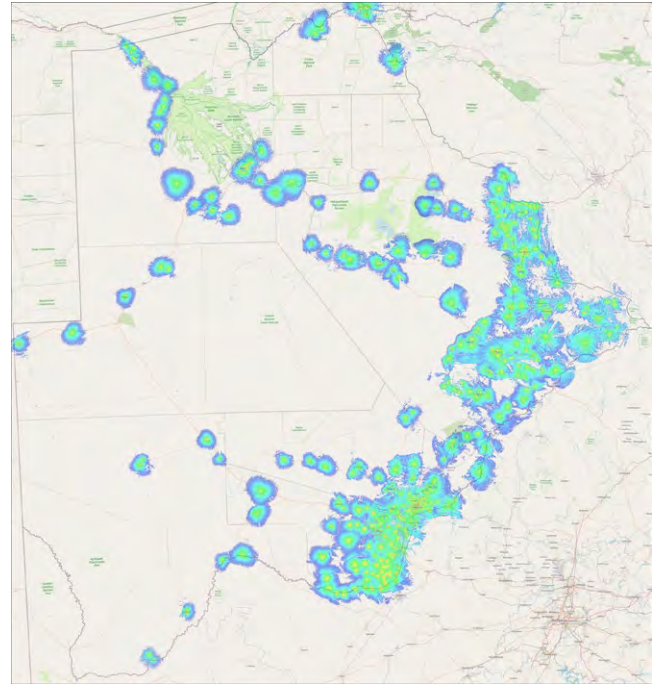


Figure 53: Mascom 4G

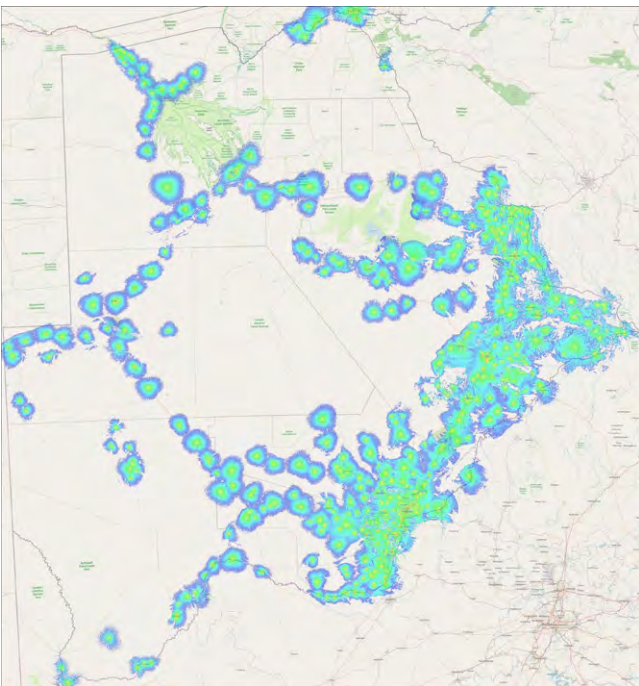


Figure 54: Orange 4G

Compliance & Monitoring.

In line with the provisions of the CRA Act (2012), BOCRA is mandated to monitor the performance of the regulated sectors in relation to quality, standards of services, and competition. Furthermore, BOCRA promotes the interest of consumers, purchasers, and other users of the services in the regulated sectors.

During the year under review, the Authority carried out appropriate enforcement action against non-compliant licensees by engaging in complaints resolution, investigations, and continuously tracking and monitoring the compliance of licensees.

Complaints Resolution

The Authority received complaints and disputes from consumers and regulated suppliers. It resolved these or facilitated their resolution.

BOCRA received 33 escalated complaints during this reporting period. This represents a 22.2% increase in the number of handled complaints, since 27 were received in the previous year *Figure 55*.

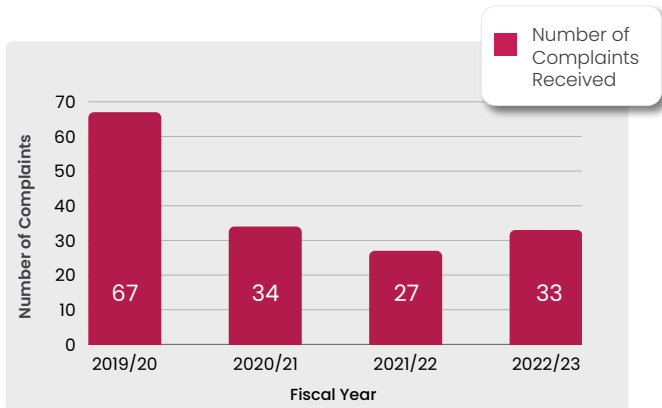


Fig 55: A Four-Year Trend Analysis of Registered Complaints

Figure 55 indicates that most lodged complaints related to faulty gadgets. Three out of five gadgets in question were home/office routers, and the remaining two were on cell phones with technical defects. They were replaced by respective operators.

The Authority also recorded four complaints relating to billing and interconnection. Four interconnection complaints were dealt with, and the Authority decided on a matter pertaining to interconnection price and Reference Interconnection Offers (RIOs) terms. Regarding the price, the Authority determined P0,25 as a fair and reasonable VoIP interconnection price. The operators were further instructed to file their RIOs for the Authority's consideration and approval. The operators duly complied, and approvals granted, thus facilitating interconnection by more players.

With respect to billing complaints, the complainants were advised to ensure that they cap their data usage to avoid incurring higher bills, especially postpaid customers. The operator in question was also advised to ensure that usage notifications are sent to customers and more awareness is done so that customers can make informed choices.

In addition, BOCRA and the Competition & Consumer Authority (CCA) dealt with two complaints in which the complainants alleged that they were misled to purchase wrong cell phone models. The Authority conducted type approval inspections to determine if the gadgets in question were type approved. The respective retailers produced valid type approval certificates for the two reported cell phones. Subsequently, the complainants were advised to escalate their matters to the CCA for further assistance in terms of refunds and exchange, as the matters fell under its mandate.

Despite challenges of some complaints taking longer to be resolved because of their complexity, and thus requiring thorough investigations and research, the Authority managed to resolve all the 33 reported complaints, attaining a 100% complaints resolution rate.

A detailed analysis of the type of complaints registered with the Authority and the frequency thereof is captured in *Figure 56*.

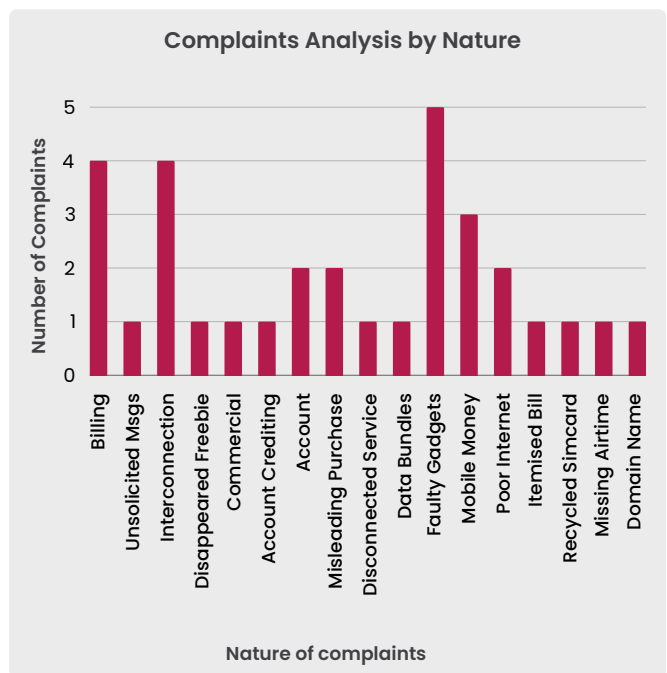


Fig 56: Nature of Complaints Registered with the Authority

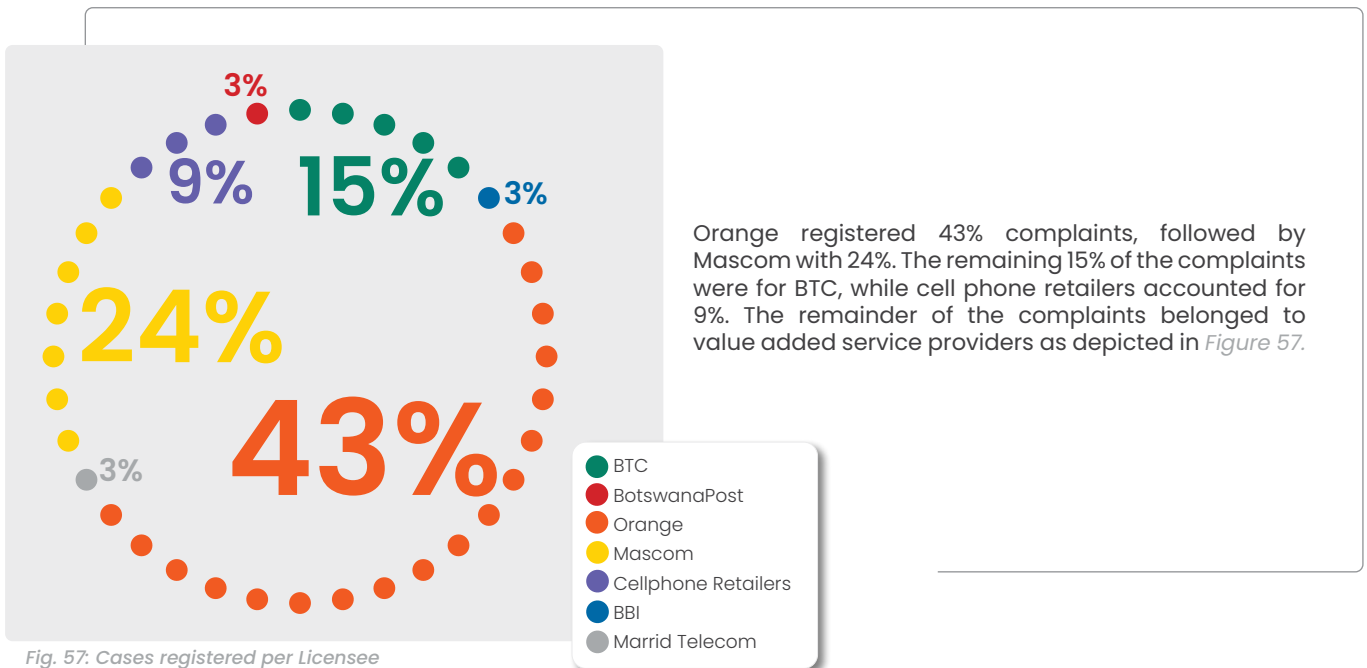


Fig. 57: Cases registered per Licensee

Type - Approval Inspections

The Authority carries out investigations to prevent substandard, counterfeit, and unauthorized communications equipment from penetrating and being sold in the Botswana market. To this end, Authority undertook type approval investigations in different parts of the country. The investigations were carried out to monitor the level of type approval compliance of communication retailers in Botswana. Investigations were conducted in collaboration with the Botswana Police Service and the CCA.

BOCRA facilitated 10 type approval inspections and five (5) type approval monitoring exercises. Figure 65 illustrates the type approval inspection activity analysis for each area.

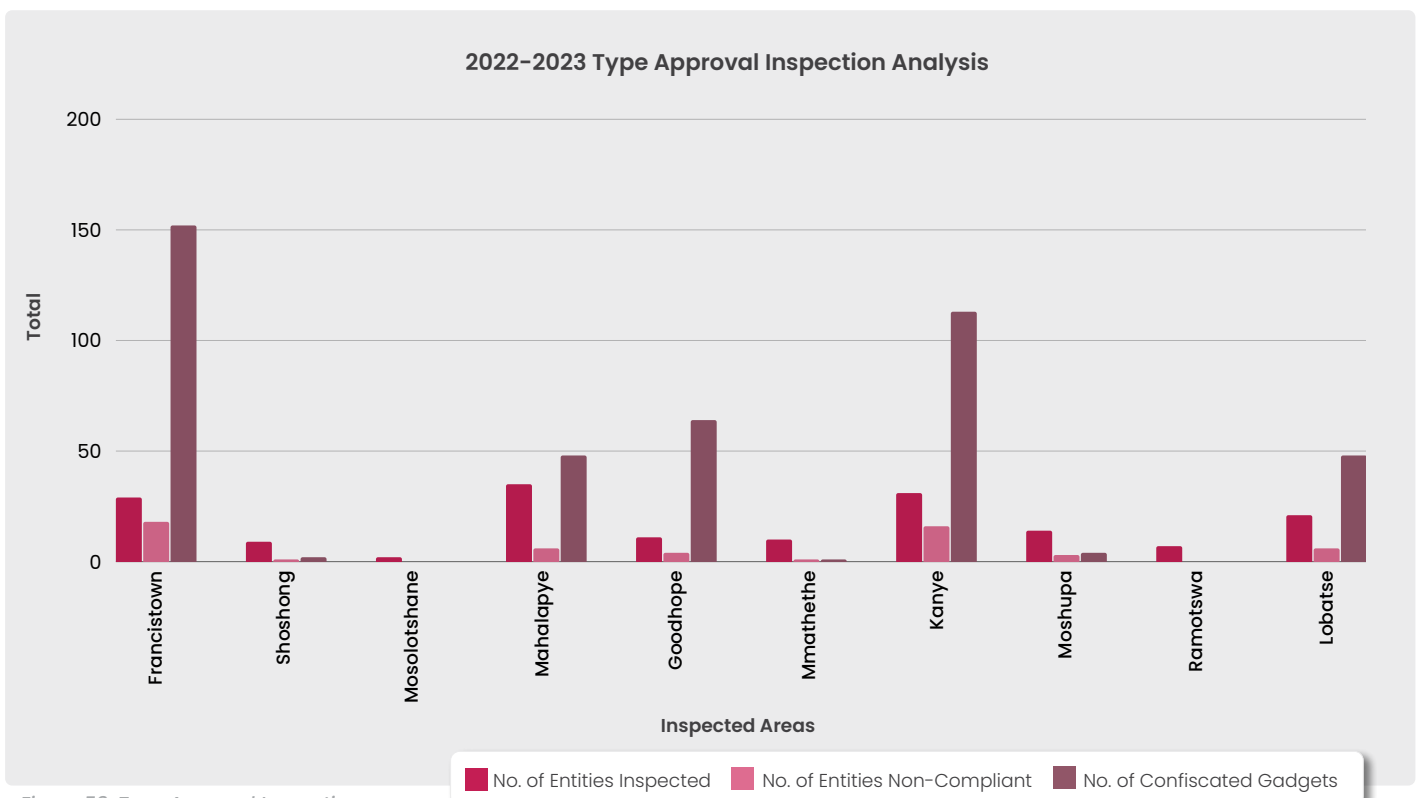


Figure 58: Type Approval Inspection Analysis. SOURCE: BOCRA

REVIEWS

Compliance and Monitoring (Continued)

BOCRA conducted type approval inspections in Francistown, Shoshong, Mahalapye, Goodhope, Kanye, Moshupa, Ramotswa, Mosolotshane, Mmathethe, and Lobatse.

As *Figure 59* shows, 169 communication retailers were inspected, out of which 55 were non-compliant. All non-compliant entities were charged penalties in the range of P1,000.00 to P2,000.00. In addition 432 communication equipment were seized.

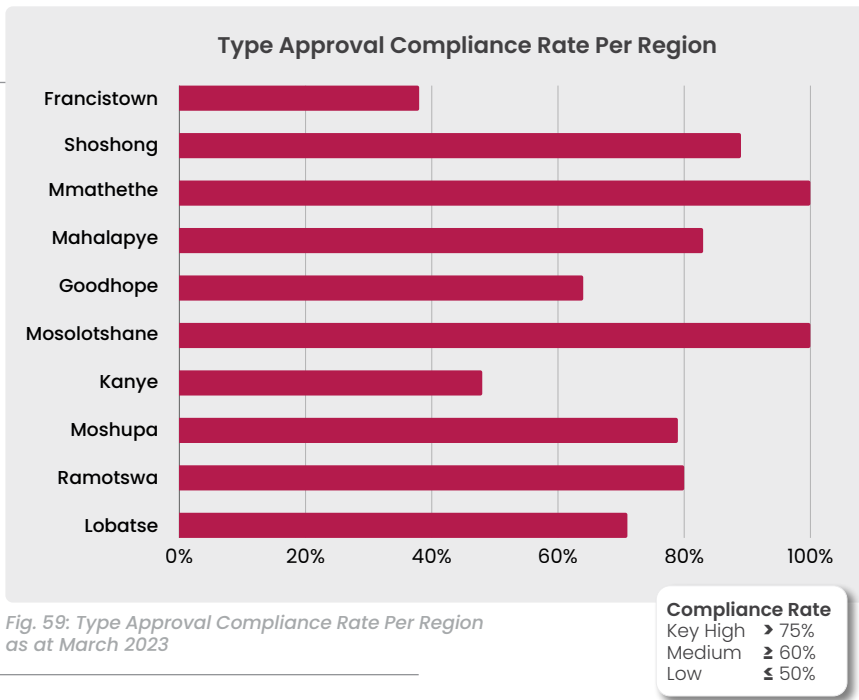
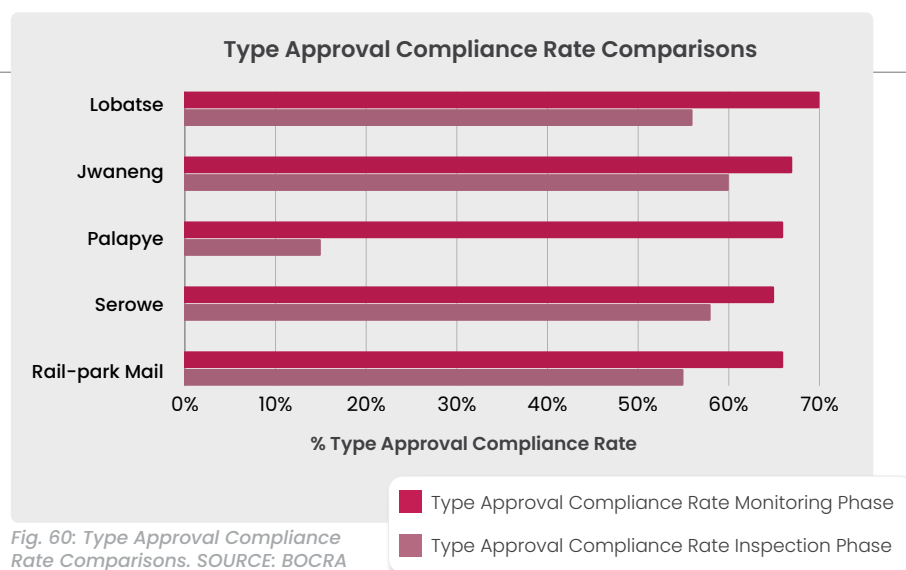


Figure 59 illustrates that Francistown and Kanye regions obtained low type approval compliance rates at 38% and 48%, respectively. Goodhope and Lobatse registered medium type approval compliance rates at 64% and 71%, respectively. Six regions, being Shoshong, Mahalapye, Ramotswa, Moshupa, Mosolotshane, and Mmathethe attained high compliance rates. Shoshong obtained a type approval compliance rate of 89%, Mahalapye 83%, Ramotswa 80%, Moshupa 79%, while Mosolotshane and Mmathethe attained 100%. The Authority will continue carrying out type approval inspections and awareness activities in areas that have a low compliance rate to improve compliance.

Type Approval Monitoring

The Authority also conducted type approval monitoring exercises in Lobatse, Jwaneng, Palapye, Serowe, and Rail-Park Mall to assess the levels of compliance, following previous public education activities and inspection interventions carried out in those places.

Comparisons of the type approval compliance rates per area from the time of inspection and the time of monitoring are depicted in *Figure 60*.



Type approval inspections refer to type approval exercises conducted for the first time at a specific location, while type approval monitoring exercises are follow-up exercises conducted at previously inspected areas. Type approval inspections are meant to sensitize communication retailers on their type approval obligations. Conversely, the main objective of the monitoring exercise is to check the level of type approval compliance rate improvement observed in an area by the respective communication retailers, following the previously conducted type approval inspections.

Compared to the inspection phase, there was a 13% improvement in the compliance rate observed in Lobatse during the monitoring phase. The compliance rate in Jwaneng during the monitoring exercise stood at 69%, compared to the 60% compliance rate attained during the inspection phase. There was a 52% increase in Palapye during the monitoring phase in comparison to the inspection phase. The increase was attributed to the education awareness activities that the Authority previously conducted in the area. The type approval compliance rate for Serowe was 65% and Rail Park was 66%. The general improvement to the compliance rates was attributed to education and awareness.

Enforcement

BOCRA is mandated to impose administrative sanctions and issue follow up enforcement procedures to ensure compliance with conditions provided for in licences, permits, and contracts, among others. The sanctions could be in the form of revocation or suspension of licences. BOCRA can also impose further conditions on licensees who contravene the CRA Act, their licence conditions, and/or failure to follow any other lawful direction from the Authority.

The Authority dealt with five non-compliant licensees for outstanding licence fees. As of 31 March 2023, three of the five licensees had paid their licence fees. Six licensees were recommended for licence revocation for non-payment of their licence fees.

Compliance Audits

BOCRA audited 14 licensees in the postal, broadcasting, and ICT sectors to assess their level of compliance.

A total of 62 licensees were reviewed for compliance between 2019 –2023. The implementation of audit action items was tracked and monitored throughout the year across all sectors. As with the previous reports, the audit areas examined during the period included consumer protection, the payment of fees, performance reporting, products and packages, tariffs, as well as rollout obligations. An additional parameter on compliance to QoS standards in the ICT sector was also interrogated.

Table 17 illustrates the average compliance rate trend analysis over a four-year period, commencing in 2019 – 2023.

SECTOR	AUDIT PERIOD REVIEW			
	Mar-20	Mar-21	Mar-22	Mar-23
ICT	22%	42%	42%	65%
Postal	44%	53%	62%	71%
Broadcasting	42%	55%	55%	57%

Table 17: Compliance Rate Trend Analysis

Compliance Rate
 Key High > 75%
 Medium ≥ 60%
 Low ≤ 50%

The ICT sector compliance rate improved by 43 percentage points from March 2019 to March 2023. The improvement was attributed to the intensive monitoring efforts that the Authority conducted. Similarly, the postal sector compliance rate improved by 27 percentage points. A marginal improvement in compliance rates of 15 percentage points was noted in the broadcasting sector compared to other sectors.

To address compliance issues, the Authority regularly engaged licensees on their level of compliance, and non-compliant licensees were escalated to the BOCRA Enforcement Committee for further enforcement actions to be taken, in line with the Authority’s Penalty Framework.



Business Continuity and Disaster Recovery.

BOCRA Business Continuity Management

BOCRA is committed to maintaining a comprehensive Business Continuity Management (BCM) programme to ensure its business resilience. The Authority conducted two drills to test its staff's response level and BOCRA's preparedness. With the first drill scenario the staff response level to evacuate the building was relatively low and as a result a second drill was undertaken, and a satisfactory response level was noted. Furthermore, the Authority also reviewed its BCM processes to ensure that they were up to date with organisational developments and industry best practices.

Sector BCM

The Authority provided guidance to licensees regarding submissions of their BCM plans as per the Business Continuity and Disaster Recovery Guidelines. Out of 22 engaged licensees, 19 had submitted the required reports, thus attaining 86.3% compliance rate, which was above the set compliance rate target of 40%. This was a notable improvement in terms of compliance as compared to the previous financial year.

Universal Access and Service.

The following initiatives were implemented through the Universal Access and Service Fund (UASF):

Mobile Broadband (4G) and Voice Networks (Goodhope District)

Mobile network upgrades and the deployment of new network sites (base stations) were completed for 69 villages in the Southern District by Mascom Wireless.



Mobile Broadband (4G) and Voice Networks (North-West District)

Mobile network coverage was upgraded to 4G technology in 37 villages in the North-West District by BTC.

Mobile Broadband (4G) and Voice Networks (Kweneng District)

Mobile network coverage was upgraded to 4G technology in 47 villages in the Kweneng District by Orange Botswana.

Local Area Network (LAN) and Broadband Internet (Kweneng District Schools)

A total of 117 schools in the Kweneng District were provided with LAN and broadband internet through Orange Botswana.

Internet for Centres for the Disadvantaged (North-West District)

Tshidilo Stimulation Centre and Lorato House Rescue Centre for Children, both in Maun, were provided with LAN and 50Mbps internet connectivity, to augment their initial internet connections.

Employment of IT Officers

The BOCRA/UASF, in partnership with the Ministry of Education and Skills Development (MESD), employed a total of 95 IT graduates to serve as IT Officers in public primary schools. Nine-two (92) of the IT Officers were placed in primary schools in the Kweneng District, while three were placed in primary schools in the Mabutsane-Sub District.

The IT Officers will impart ICT skills and knowledge to learners, teachers, and non-teaching staff in their schools of placement. Their scope of work extends to public facilities in the proximity of their schools, which include clinics, health posts, and tribal administration offices (dikgotla).

IT Officers Contract Extension

The UASF extended the contract of employment for the 68 IT Officers deployed in Mabutsane, Tsabong, Hukunsi, Charleshill, and Ghanzi districts. This is an extension of the partnership between the MESD and the UASF in supporting the government's digitalisation programs that support learning through ICTs and their usage in education.

Stakeholder Engagement.

BOCRA Consumer/Operator Perception Survey 2022

In line with its consumer protection mandate, BOCRA is enjoined by the CRA Act to conduct surveys, from time to time to among others:

- Probe consumer perceptions on the services provided by operators concerning the quality of service, range of services, cost of services, and overall growth development.
- Probe the operators' perception of the regulator in areas of fairness, promptness, neutrality, and effectiveness; and
- Gauge the strengths and weaknesses of the regulatory processes in place.

During the period under review, BOCRA carried out a Consumer/Operator Perception Survey in line with the foregoing objectives. The report revealed an improvement in overall Consumer Satisfaction Index from 3.8 recorded in 2018, before the survey was disrupted by COVID, to 4.2 in 2022. Consumer Satisfaction Index is one of the measures that BOCRA uses to track improvements in the way users of regulated communications services perceive the quality of those services and the level of their satisfaction with their relationship with operators.

The Consumer Satisfaction Index is a composite score made up of satisfaction scores for mobile telephony, fixed telephony, postal services, courier services, broadcasting services, internet, information dissemination, websites, among others.

MACRA Benchmarking Visit

During this reporting period, BOCRA hosted MACRA on a benchmarking visit to consult on issues relating to establishing diplomatic corridors to reduce high transit costs for internet services. As part of the consultations, MACRA also met with Liquid Intelligence and BoFiNet to explore what broadband connectivity solutions the two suppliers could offer to Malawi.

During the visit, BOCRA and MACRA signed a MOU to formalize cooperation on cybersecurity. The MOU will enhance cooperation in the following areas:

- Information sharing relating to laws and legislations on national cyber strategies, policies, and best practices on Cyber Incident Management procedures.
- Facilitate links between institutions in the field of cybersecurity, including governments, businesses, private sector, and academia; and
- Competency building and knowledge development activities such as cross border cybersecurity exercises.



Kgotla Addresses

Following the implementation of mobile network upgrades and the internet connectivity project in the Goodhope District, BOCRA collaborated with the Minister of Infrastructure and Housing Development to address villages in the district about impending development projects. The tour covered the villages of Tshidilamolomo, Mmakgori, Phitshane Molopo, Mokatako, Tlhareselele, Sedibeng, Dikhukhung, Mmatlhakola, Leporong, Mokgomane, and Sekokwane.

The Chief Executive addressed the kgotla meetings on behalf of BOCRA and apprised residents on the ongoing UASF projects in the area. He used the opportunity to solicit support from the district leadership and the residents for the success of the projects.

Engagement with schools

BOCRA supported schools' prize giving ceremonies held to celebrate academic excellence and recognise the best performing students. Beneficiary schools included Molongwa Junior Secondary school in Khakhea, Struizendam Primary School, Rakops Junior Secondary School, Nata Senior Secondary School, Makgadikgadi Junior Secondary School, Borakanelo Primary School (Maunatlala), Bakgopeng Junior Secondary School (Matolwane), and Mmaditlou Primary School (Madingwane).

Each of the primary schools were sponsored to the tune of P20,000.00, junior secondary schools P30,000, while senior secondary schools received P40,000.00. Members of BOCRA management took turns to officiate at these prize giving events.

REVIEWS

Stakeholder Engagement (Continued)

The Ministry of Communications, Knowledge, and Technology Open Day Exhibition

The Ministry of Communications, Knowledge, and Technology held its annual retreat in Mahalapye, in which BOCRA took part. As part of the retreat, the Ministry held an open day exhibition with the objective of allowing the Ministry and all its departments and parastatals, including BOCRA, to interact with members of the public on their respective mandates.

BOCRA partook in the weeklong activity and shared with consumers of ICT services its responsibilities ranging from consumer protection to the management of radio frequency spectrum, type approval, universal access and service, broadcasting licensing, etc. The exhibition also allowed BOCRA to receive feedback from members of the public on common issues including data usage, internet speeds, mobile phone abuses, pricing of mobile phone services, etc.

In line with the guidelines provided by the ITU, the WTISD was preceded by the Girls in ICT Day 2022 that was held under the theme 'Access and Safety', with the objective to accord the girlchild special attention and concerted effort to encourage them to consider careers in ICTs.

The commemorations brought together ICT sector members who pledged to provide connectivity, ICT equipment, and ICT literacy training to target groups and institutions across all the participating villages, in line with the national imperative of transitioning to a digital economy.

BOCRA, in collaboration with the private sector, provided ICT literacy training to the elderly comprising pensioners, retirees, as well as Small, Micro and Medium Enterprises (SMMEs). BOCRA provided cybersecurity awareness to over 130 girl students and teachers from primary and junior secondary schools. Other stakeholders offered ICT literacy training to teachers and members of the public and civil service personnel.

In a bid to facilitate the use of ICTs, BOCRA donated smart phones to pensioners who took part in the ICT literacy training at a cost of P29,500.00. In addition, BOCRA donated 30 desktop computers, 10 printers, and 1 heavy duty copier to beneficiaries in and around the Mmathubudukwane catchment area.

Commemorations.

The United Nations has designated international days that member states commemorate annually under different themes. These days serve as powerful advocacy occasions for educating the public on issues of concern and bringing stakeholders together to provide resources to address challenges or provide solutions. In the ICT sector, BOCRA's efforts during commemorative days focuses on improving connectivity to and usage of telecommunications, postal, broadcasting, and the use of ICTs to improve access to education, health services, information, etc.

World Telecommunication & Information Society Day 2022



Led by the Ministry of Communications, Knowledge, and Technology, BOCRA joined the local and international ICT sector stakeholders to commemorate the World Telecommunication and Information Society (WTISD) Day 2022 in Mmathubudukwane village in the Kgatleng District. The commemoration was held under the theme 'Digital Technologies for Older Persons and Healthy Ageing'. It covered neighbouring villages to Mmathubudukwane like Malolwane, Sikwane, Mabalane, Ramotlabaki, Oliphant's Drift, and Ramonaka.

World Post Day 2022



The World Post Day (WPD) 2022 is commemorated annually on 9 October to mark the anniversary of the Universal Postal Union which was created in 1874. The purpose of this international commemoration is to create awareness of the role of the postal sector in people's everyday lives and businesses, and its contribution to countries' social and economic development.

The 2022 WPD was held in Selebi-Phikwe under the theme 'Post for Planet'. The commemoration of World Post Day activities involved a quiz (written and oral) for primary school kids, which had the objective to build awareness and impart knowledge about the postal sector to the youngsters. Ten primary schools from Selebi Phikwe took part in the quiz. Part of the commemoration included a panel discussion on the postal sector challenges and solutions. BotswanaPost used the commemoration to showcase its contribution to a greener planet by exhibiting a solar-powered live post. This afforded customers access to a variety of products and services, including the launch of the fourth commemorative stamp issue of 2022 on bridges of Botswana, featuring Kazungula and Mhembo bridges.

World Radio Day 2023



The World Radio Day is commemorated annually on 13 February, under the auspices of UNESCO, to mark the anniversary of the United Nations Radio. In Botswana, the 2023 World Radio Day was held in Phitshane-Molopo under the theme 'Radio and Peace'. The theme emphasised the importance of the medium of radio in strengthening a culture of dialogue, shaping public opinion, and framing narratives in ways that influence domestic and international situations and decision-making processes. The theme also highlighted the importance of participatory decision-making processes, as well as helping to address triggers of conflict.

The event was organised in collaboration with the Ministry of Communications, Knowledge and Technology, the local UNESCO office, BOCRA, and broadcasters. BOCRA used the opportunity to launch an integrated FM transmitter that had just recently been commissioned through sponsorship from the UASF. The FM transmitter was shared by the three commercial broadcasters to launch commercial radio services to Phitshane-Molopo and the surrounding five villages, providing commercial radio services to a population of 6628 inhabitants.

Safer Internet Day 2023



The Safer Internet Day is commemorated globally to promote the safe use of the internet, raise awareness of emerging online issues and current concerns. For Safer Internet Day 2023 commemoration, BOCRA collaborated with stakeholders such as Botswana Information Technology Society (BITS) and CyberSmart (inFuture Foundation) to join the rest of the world in the dissemination of cyber awareness messages. Highlights included the following:

- Commissioning of popular artists to produce a song to highlight the need for cyber awareness. The song was played on radio stations popular with youth listeners.
- School visits for talks and presentations to promote cyber awareness.
- Boosting of Facebook messages.

Various platforms were also engaged to disseminate relevant messages through jingles, and radio and TV discussions and interviews.

Regional and International Engagements.

SADC Communications Satellite workshop



BOCRA, in collaboration with Ministry of Communications, Knowledge and Technology, co-hosted a SADC Satellite Communications training workshop in Maun in December 2022. The objective of the workshop was to share knowledge on satellite communication advancements in the SADC region. The workshop also deliberated on best approaches that SADC could employ to take advantage of technical expertise availed by the ITU. Satellite expert committee members in the region who attended the workshop were imparted with knowledge and skills from the ITU experts.

The 1 week-long event was attended by SADC delegates. Two BOCRA subject matter experts, Mr Luke Bathopi and Ms Basebi Mosinyi, shared Botswana's experience on satellite communications with the workshop.

National Strategy for E-Waste



During this reporting period, BOCRA hosted a meeting to finalize the National E-waste Management Strategy for Botswana. The project was the result of collaboration among several parties namely, the ITU – which provided technical and financial support, the United Nations Environment Programme (UNEP), and the Botswana Government – represented by the Department of Waste Management and Pollution Control (DWMPC), as well as BOCRA.

The National Strategy for E-Waste aims to provide a framework for the sustainable management of e-waste in the country and to help build synergies among the various actors to address challenges of e-waste.

The workshop benefitted from the contribution of various local and international presentations including the ITU, DWMPC, E-waste Recycling Authority of South Africa, Business Botswana, and many other private sector entities that deal with e-waste.

REVIEWS

Regional and International Engagements (Continued)

World Telecommunication Development Conference (WTDC)



Botswana took part in the World Telecommunication Development Conference (WTDC-21) held in Kigali, Rwanda, in June 2022. The conference theme was 'Connecting the unconnected to achieve sustainable development'.

The WTDC is a quadrennial conference held under the auspices of the ITU to consider topics, projects, and programmes relevant to the development of telecommunications/ICTs globally. The WTDC sets out the strategies and objectives for the development of telecommunication/ICT and providing future direction and guidance to the ITU Telecommunication Development Sector (ITU-D).

The conference consisted of three main events which were the Generation Connect Global Youth Summit, Partner2Connect Digital Development Roundtable, and the main WTDC plenary meetings characterised by study group reports and committee presentations.

The WTDC delegates considered numerous regional as well as individual member states proposals. It produced the Kigali Action Plan which is underpinned by four thematic areas of Connectivity, Digital Transformation, Enabling Environment, and Resource Mobilisation and International Cooperation. Broadly, the four thematic areas speak to issues of infrastructure and service, enabling environment, and application. These areas are key to realising meaningful connectivity. The Kigali Action Plan will be incorporated into the ITU Strategic Plan for the period 2024-2027.

ITU Plenipotentiary Conference (PP-22)



Botswana took part in the 21st Plenipotentiary Conference (PP-22) of the ITU held in Bucharest, Romania, in September/October 2022. The Plenipotentiary Conference is the highest decision-making body of the Union that is held every four years to decide the future role of the organization by:

- Setting the Union's general policies, comprising, among others, the Convention, Constitution, and Agreements.
- Adopting four-year strategic and financial plans.
- Electing the senior management team of the organization.
- Electing the 48 Member States of the ITU Council; and
- Electing 12 members of the Radio Regulations Board.

Botswana, through Minister Segokgo, delivered a three-minute policy statement to the conference, highlighting the progress that Botswana's ICT sector has made, and further pledging Botswana's commitment towards achieving universal digital connectivity.

The three-week long conference approved the ITU Strategic Plan and related budget for the 2024-2027 period. It also elected new executive leaders of the Union, led, for the first time in the history of the Union, by a woman as the Secretary General.

More importantly, the conference discussed and approved several proposals submitted by regional groupings of the ITU in line with the objectives of the Union regarding Universal Connectivity and Sustainable Digital Transformation.

Ultimately, the conference produced the Final Acts, which are a compilation of decisions, resolutions, and recommendations repealed, adopted, or revised by the conference and signed by all delegates duly authorised through their credentials.

World Summit on the Information Society (WSIS)



Botswana participated in the World Summit on the Information Society Forum 2023 (WSIS-23) held in Geneva, Switzerland, in March 2023 under the theme 'WSIS Action Lines for building back better and accelerating the achievement of the SDGs'.

The annual WSIS forum is a global multistakeholder platform that facilitates the implementation of the WSIS Action Lines for advancing sustainable development. It is organised by the ITU in collaboration with several other agencies of the United Nations. It provides the opportunity for information exchange, knowledge creation, and the sharing of best practices in the implementation of the WSIS Action Lines.

During the Summit, the ITU crowned Botswana as a Champion of the WSIS, in recognition of BOCRA's Connect an Employee Initiative in advancing e-Employment through ICT Applications.

The initiative that started in 2014 has the objective to marshal the public and private sector to provide internet connectivity to their employees to ensure universal access to ICTs and internet services for all. It encourages employers to provide ICTs and subsidise residential broadband internet for their employees. Several public and private sector entities embraced the Connect an Employee initiative, a move that paid dividends during COVID-19 as it enabled employers to implement working from home policies to keep their businesses operational during lockdowns.

The initiative was nominated under the ICT Applications Action Line which aims to encourage countries to ensure the implementation of e-Applications to benefit all aspects of life, including disaster recovery, sustainable production and consumption, teleworking, transparency, etc. A total of 20 projects were put for voting under the e-Employment category. Botswana made it to the top five alongside Algeria, Azerbaijan, United Arab Emirates, and the United Republic of Tanzania, before it was eventually crowned the champion.

Consumer Education.

BOCRA also took part in the Business Botswana forum and the Hospitality and Tourism Association of Botswana (HATAB) conference, where BOCRA met with other stakeholders to conduct promotional or educational/awareness activities. During the HATAB forum, BOCRA took advantage of the event to conduct a series of consumer education activities in schools in Kasane and Kachikau villages, where it made presentations on the BOCRA mandate and other related functions such as the UASF.

Exhibition/Education Campaigns

In pursuit of its consumer education mandate, BOCRA participated in various events and exhibitions, including Botswana Consumer Fair, Ghanzi Agric Show, Business Botswana Fair, Makgadikgadi Epic, and Botswana University International of Science and Technology (BUIST) graduation ceremony.

BOCRA took advantage of the crowd pulling characteristics of these events to advance its public outreach programme. In addition to Ghanzi Agric Fair, BOCRA conducted public awareness campaigns in schools within Ghanzi area. The schools included Tshimologo Junior Secondary Schools (Kalkfontein), Itekeng Junior Secondary School (Tsootsha), and Ghanzi Brigade (Ghanzi).

The outreach programme addressed an array of issues of consumer interest including internet issues, data usage concerns, cybersecurity, UASF, broadcasting coverage issues, etc. Feedback obtained from consumers mentioned the quality of their experiences with communications services.

Corporate Social Investment (CSI)

BOCRA continued to implement its Corporate Social Investment initiatives by identifying and assisting the less privileged members and entities of the society in line with their needs, but with a deliberate intention to facilitate the uptake of ICTs. During the period under review, BOCRA sponsored the following:

Kweneng Dikgotla Connectivity

BOCRA completed the project to provide equipment and internet connectivity to 12 dikgotla in the Kweneng District. These 12 consist of Motokwe, Takatokwane, Ditshegwane, Moshaweng, Lentsweletau, Salajwe, Khudumelapye, Mantshwabisi, Hatsalatladi, Sojwe, and Mankodi tribal admin offices and Bakwena Tribal Authority (Molepolole). Out of the 12 dikgotla, 11 each received three desktop

computers and a 3-in-1 printer, while the main kgotla in Molepolole received five computers and a 3-in-1 printer. The equipment was complemented with Internet connectivity installed by BoFiNet.

The gesture had the intention to help bring tribal administrations on board the digital economy band wagon.

Komatsu-AM600 Cycling Challenge

BOCRA took part in the Komatsu-AM600 Cycling Challenge which was a three-day round trip by bicycle from Jwaneng to Mahalapye. BOCRA's participation in the challenge served two objectives: On the one hand, it served to advance BOCRA's CSI ideals in that it was a charity event that raised money to help underprivileged communities. On the other hand, it offered BOCRA cyclists the opportunity to engage in the challenge both for their physical fitness and sporting passion. Above all, it was an opportunity for BOCRA to gain brand visibility mileage.

BOCRA contributed P150,000.00 towards its participation. The monies collected went towards upgrading health and boarding school facilities, supporting a local soap manufacturing initiative, and providing sanitary towels for women and girls within the Jwaneng locale.

Christmas Party - Special Education Unit

In line with the National Vision pillar relating to human social development, BOCRA held a Christmas party for Bonewamang Primary School's Special Education Unit in Molepolole. The party was BOCRA's way of being socially inclusive by considering the spiritual wellbeing of the children of Bonewang during the festive period of love and giving. As part of the Christmas party gifts, BOCRA donated toiletries to the children.

Donation of ICTs

Other donations made by BOCRA during the reporting period included one photocopier to Pallaroad CJSS, one photocopier and 3 laptops to Moselewapula CJSS, the refurbishment of the computer classroom and ICT equipment at Struizendam Primary School, as well as the installation of smartboards for Molefe and Ditshegwane Primary Schools, and the training of teachers on their use.

REVIEWS

Corporate Social Investment (Continued)

Table 18: Beneficiaries of BOCRA Donations

Organisation	Sponsorship	Amount (BWP)
Rutwang CJSS, Tonota	Heavy Duty photocopier	90, 000.00
Itekeng Botswana Disabilities Foundation (a rehab centre)	1 laptop, 1 Projector and Projector Flip Stand and Public Address System	18,457.88
Albinism Society of Botswana	Fundraising Fashion Show Gala Dinner	5,000.00
Conversations with Africa/ Tshimologo Association	Pan African Women's' forum (Women in trade workshop)	75,000.00
University of Botswana Foundation	UB Foundation Gala dinner	55,000.00
Botswana Institute of Chartered Accountants (BICA)	BICA biennial conference fundraising dinner	P15,000.00
Mater Spei College	Heavy Duty photocopier	90,000.00
Masiela Trust Fund	Tickets for fundraising dinner	10,000.00
Nlapkhwane VDC	4 bus shelters	200,970
SOS Botswana Children's Village	Tickets for Fundraising dinner	10,000.00
Special Olympics		84,000.00
MCKT	Retreat	114,920.00
Ministry of Trade	Dinner	100,000.00
Kgari Sechele, Mahupu, Mogoditshane	3 Photocopiers	330,000.00
Materspei College and Rutang CJSS	2 Photocopiers	220,000.00
Mokatako, P/Molopo, Molete	3 Photocopiers	330,000.00
Nlaphwane VDC	Bus Shelters	178,000.00
Moselewapula	1 Photocopier and 3 Laptops	
Struizendam	Boot Camp	20,000.00



Human Capital Management.

BOCRA's Human Capital strategy is driven by two (2) key strategic objectives, namely:

- Improve Performance Management
- Improve Employee Engagement

In pursuit of strategic human capital objectives, the organisation's engagement level stood at 69%, which is above the African Region (61.2%) and global engagement index (65%) as measured in 2022.

To attain its human capital strategic goals, BOCRA has created a conducive environment to attract and retain a high-performing and engaged human resources. It is through the Human Capital Strategy that talent is sourced, developed, promoted, and retained to optimise the organisation's ability to realise positive business outcomes in the face of rapidly changing competitive landscapes and workforce requirements. Talent management and succession planning at BOCRA is ongoing to strengthen and build organisational capability and capacity to deliver on the Authority's mandate and strategic goals. Employee engagement initiatives are also in place to promote a high-performance culture.



Staff Complement

As at end of March 2023, the staff complement stood at 99, with 48 males and 51 females, representing a 48:52 percent gender ratio. This demonstrates a gender balance at BOCRA, which is also slightly skewed towards females, even though BOCRA is operating in a male dominated sector.

Table 19: Staff Complement from April 2022–March 2023

Staff Complement	Number
Staff in Post as at April 2022	98
Staff Recruited	6
Staff Retired & Exited	5
Total as at March 2023	99

Qualification Staff Distribution

Table 20: staff qualification by gender

Gender	Qualifications		
	Masters	Degree	Other
Female	22	16	13
Male	19	17	12
Total	41	33	25

Table 20 indicates that BOCRA has a highly educated and trained workforce. 75% of the employees have obtained a combination of first degree and master's degree qualifications, while 25% of the employees possess other qualifications.

Table 21: Staff Categories by Gender and Position

Gender	Staff Category			
	Executive	Middle Management	Snr/ Professionals	General Staff
Female	5	9	26	11
Male	8	9	21	10
Total	13	18	47	21

Table 21 depicts that BOCRA has a majority of its employees in the professional-specialist area in keeping with its profile as a knowledge-based organisation.

REVIEWS

Human Capital Management (Continued)

Table 22: 2022/23 Staff Promotions

Names	Department	Promoted To
Mr. Seepelo Malefho	Information Technology	Head of Information Technology
Ms. Binang Moatshe	Finance	Manager, Finance
Ms. Helenah Keseabetswe	Corporate Services	Human Resource Business Partner
Ms. Kaone Kelebopile	Business Development	Senior Officer, Business Development
Mr. Mothusi Matlhodi	Broadcasting and Corporate Communications	Senior Officer, Corporate Communications

Training and Development & Organisational Capital

In line with its Training and Development Policy, BOCRA continued to invest in the development of its employees. Training and Development is based on 70% of training done on the job, 20% through coaching and mentorship, and learning from others, and 10% being classroom learning. The policy provides a robust framework for a well-rounded learning and development strategy. The Authority also encourages staff to take responsibility of their training, and this is supported through Self Development where, upon completion, employees are refunded.

During the reporting period, the following trainings were conducted:

- Four (4) employees completed Masters program and one (1) employee completed a Diploma program.
- Eighteen employees (18) attended Customer Service training.
- Ten (10) employees attended Professional Business writing.
- Twelve (12) employees attended the 5th Annual Strategic Human Resource Conference
- Fourteen (14) employees attended the Career Elevation Summit.
- Seven (7) employees attended Mental Health First Response.
- Ten (10) employees completed Diploma in Telecommunication and Management (DTMS) training.
- Thirteen (13) employees attended Leading for Impact - Masterclass for Regulators training.

Induction of UASF IT Officers

BOCRA, in collaboration with the Ministry of Basic Education, conducted an induction of 95 IT Officers engaged to provide digital literacy and operational maintenance to internet and ICT equipment in primary schools in the Kweneng District. The induction followed the implementation of mobile network upgrades and internet connectivity in the district through the UASF. Following the induction, the IT Officers were deployed to their duty stations.

Safety, Health, and Environment (SHE)

Following the development of a Safety, Health, and Environment (SHE) program, there were some initiatives regarding safety, such as the introduction of reverse parking, the appointment of SHE representatives and their deployment in respective areas, the deployment of safety tool kits in designated areas, the labelling of safety areas, and the adoption of safety moment as a standard agenda item in all BOCRA meetings.

Wellness Activities

In a bid to promote and maintain a healthy workforce, BOCRA encourages and supports staff to maintain good physical and mental wellbeing. Hence, for the reporting period, BOCRA staff participated in large numbers in sporting events including Boitekanelo College 15 KM Marathon, Diacore Gaborone Marathon, Orange Phikwe Marathon, BDF Athletics Club Mogoditshane Half Marathon, Inaugural UB Marathon, and FNB Kazungula Bridge Marathon. In addition, staff engaged in the annual BOCRA-Lesotho Communications Authority games.

Three members of the BOCRA family, comprising two members of the Executive Team and a UASF Trustee, took part in the oldest and longest South Africa Comrades Marathon.

Participation in these sporting activities not only help to keep staff healthy, but also encourages team building and camaraderie among staff, which contributes to improved performance.

BOCRA 2022 Corporate Awards

In line with its reward policy, BOCRA hosted the 2021 Corporate Awards as part of its efforts to recognize and encourage a high performance culture. The Corporate Awards rewarded loyalty and recognized outstanding achievers under the following categories:

- Employee of the year award
- Employee of the Quarter Award'
- Living the Corporate Values of BOCRA
- Department of year Award
- Most Improved Department Award
- Project Team of The Year Award
- Chief Executive Award
- Loyalty Long Service Awards





Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

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General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	The Authority is a body corporate, established under the Communications Regulatory Act, 2012 for the regulation of communications sector in Botswana comprising telecommunications, internet and information and communications technologies, radio communications, broadcasting, postal services and related matters.
Members of the Board	Mr. Tefo Modise Setlhare (Chairperson) - appointed 1 July 2023 Ms. Senwelo Modise - appointed 1 August 2023 Dr. Bokamoso Basutli - appointed 1 September 2023 Ms. Mpho Motlhabane - appointed 1 September 2023 Dr. Mokaedi Monnane Monnane - appointed 1 September 2023 Ms. Tsaone. R. Thebe (Chairperson) - retired 31 January 2023 Prof. Joseph Chuma (Vice Chairperson) - retired 31 August 2023 Mr. Galeboe Mmelesi - retired 31 August 2023 Dr. Gape Kaboyakgosi - retired 31 August 2023 Mrs. Tsholofelo Bogosi - retired 31 January 2023, re-appointed 1 August 2023 Ms. Kago Mmolawa - retired 31 January 2023, re-appointed 1 August 2023 (Vice Chairperson) Mr. Martin Mokgware - Chief Executive (ex-officio)
Registered office	Lot 50671 Independence Avenue Extension 5 Gaborone Botswana
Postal address	Private Bag 00495 Gaborone Botswana
Bankers	First National Bank of Botswana Limited Absa Bank Botswana Limited Standard Chartered Bank Botswana Limited Bank of Baroda (Botswana) Limited Stanbic Bank of Botswana Limited Vunani Fund Managers
Auditors	PricewaterhouseCoopers
Secretary	Ms. Joyce W. Isa-Molwane
Chief Executive	Mr. Martin Mokgware
Functional Currency	Botswana Pula ('P') and is rounded to the nearest Pula

Board Members' report

The Members of the Board have pleasure in submitting their report.

1. Review of activities

The Authority is a body corporate, established under the Communications Regulatory Authority Act, 2012 for the regulation of communications sector in Botswana comprising telecommunication, internet and information and communications technologies, radio communications, postal services and related matters.

The operating results and state of affairs of the Group and Authority are fully set out in the attached annual financial statements and do not in our opinion require any further comment. Net deficit of the Group was P24,297,566 (2022: surplus P38,660,938) and net surplus for Authority was P22,723,389 (2022: P29,327,367).

2. Accounting policies

The accounting policies of the Group and Authority are consistent with the previous year.

3. Members interest in contracts

None of the Members or Officers of the Authority had any interest in any contract during the financial year.

4. Members

The Board members of the Authority during the year and to the date of this report are as follows:

Mr. Tefo Modise Setlhare - appointed 1 July 2023
Ms. Senwelo Modise - appointed 1 August 2023
Dr. Bokamoso Basutli - appointed 1 September 2023
Ms. Mpho Motlhabane - appointed 1 September 2023
Dr. Mokaedi Monnane Monnane - appointed 1 September 2023
Ms. Tsaone Thebe - retired 31 January 2023
Prof. Joseph Chuma - retired 31 August 2023
Mr. Galeboe Mmelesi - retired 31 August 2023
Dr. Gape Kaboyakgosi - retired 31 August 2023
Mrs. Tsholofelo Bogosi - retired 31 January 2023, re-appointed 1 August 2023
Ms. Kago Mmolawa - retired 31 January 2023, re-appointed 1 August 2023
Mr. Martin Mokgware - Chief Executive (ex-officio)

5. Secretary

Ms. Joyce W. Isa-Molwane

Board Members' Responsibilities and Approval

The Members are required in terms of the Communications Regulatory Authority Act, 2012 to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated and Separate Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Consolidated and Separate Annual Financial Statements give a true and fair view of the state of affairs of the Group and Authority as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The Consolidated and Separate Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Members acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Members are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Members have reviewed the Group and Authority's cash flow forecast for the year to 31 March 2025 and, in the light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

The Annual Financial Statements set out on pages 81 to 111 and the supplementary information disclosed on pages 112 and 113 which have been prepared on the going concern basis, were approved and authorised for issue by Board Members on 27 October 2023 and were signed on its behalf by:



Tefo Modise Setlhare
Chairperson



Martin Mokgware
Chief Executive

Gaborone

Independent auditor's report

To the Minister of Transport and Communications

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Communications Regulatory Authority (the "Authority") and its subsidiary (together the "Group") as at 31 March 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Botswana Communications Regulatory Authority's consolidated and separate financial statements set out on pages 81 to 111 which comprise:

- the consolidated and separate statement of financial position as at 31 March 2023;
- the consolidated and separate statement of comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Botswana.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report in respect of these financial statements.

Other information

The board members are responsible for the other information. The other information comprises the information included in the document titled "Botswana Communications Regulatory Authority Consolidated and Separate Annual Financial Statements for the year ended 31 March 2023". The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the board members for the consolidated and separate financial statements

The board members are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the board members determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the board members are responsible for assessing the Group's and the Authority'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 board members either intend to liquidate the Group and/or the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 Group's or the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the board members' 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 Group's or the Authority'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 Group or the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In accordance with section 26 (3) of Communications Regulatory Authority Act, 2012 we confirm that:

- We have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the performance of our duties as auditors;
- In our opinion the accounts and related records of the Authority have been properly maintained;
- The Authority has complied with the financial provisions of the Communications Regulatory Act, 2012; and
- The financial statements prepared by the Authority were consistent with that of the previous year.



PricewaterhouseCoopers
Firm of Certified Auditors
Practicing member: Ichho Molebatsi (Cap 0041 2023)

01 November 2023
Gaborone

Consolidated and Separate Statements of Financial Position

As at 31 March 2023

	Note	Group		Authority	
		2023 P	2022 P	2023 P	2022 P
Assets					
Non Current Assets					
Investment property	3	8,340,000	14,100,000	8,340,000	14,100,000
Property, plant and equipment	4	101,576,021	100,887,987	99,708,841	100,396,778
		109,916,021	114,987,987	108,048,841	114,496,778
Current Assets					
Tax receivable		1,728,624	156,132	1,728,624	156,132
Trade and other receivables	6	85,892,836	69,391,285	43,619,553	50,347,361
Cash and cash equivalents	7	493,959,483	747,242,803	231,649,754	222,939,343
		581,580,943	816,790,220	276,997,931	273,442,836
Total Assets		691,496,964	931,778,207	385,046,772	387,939,614
Equity and Liabilities					
Equity					
Accumulated surplus		611,682,632	629,376,220	332,228,026	332,228,026
Universal Access and Service Fund	9	22,723,389	29,327,367	-	-
		634,406,021	658,703,587	332,228,026	332,228,026
Liabilities					
Non-current Liabilities					
Deferred tax liability	8	4,663,272	4,178,537	4,663,272	4,178,537
		4,663,272	4,178,537	4,663,272	4,178,537
Current Liabilities					
Trade and other payables	10	52,427,671	268,896,083	25,432,085	22,205,684
Universal Access and Service Fund Trust	9	-	-	22,723,389	29,327,367
		52,427,671	268,896,083	48,155,474	51,533,051
Total Equity and Liabilities		691,496,964	931,778,207	385,046,772	387,939,614

Consolidated and Separate Statements of Comprehensive Income

For The Year Ended 31 March 2023

	Note	Group		Authority	
		2023 P	2022 P	2023 P	2022 P
Revenue	12	216,912,902	185,855,719	172,035,534	141,775,120
Other income	13	1,644,076	2,333,840	1,438,399	2,111,427
Operating expenses	14	(259,135,370)	(165,319,074)	(151,858,843)	(118,580,533)
Net impairment losses on financial assets		(138,773)	(6,463)	(46,236)	(341,790)
(Deficit) / surplus for the year before finance income	15	(40,717,165)	22,864,023	21,568,854	24,964,224
Finance income	16	28,427,003	19,984,930	13,161,939	8,551,158
Fair value adjustments	3	(5,760,000)	4,000,000	(5,760,000)	4,000,000
(Deficit) / surplus for the year before tax		(18,050,162)	46,848,953	28,970,793	37,515,382
Taxation	17	(6,247,404)	(8,188,015)	(6,247,404)	(8,188,015)
(Deficit) / surplus for the year		(24,297,566)	38,660,938	22,723,389	29,327,367
Other comprehensive income		-	-	-	-
Total comprehensive (loss) / income for the year		(24,297,566)	38,660,938	22,723,389	29,327,367

Consolidated and Separate Statements of Cash Flows

For The Year Ended 31 March 2023

Note	Group		Authority		
	2023 P	2022 P	2023 P	2022 P	
Cash flows from operating activities					
Cash generated from operations	19	(258,966,744)	253,871,882	46,019,058	26,962,534
Tax paid		(7,335,161)	(6,765,607)	(7,335,161)	(6,765,607)
Net cash (used in) / generated from operating activities		(266,301,905)	247,106,275	38,683,897	20,196,927
Cash flows from investing activities					
Interest received	16	28,427,003	19,984,930	13,161,939	8,551,158
Purchase of property, plant and equipment	4	(15,913,302)	(3,865,570)	(14,110,205)	(3,306,739)
Sale of property, plant and equipment		504,884	389,068	302,147	389,068
Net cash generated from / (used in) investing activities		13,018,585	16,508,428	(646,119)	5,633,487
Cash flows from financing activities					
Amount paid to Universal Access and Service Fund Trust		-	-	(29,327,367)	(17,456,059)
Net cash used in financing activities		-	-	(29,327,367)	(17,456,059)
Total cash and cash equivalents movement for the year		(253,283,320)	263,614,703	8,710,411	8,374,355
Cash and cash equivalents at beginning of the year		747,242,803	483,628,100	222,939,343	214,564,988
Total cash and cash equivalent at end of year	7	493,959,483	747,242,803	231,649,754	222,939,343

Consolidated and Separate Statements of Changes in Equity

For The Year Ended 31 March 2023

	Accumulated Surplus P	Total Equity P
Authority		
Balance at 01 April 2021	322,228,026	322,228,026
Surplus for the year	29,327,367	29,327,367
Other comprehensive income for the year	-	-
Total comprehensive income for the year	29,327,367	29,327,367
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(29,327,367)	(29,327,367)
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	10,000,000	10,000,000
Total transactions with owners	(19,327,367)	(19,327,367)
Balance as at 31 March 2022	332,228,026	332,228,026
Authority		
Balance at 01 April 2022	332,228,026	332,228,026
Surplus for the year	22,723,389	22,723,389
Other comprehensive income for the year	-	-
Total comprehensive income for the year	22,723,389	22,723,389
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(22,723,389)	(22,723,389)
Total transactions with owners	(22,723,389)	(22,723,389)
Balance as at 31 March 2023	332,228,026	332,228,026

Consolidated and Separate Statements of Changes in Equity (continued)

For The Year Ended 31 March 2023

	Surplus allocated towards Universal Access and Service Fund	Total Reserves	Accumulated Surplus	Total Equity
	P	P	P	P
Group				
Balance as at 01 April 2021	27,456,059	27,456,059	592,586,590	620,042,649
Surplus for the year	-	-	38,660,938	38,660,938
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	38,660,938	38,660,938
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(17,456,059)	(17,456,059)	17,456,059	-
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	(10,000,000)	(10,000,000)	10,000,000	-
Transferred from accumulated surplus	29,327,367	29,327,367	(29,327,367)	-
Total transactions with owners	1,871,308	1,871,308	(1,871,308)	-
Balance as at 31 March 2022	29,327,367	29,327,367	629,376,220	658,703,587
Note(s)	9			
Group				
Balance at 01 April 2022	29,327,367	29,327,367	629,376,220	658,703,587
Deficit for the year	-	-	(24,297,566)	(24,297,566)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(24,297,566)	(24,297,566)
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(29,327,367)	(29,327,367)	29,327,367	-
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	-	-	-	-
Transfer from accumulated surplus	22,723,389	22,723,389	(22,723,389)	-
Total transactions with owners	(6,603,978)	(6,603,978)	6,603,978	-
Balance as at 31 March 2023	22,723,389	22,723,389	611,682,632	634,406,021
Note(s)	9			

Accounting Policies

For The Year Ended 31 March 2023

General information

The Authority is a body corporate, established under the Communications Regulatory Authority Act, 2012. The address of the Authority's registered office is at Lot 50671, Independence Avenue, Extension 5, Gaborone, Botswana. The main activities of the Authority is to regulate the communications sector in Botswana comprising telecommunications, internet and information and communications technologies, radio communications, broadcasting, postal services and related matters.

The Consolidated and Separate Annual Financial Statements set out on pages 81 to 111 have been approved and authorised for issue by the Board Members on 27 October 2023.

1. Presentation of Annual Financial Statements

The Group and Authority annual financial statements have been prepared in accordance with, and in compliance with International Financial Reporting Standards. The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. They are presented in Botswana Pula.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Consolidation of Universal Access and Service Fund Trust

In terms of the section 29 of the Communications Regulatory Authority Act, 2012 the Authority established and registered the Universal Access and Service Fund Trust on 4 April 2014.

The Trust is established with the aim of implementation of universal access and service provision and for the administration of the Universal Access Service Fund (the "Fund") of the Authority.

The following factors were considered for consolidating the Trust in terms of IFRS 10:

- The Board of Trustees of the Trust are appointed by the Board of the Authority, in consultation with the Minister;
- The Authority issues general or specific policy directions, directives and guidelines relating to the management of the Fund;
- The Authority imposes and collects levies on behalf of the Trust; and
- The Authority administers the Trust for the functions and management of the Fund.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's historical loss experiences, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group assesses its trade receivables and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables and other receivables except major operators which are assessed individually, is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

The key assumptions used in estimating the expected credit loss are as follows:

- The probability of default calculated based on historical loss pattern will continue to be appropriate for future periods;
- That all receivables included in the portfolio assessment that are more than 90 days past due are not recoverable; and
- That the movement in the forecast in GDP has a direct impact on the collectability of trade receivables.

In determining the probability of default a 24-month period has been considered, meaning that the payment, loss and recovery patterns of receivables over the past 24 months have been considered.

Management believes that changes in GDP has a direct impact on the collectability of receivables, even though sufficiently detailed data is not available to fully substantiate a strong correlation. In the absence of such detailed data. Management has used the percentage change in forecast GDP as a factor to adjust the estimated impairment as this is the most reliable information available. This is a significant management judgement which may have material impact on the estimated provision for impairment.

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets (continued)

Note 6 to the financial statements discloses information on loss allowances estimated on the lifetime expected credit loss model.

Management considered a 1% change in the GDP factor (with all other variables being equal) and found the impact thereof to be immaterial.

Significant assumptions used in the estimation of loss allowances of individually assessed receivables are as follows:

- Where the counter-party is another Government entity, it is assumed that the loss given default is minimal. This is based on the Government's international credit rating standing which presently stands at A3 (Moody's definition: Judged to be upper medium grade and are subject to low credit risk).

Measurement and recognition of expected credit losses

The Group applies the simplified approach and measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables that possess shared credit risk characteristics except for large Operators. The Group individually assess exposure to credit risk of each of these entities. Details of the provision matrix is presented in note 6.

The main source of revenue for the Group; being the fees paid by licensed communications operators, with the bulk of it derived from the telecommunications sector, is not expected to go down since this sector has seen an upward effect during the pandemic because of increased use of broadband services. Accordingly, Management have not factored the impact of Covid-19 to the impairment model.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account.

Write-Off Policy

The Authority writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the balance sheet date could be impacted.

1.2 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities such as the Universal Access and Service Fund Trust) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Accounting Policies (continued)

For The Year Ended 31 March 2023

1.2 Consolidation (continued)

Subsidiaries (continued)

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the statement of comprehensive income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 either in statement of comprehensive income or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transactions eliminated on consolidation

Inter-Group transactions, balances and unrealised gains on transactions between Group entities are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. The accounting policies for subsidiaries are consistent with the policies adopted by the Group.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Group, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

1.4 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the Group; and
- the cost of the item can be measured reliably.

Land and capital work in progress are not depreciated and all other property, plant and equipment is initially measured at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. Depreciation of the asset commences when the asset is available for use as intended by management.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Not depreciated
Buildings	50 years
Furniture and fixtures	6-7 years
Motor vehicles	4 years
Office equipment	4 years
IT equipment	2 years
Technical equipment	2-25 years

1.4 Property, plant and equipment (continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in the statement of comprehensive income unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of comprehensive income when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.5 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial instruments.

Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost
- Fair value through other comprehensive income

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial liabilities

- Amortised cost

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

Impairment of financial assets has been disclosed under note 1.1.

Trade and Other payables

Classification

Trade and other payables, excluding, VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Accounting Policies (continued)

For The Year Ended 31 March 2023

1.5 Financial instruments (continued)

Trade and Other payables (continued)

Recognition and measurement

Trade and other payables are recognized when the Group becomes a party to the contractual provisions, and are measured at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 23 for details of risk exposure and management thereof.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments maturing within three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are stated at carrying amount which are recognised at fair value and subsequently measured at amortised cost.

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period.

Offsetting tax assets and liabilities

Deferred tax assets and liabilities are off-set and the net amount reported in the statement of net assets available for benefits when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.7 Leases

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term. The difference between the amounts recognised as income and contractual receipts is recognised as an operating lease asset.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. Income for leases is disclosed under other income in the statement of comprehensive income.

1.8 Impairment of assets

Management assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in the statement of comprehensive income.

Management assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical aid), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The Group operates a defined contribution pension fund for its permanent citizen employees. The fund is registered under the Pension and Provident Fund Act (Cap 27:03). Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

1.10 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation.

The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21.

Accounting Policies (continued)

For The Year Ended 31 March 2023

1.11 Revenue from contracts with customers

The Group's revenues are earned mainly from the following sources:

- Turnover related fees/Universal Access and Service (UASF) levy;
- System and Services License fees;
- Radio Licence fees;
- Type approval fees;
- Domain name fees.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Turnover fees / Universal Access and Service Fund levy

The Group generates revenue from turnover-based fees and UASF levy that charges the telecommunications, broadcasting and postal service operators of Botswana as agreed in the contract.

The turnover fees and UASF levy are charged at a fixed percentage on monthly statistical information provided by the operator. The operators certify the information provided and subsequently provide turnover certificates from their auditors on an annual basis.

For certain months where monthly information is not received, the management recognises revenue based on the average of the turnover provided for the immediate preceding 2 months. This is subsequently adjusted with the certified information provided by the auditors of operators for the year. Revenue is recognised at a point in time. The fees are payable 30 days after invoice is raised.

System and Services Licence Fees

System and service license fees are fees earned from licence issued to the operators based on the terms of the contract and within the provision of the CRA Act. These licenses are functional in nature and right of use licence; hence, revenue is recognised at the point in time. The Authority recognises revenue when the control of the licence is transferred to the user as per the terms of the contract. The fees are fixed as per the contract and there are no separate performance obligations identified. The fees are payable 30 days after invoice is raised.

Radio Licence Fees

These are fees charged to users of radio who are assigned certain frequencies that they can use within the appropriate allocations so that the spectrum is used efficiently and without interference between users. These licenses are functional in nature and right of use licence, where revenue is recognised at the point in time. The Authority recognises revenue based on the licence issued for the number of radios used by the users and spectrum issued and they are normally for a period of one year. The fees are fixed as per the contract and there are no separate performance obligations identified. The fees are payable 30 days after invoice is raised.

Type Approval Fees

These are fees charged to customers for the approval of communications equipment intended to be connected, used, or operated to provide broadcasting or telecommunications services in Botswana. The fees are payable in advance and are non-refundable. Revenue is recognised when the application fee is received.

Domain Name Fees

Domain name fees are amounts charged for registration of .bw domain names. The fees are payable in advance and are non-refundable. Revenue is recognised on registration of domain name.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

1.12 Related party transactions

Related parties comprise the Government of Botswana, joint ventures, Government departments, members of the Executive Management Committee and members of the Board. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether or not a price is charged.

1.13 Translation of foreign currencies

Foreign currency transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The financial statements are presented in Botswana Pula, which is the measurement currency of the entity.

Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such monetary assets and liabilities are translated at the exchange rates prevailing at the year end.

2. Basis of preparation

The annual financial statements have been prepared in accordance with, and in compliance with International Financial Reporting Standards (IFRS) on a basis consistent with prior year.

New standards and interpretations

a) Standards, amendments and interpretations relevant to the Group and Authority and not effective for 31 March 2023 year end

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 April 2022 or later periods:

Amendment to IAS 1 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current (effective on or after 1 January 2023).

The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

Narrow scope amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective on or after 1 January 2023).

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

b) Standards, amendments and interpretations relevant to the Group and Authority and effective for the first time for 31 March 2023 year end.

The application dates for the Group were at the beginning of the financial year on 1 April 2022.

Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use (effective on or after 1 January 2022).

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.

The impact of the amendment is not material on the Group's consolidated and separate financial statements.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract (effective on or after 1 January 2022).

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract. The impact of the amendment is not material on the Group's consolidated and separate financial statements.

Accounting Policies (continued)

For The Year Ended 31 March 2023

2. Basis of preparation (continued)

b) Standards, amendments and interpretations relevant to the Group and Authority and effective for the first time for 31 March 2023 year end. (continued)

Annual improvements cycle 2018 –2020 (effective on or after 1 January 2022)

These amendments include minor changes to:

- IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. There is no impact of the amendment on the Group's consolidated and separate financial statements.
- IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of the 10% test for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. The impact of the amendment is not material on the Group's consolidated and separate financial statements.
- IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. The impact of the amendment is not material on the Group's consolidated and separate financial statements.
- IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value. There is no impact of the amendment on the Group's consolidated and separate financial statements.

c) Standards, amendments and interpretations not relevant to the Group and Authority and not effective for 31 March 2023 year end.

IFRS 17, 'Insurance contracts' (effective on or after 1 January 2023).

The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.

Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contracts, including those with a coverage period of one year or less.

IFRS 17, 'Insurance contracts' Amendments (effective on or after 1 January 2023).

In response to some of the concerns and challenges raised, the Board developed targeted amendments and several proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.

Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective on or after 1 January 2023).

The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

d) Standards, amendments and interpretations not relevant to the Group and Authority and effective for the first time for 31 March 2023 year end.

Amendment to IFRS 3, 'Business combinations' (effective on or after 1 January 2022).

The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.

In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

3. Investment property

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Investment property				
Valuation	8,340,000	14,100,000	8,340,000	14,100,000
Carrying value	8,340,000	14,100,000	8,340,000	14,100,000
Investment property				
Opening balance	14,100,000	10,100,000	14,100,000	10,100,000
Fair value adjustment	(5,760,000)	4,000,000	(5,760,000)	4,000,000
Closing balance	8,340,000	14,100,000	8,340,000	14,100,000

Group and Authority

Details of valuation

A valuation of the investment properties was performed on 6 June 2023 by an independent professional valuer, Benedict Kgosilentswe Bsc (Hons) MRICS MREIB of Riberry. The valuation is based on International Valuation Standards and was informed by recent market data on similar properties transacted on an arm's length basis.

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Amounts recognised in surplus or deficit for the year				
Rental income from investment property	495,495	495,495	495,495	495,495
Repairs and maintenance of the investment property	(277,903)	(404,847)	(277,903)	(404,847)

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

4. Property, Plant and Equipment

Group	2023			2022		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	P	P	P	P	P	P
Buildings	62,226,597	(15,168,528)	47,058,069	62,226,597	(13,959,325)	48,267,272
Furniture and fixtures	16,698,321	(14,265,739)	2,432,582	16,536,378	(13,518,139)	3,018,239
IT equipment	23,019,806	(13,457,601)	9,562,205	13,976,149	(13,211,400)	764,749
Land	2,135,700	-	2,135,700	2,135,700	-	2,135,700
Motor vehicles	12,320,117	(8,484,063)	3,836,054	11,578,093	(7,118,899)	4,459,194
Office equipment	14,185,425	(13,852,327)	333,098	14,164,918	(13,632,342)	532,576
Technical equipment (ASMS)	154,347,628	(123,409,081)	30,938,547	152,111,681	(113,931,190)	38,180,491
Capital work-in-progress	5,279,766	-	5,279,766	3,529,766	-	3,529,766
Total	290,213,360	(188,637,339)	101,576,021	276,259,282	(175,371,295)	100,887,987
Reconciliation of property, plant and equipment – 2023						
Group	Opening Balance	Additions	Transfers/ Adjustments	Disposals / Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	48,267,272	-	-	-	(1,209,203)	47,058,069
Furniture and fixtures	3,018,239	161,943	-	-	(747,600)	2,432,582
IT equipment	764,749	9,995,097	-	(5,883)	(1,191,758)	9,562,205
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	4,459,194	1,680,457	-	-	(2,303,597)	3,836,054
Office equipment	532,576	20,507	-	-	(219,985)	333,098
Technical equipment (ASMS)	38,180,491	2,305,298	-	-	(9,547,242)	30,938,547
Capital work in progress	3,529,766	1,750,000	-	-	-	5,279,766
Total	100,887,987	15,913,301	-	(5,883)	(15,219,385)	101,576,021
Reconciliation of property, plant and equipment – 2022						
Group	Opening Balance	Additions	Transfers/ Adjustments	Disposals / Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	49,846,137	119,133	(497,366)	-	(1,200,632)	48,267,272
Furniture and fixtures	2,856,463	1,071,192	-	(1,250)	(908,166)	3,018,239
IT equipment	350,125	793,547	-	(4,936)	(373,987)	764,749
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	3,966,377	2,496,993	-	-	(2,004,176)	4,459,194
Office equipment	429,879	337,322	-	-	(234,625)	532,576
Technical equipment (ASMS)	47,705,491	-	-	-	(9,525,000)	38,180,491
Capital work in progress	3,985,017	-	(455,251)	-	-	3,529,766
Total	111,275,189	4,818,187	(952,617)	(6,186)	(14,246,586)	100,887,987

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

4. Property, Plant and Equipment (continued)

Authority	2023			2022		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	P	P	P	P	P	P
Buildings	62,226,597	(15,168,528)	47,058,069	62,226,597	(13,959,325)	48,267,272
Furniture and fixtures	16,698,321	(14,265,739)	2,432,582	16,536,378	(13,518,139)	3,018,239
IT equipment	22,649,347	(13,204,672)	9,444,675	13,728,330	(12,965,813)	762,517
Land	2,135,700	-	2,135,700	2,135,700	-	2,135,700
Motor vehicles	9,490,852	(7,404,448)	2,086,404	9,954,185	(5,983,968)	3,970,217
Office equipment	14,185,425	(13,852,327)	333,098	14,164,918	(13,632,342)	532,576
Technical equipment (ASMS)	154,347,628	(123,409,081)	30,938,547	152,111,681	(113,931,190)	38,180,491
Capital work-in progress	5,279,766	-	5,279,766	3,529,766	-	3,529,766
Total	287,013,636	(172,136,267)	99,708,841	274,387,555	(173,990,777)	100,396,778
Reconciliation of property, plant and equipment - 2023						
Authority	Opening Balance	Additions	Transfers/ Adjustments	Disposals / Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	48,267,272	-	-	-	(1,209,203)	47,058,069
Furniture and fixtures	3,018,239	161,943	-	-	(747,600)	2,432,582
IT equipment	762,517	9,872,457	-	(5,883)	(1,184,416)	9,444,675
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	3,970,217	-	-	-	(1,883,813)	2,086,404
Office equipment	532,576	20,507	-	-	(219,985)	333,098
Technical equipment (ASMS)	38,180,491	2,305,298	-	-	(9,547,242)	30,938,547
Capital work in progress	3,529,766	1,750,000	-	-	-	5,279,766
	100,396,778	14,110,205	-	(5,883)	(14,792,259)	99,708,841
Reconciliation of property, plant and equipment - 2022						
Authority	Opening Balance	Additions	Transfers/ Adjustments	Disposals / Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	49,846,137	119,133	(497,366)	-	(1,200,632)	48,267,272
Furniture and fixtures	2,856,463	1,071,192	-	(1,250)	(908,166)	3,018,239
IT equipment	336,335	793,547	-	(4,936)	(362,429)	762,517
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	3,966,377	1,938,162	-	-	(1,934,322)	3,970,217
Office equipment	429,879	337,322	-	-	(234,625)	532,576
Technical equipment (ASMS)	47,705,491	-	-	-	(9,525,000)	38,180,491
Capital work in progress	3,985,017	-	(455,251)	-	-	3,529,766
	111,261,399	4,259,356	(952,617)	(6,186)	(14,165,174)	100,396,778

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

5. Financial assets by category

Financial assets at amortised cost

Trade and other receivables

Cash and cash equivalents

Group		Authority	
2023	2022	2023	2022
P	P	P	P
81,952,491	66,263,864	39,960,738	47,394,703
493,959,483	747,242,803	231,649,754	222,939,343
575,911,974	813,506,667	271,610,492	270,334,046

The carrying value of the financial assets approximate their fair value due to their short term nature.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

There are no credit ratings available in Botswana. The above banks have reported sound financial results and continued compliance with minimum capital adequacy requirements set by the regulator. None of the financial assets that are fully performing have been renegotiated during the year.

		Group		Authority	
		2023	2022	2023	2022
		P	P	P	P
Trade receivables	Ratings				
	Group 1	-	-	-	-
	Group 2	63,652,371	51,988,103	24,662,127	39,401,062
Receivable from CRASA	Not rated	1,501,475	17,834	1,501,475	17,834
Staff debtors	Not rated	662,152	280,096	662,152	280,096
Cash at bank and short-term deposits	Not rated	493,957,483	747,240,803	231,647,754	222,937,343
Deposits	Not rated	54,007	-	54,007	-
Other receivables	Not rated	8,429,222	10,384,747	7,045,012	8,258,049

Key:

Group 1 = new customers (less than 6 months).

Group 2 = existing customers (more than 6 months) with no default in the past.

6. Trade and other receivables

Trade receivables

Less: Impairment

Trade receivables (net)

Other receivables

Deposits

Staff debtors

Receivable from CRASA

Prepayments

VAT receivable

Less impairment on other receivables

Total other receivables (net)

Total receivables and other receivables (net)

		Group		Authority	
		2023	2022	2023	2022
		P	P	P	P
Trade receivables		72,647,415	59,155,843	31,829,894	42,295,940
Less: Impairment		(3,239,811)	(3,101,037)	(3,029,833)	(2,983,597)
Trade receivables (net)		69,407,604	56,054,806	28,800,061	39,312,343
Other receivables		8,429,222	10,384,747	7,045,012	8,258,049
Deposits		54,007	-	54,007	-
Staff debtors		662,152	280,096	662,152	280,096
Receivable from CRASA		2,559,715	17,834	2,559,715	17,834
Prepayments		3,940,345	3,127,421	3,658,815	2,952,658
VAT receivable		1,313,410	-	1,313,410	-
Less impairment on other receivables		(473,619)	(473,619)	(473,619)	(473,619)
Total other receivables (net)		16,485,232	13,336,479	14,819,492	11,035,018
Total receivables and other receivables (net)		85,892,836	69,391,285	43,619,553	50,347,361

Trade debtors are unsecured and do not attract interest.

Trade receivables which are fully performing

63,652,371	51,988,103	24,662,127	39,401,062
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6. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the Authority to credit risk, being the risk that the Authority will incur financial loss if regulated entities fail to make payments as they fall due.

Management evaluates the credit risk relating to customers on an on-going basis especially on major customers by obtaining their latest financial statements, budgets, etc, and where appropriate, makes adequate provisions for bad and doubtful debts.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Authority measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Trade receivables also include large operators comprising Public Telecommunications Operators (PTOs). The Authority individually assess the exposure to credit risk of each of these entities and measures the loss allowance on these entities based on balances that are outstanding more than 90 days.

The Authority's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit loss is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision has been disclosed in page 100.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

6. Trade and other receivables (continued)

Group

	2023 P	2023 P	2022 P	2022 P
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	63,603,497	34,497	49,219,905	37,087
1-30 days	48,874	4,382	2,768,198	16,930
Fully performing	63,652,371	38,879	51,988,103	54,017
31-60 days	3,839	847	3,802,823	7,667
61-90 days	772,244	49,232	780	261
Past due but not impaired	776,083	50,079	3,803,603	7,928
Over 90 days- impaired	8,218,962	3,150,854	3,364,137	3,039,092
Total	72,647,415	3,239,811	59,155,844	3,101,037

Authority

	2023 P	2023 P	2022 P	2022 P
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	24,613,253	31,499	39,298,585	34,587
1-30 days	48,874	4,382	102,477	16,930
Fully performing	24,662,127	35,881	39,401,062	51,517
31-60 days	3,839	847	23,569	4,346
61-90 days	278,124	6,060	780	261
Past due but not impaired	281,963	6,907	24,349	4,607
Over 90 days- impaired	6,885,804	2,987,045	2,870,528	2,927,473
Total	31,829,894	3,029,833	42,295,940	2,983,597

Movement in the loss allowance for trade receivables

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Opening impairment allowance	3,218,477	3,122,612	2,983,597	2,669,845
Provision for the year	138,773	6,463	46,236	341,790
Reversal during the year	(117,438)	(28,038)	-	(28,038)
	3,239,811	3,101,037	3,029,833	2,983,597

Movement in the loss allowance for other receivables

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Opening impairment allowance	473,619	473,619	473,619	473,619
Reversal / provision for the year	-	-	-	-
	473,619	473,619	473,619	473,619

Trade Receivables: Expected Credit loss Default Rates (%)

Date	Current	1 – 30 Past due	31 – 60 Past due	61 – 90 Past due	Over 90 Past due
31-Mar-22	7.37%	13.06%	18.94%	32.68%	100%
31-Mar-23	6.67%	12.37%	18.37%	28.55%	100%

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

7. Cash and cash equivalents

Cash on hand
Bank balances
Short-term deposits

Group		Authority	
2023	2022	2023	2022
P	P	P	P
2,000	2,000	2,000	2,000
187,666,350	298,892,658	25,356,621	20,667,832
306,291,133	448,348,145	206,291,133	202,269,511
493,959,483	747,242,803	231,649,754	222,939,343

For the purpose of the cash flow statement the year-end cash and cash equivalents comprise of following;

Cash on hand
Bank balances
Short-term deposits

2,000	2,000	2,000	2,000
187,666,350	298,892,658	25,356,621	20,667,832
306,291,133	448,348,145	206,291,133	202,269,511
493,959,483	747,242,803	231,649,754	222,939,343

8. Deferred tax

Deferred tax assets
Deferred tax liabilities

-	421,337	-	421,337
(4,663,272)	(4,599,874)	(4,663,272)	(4,599,874)
(4,663,272)	(4,178,537)	(4,663,272)	(4,178,537)

Movement in deferred taxation

Deferred taxation at beginning of year
Charged to the statements of comprehensive income
Deferred taxation at end of year

(4,178,537)	(2,803,473)	(4,178,537)	(2,803,473)
(484,735)	(1,375,064)	(484,735)	(1,375,064)
(4,663,272)	(4,178,537)	(4,663,272)	(4,178,537)

Broken down as:

Provision for loss allowances
Deferred expenses
Differences in tax and accounting depreciation
Temporary difference on investment property

-	12,347	-	12,347
-	408,990	-	408,990
(5,940,255)	(4,328,011)	(5,940,255)	(4,328,011)
1,276,983	(271,863)	1,276,983	(271,863)
(4,663,272)	(4,178,537)	(4,663,272)	(4,178,537)

Deferred tax liability is expected to be settled after more than 12 months

9. Universal Access and Service Fund

Opening balance
Funds set aside for utilisation in operating activities
Transfer from accumulated surplus
Amount paid during the year to Universal Access and Service Fund Trust
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust
Closing balance

Group		Authority	
2023	2022	2023	2022
P	P	P	P
29,327,367	27,456,059	29,327,367	27,456,059
-	(10,000,000)	-	(10,000,000)
22,723,389	29,327,367	-	-
(29,327,367)	(17,456,059)	(29,327,367)	(17,456,059)
-	-	22,723,389	29,327,367
22,723,390	29,327,367	22,723,389	29,327,367

The Trust was maintained in accordance with the requirements of Section 29(3) of the Communications Regulatory Authority Act (CRA), 2012. The Authority's surplus is transferred to the Trust in line with the CRA Act. This Fund is not distributable and cannot be utilised except for funds approved by Minister under section 29 (4).

Universal Access and Service Fund Trust came in to existence in April 2014 and consolidated for Group reporting purposes. Therefore the surplus has been classified as a liability in the Authority and classified as a reserve at the Group level.

The balance due to Universal Access and Service Fund Trust do not attract interest and do not have fixed payment terms.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

10. Trade and other payables

	Group		Authority	
	2023	2022	2023	2022
	P	P	P	P
Trade payables	82,076	2,067,466	-	2,067,466
VAT payable	-	995,011	-	995,011
Employee related provisions (Note 10.a)	9,994,838	8,179,852	9,994,838	8,179,852
Other accrued expenses	8,992,245	5,565,695	8,992,245	5,565,695
Deposits received	102,447	189,253	102,447	189,253
Prepaid licences	3,809,483	3,817,655	3,809,483	3,817,655
Unidentified deposits	2,275,861	1,320,255	2,275,861	1,320,255
Gratuity	5,131,647	2,543,058	-	-
Leave	1,174,819	577,968	-	-
Other payables	4,941,584	13,527,834	257,211	70,497
Payable to Botswana Government	15,922,671	230,112,036	-	-
	52,427,671	268,896,084	25,432,085	22,205,685

The carrying value of trade and other payables approximate its estimated fair value.

10.a Employee related provisions

2023	Group			Authority		
	Gratuity	Leave	Total	Gratuity	Leave	Total
	P	P	P	P	P	P
Opening balance	486,996	7,692,856	8,179,852	486,996	7,692,856	8,179,852
During the year charge	1,154,054	3,864,989	5,019,043	1,154,054	3,864,989	5,019,043
Payment during the year	(100,998)	(3,103,059)	(3,204,057)	(100,998)	(3,103,059)	(3,204,057)
Closing balance	1,540,052	8,454,786	9,994,838	1,540,052	8,454,786	9,994,838

2022	Group			Authority		
	Gratuity	Leave	Total	Gratuity	Leave	Total
	P	P	P	P	P	P
Opening balance	3,886,207	7,101,569	10,987,776	3,886,207	7,101,569	10,987,776
During the year charge	1,287,869	3,138,106	4,425,975	1,287,869	3,138,106	4,425,975
Payment during the year	(4,687,080)	(2,546,819)	(7,233,899)	(4,687,080)	(2,546,819)	(7,233,899)
Closing balance	486,996	7,692,856	8,179,852	486,996	7,692,856	8,179,852

The gratuity liability is not expected to be paid within the next 12 months. The annual leave accrual is expected to be paid within a year.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

11. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below. The carrying amounts of the financial liabilities in each category are as follows:

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Financial liabilities at amortised cost				
Universal Access and Service Fund Trust	-	-	22,723,389	29,327,367
Trade and other payables	42,432,833	259,721,220	15,437,247	13,030,821
	42,432,833	259,721,220	38,160,636	42,358,188

12. Revenue

Turnover fees - Telecommunications	94,419,652	102,895,472	94,419,652	102,895,472
Turnover fees - Postal	541,069	1,174,133	541,069	1,174,133
Turnover fees - Broadcasting	1,004,191	1,136,167	1,004,191	1,136,167
Radio license fees	61,456,087	22,630,899	61,456,087	22,630,899
System license fees	10,494,469	9,715,644	10,494,469	9,715,644
Service license fees	2,489,751	2,199,833	2,489,751	2,199,833
UASF Levy	44,877,368	44,080,599	-	-
Domain name fees & Type approval fees	1,630,315	2,022,972	1,630,315	2,022,972
	216,912,902	185,855,719	172,035,534	141,775,120

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

13. Other income

	Note	Group		Authority	
		2023 P	2022 P	2023 P	2022 P
Gains on disposal of assets		499,001	382,882	296,264	382,882
Licence Application fee		39,245	278,457	39,245	278,457
Miscellaneous income		122,941	328,255	122,941	314,975
Rental income		495,495	495,495	495,495	495,495
Tender Application fee		41,813	395,319	38,873	186,186
UASF Management fee		445,581	453,433	445,581	453,433
		1,644,076	2,333,840	1,438,399	2,111,427

14. Operating expenses

Major categories of operating expenses:

Employee costs	15(a)	66,494,789	59,592,194	66,494,789	59,592,194
Depreciation	4	15,219,385	14,246,586	14,792,259	14,165,174
Consulting and professional fees		9,086,096	6,880,665	5,793,403	4,180,658
Project expenses		98,220,432	40,574,441	-	-
Conference expenses		8,963,370	2,182,296	8,963,370	2,182,296
Travel expenses		4,729,023	1,439,443	4,729,023	1,439,443
Repairs and maintenance		6,093,943	4,085,453	6,093,943	4,085,453
Security charges		2,066,633	2,026,710	2,066,633	2,026,710
Training		7,506,242	6,360,986	7,506,242	6,360,986
Internet charges		5,146,669	3,595,684	5,146,669	3,595,684
Advertising		4,920,595	3,790,525	3,148,097	2,799,194
Corporate Social Responsibility		2,078,003	1,346,909	2,078,003	1,346,909
Donations		66,915	1,462,071	66,915	392,891
Board expenses		3,795,260	972,413	2,653,249	624,642
Legal expenses		110,810	114,372	110,810	114,372
Computer expenses		8,006,271	5,945,161	8,006,271	5,931,062
Printing & Stationary		572,955	832,229	467,979	832,229
Staff welfare		4,018,092	2,206,964	4,018,092	2,206,964
Subscriptions		2,242,626	1,383,112	2,242,626	1,383,112
Utilities		1,314,650	1,332,925	1,314,650	1,332,925
Telephone		1,080,115	673,707	1,080,115	673,707
Secretariat costs		1,551,499	676,728	-	-
Functions hosted by Authority		1,480,548	796,010	1,480,548	796,010
Other expenses		4,370,449	2,801,489	3,605,157	2,517,918
		259,135,370	165,319,074	151,858,843	118,580,533

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

15. Surplus for the year before finance income for the year is stated after accounting for the following:

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Profit on sale of property, plant and equipment	499,001	382,882	296,264	382,882
Depreciation on property, plant and equipment	15,219,385	14,246,586	14,792,259	14,165,174
Project expenses	98,220,432	40,574,441	-	-
Consulting fees	9,086,096	6,880,665	5,793,403	4,180,658
Employee costs (refer note (a) below)	66,494,789	59,592,194	66,494,789	59,592,194
(a) Employee costs:				
Salary and wages	45,949,743	41,911,955	45,949,743	41,911,955
Pension - defined contribution plan	6,332,738	5,794,525	6,332,738	5,794,525
Gratuity	1,540,052	486,996	1,540,052	486,996
Leave	8,454,786	7,692,856	8,454,786	7,692,856
Other employee benefits	4,217,470	3,705,863	4,217,470	3,705,863
	66,494,789	59,592,194	66,494,789	59,592,194
Average number of employees during the year	100	102	100	102
16. Finance income				
Bank	284,063	161,543	47,492	21,678
Income from short-term investments	28,142,940	19,823,387	13,114,447	8,529,480
	28,427,003	19,984,930	13,161,939	8,551,158
17. Taxation				
Current tax:				
Basic tax at 22% (2022: 22%)	5,762,669	6,812,951	5,762,669	6,812,951
Deferred income tax:				
Temporary differences	484,735	1,375,064	484,735	1,375,064
Income tax expense	6,247,404	8,188,015	6,247,404	8,188,015
The tax on Group and Authority's profit before tax differs from theoretical amount that would arise using the basic tax rate as follows:				
Surplus before income tax	(18,050,162)	46,848,953	28,970,793	37,515,382
Tax calculated at applicable tax rates of 22%	(3,971,036)	10,306,770	6,373,574	8,253,384
Tax effects of:				
- Expenses not deductible for tax purposes	746,623	814,631	746,623	814,631
Timing differences not recognised in the previous year	-	-	-	-
Income not chargeable for tax purposes	10,344,610	(2,933,386)	(872,793)	(880,000)
Income tax expense	7,120,197	8,188,015	6,247,404	8,188,015
18. Auditors' remuneration				
Fees	368,291	303,381	273,355	219,354

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

19. Cash generated from operations

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
(Deficit) / surplus for the year before tax	(18,050,162)	46,848,953	28,970,793	37,515,382
Adjustments for:				
Depreciation	15,219,385	14,246,586	14,792,259	14,165,174
Profit on sale of assets	(499,001)	(382,882)	(296,264)	(382,882)
Interest received	(28,427,003)	(19,984,930)	(13,161,939)	(8,551,158)
Fair value adjustments	5,760,000	(4,000,000)	5,760,000	(4,000,000)
Changes in working capital:				
Trade and other receivables	(16,501,551)	(14,388,865)	6,727,808	(9,454,718)
Trade and other payables	(216,468,412)	231,533,020	3,226,401	(2,329,264)
	(258,966,744)	253,871,882	46,019,058	26,962,534

20. Commitments

20.1. Authorised capital expenditure for property, plant and equipment

- already contracted for

	6,238,034	6,545,000	6,238,034	6,545,000
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This authorised expenditure would be financed by available cash resources and accumulated funds.

20.2. Operating leases – as lessor (income) lease payments due

- within one year

	246,043	230,684	246,043	230,684
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Lease agreements are cancellable and have the terms 1 to 2 years. The rentals are renegotiated at the anniversary of the lease agreements to align with the open market rates. There are no contingent rents receivable.

21. Contingent Liabilities

The following matters are pending against the Authority:

Claimant	Estimated loss amount	Reasons	Status
Accore Enterprises (Pty) Ltd	P997,071	Breach of contract suit against BOCRA	Arguments will be before Court on 6 November 2023.

As at year end the matter was still on going and no provisions have been made in the financial statements since it is presently not possible to determine the outcome of the matter.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

22. Related parties

Related parties

The Authority is wholly owned by the Government of Botswana. It therefore has a significant number of related parties including other stated owned entities, Government departments and all other entities, within the national sphere of Government.

The revenue from the related parties has been quantified based on the information available.

Members of the Board - Refer to Page 77

Members of key management

Key management are executives having authority and responsibility for planning, directing, and managing the activities of the organisation.

M. Mokgware (Chief Executive)
 B. Mine
 B. Luke
 M. Setshwane
 T. Mmoshe
 P. Tladinyane
 C. Phase
 M. Ratladi
 J. Isa – Molwane
 A. Nyelesi
 T. Mogopa

Related party balances

Amounts included in Trade and other receivables / (Trade and other payables) regarding related parties as:

	Group		Authority	
	2023	2022	2023	2022
	P	P	P	P
Botswana Telecommunications Corporation (Government owned)	10,523,961	7,704,418	7,518,143	5,098,948
Botswana Post (Government owned)	(1,374,238)	1,346,829	434,054	173,248
Botswana Fibre Network (Government owned)	2,607,692	2,011,929	1,897,171	1,289,492
Communications Regulators' Association of Southern Africa (CRASA) - BOCRA is CRASA Treasurer	2,559,715	320,950	2,559,715	320,950
Botswana Government	(15,922,671)	(230,112,036)	-	-

Other balances owing to related parties at year-end were:

Universal Access and Service Fund Trust (subsidiary)	-	-	22,723,389	29,327,367
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The balance due to Universal Access and Service Fund Trust do not attract interest and do not have fixed payment terms.

The payable to Botswana Government is the amount received for the school computerisation project managed by the Group on behalf of Government. The amount will be paid once the project is completed.

Balance receivable from related party operators do not attract interest due within 30 days and are unsecured.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

22. Related parties (continued)

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Related party transactions				
i) Board expenses				
Sitting allowances	22,882,239	515,790	158,850	341,190
Cellphone allowances	3,028,768	49,500	22,950	35,100
Travel costs	-189,300	86,839	1,618,992	86,839
Other costs	1,422,577	320,284	712,057	161,513
	27,144,285	972,413	2,512,849	624,642
ii) Sale of services rendered				
Botswana Telecommunications Corporation Limited	54,363,313	45,904,017	42,855,601	31,269,842
Botswana Post	1,399,438	1,379,024	520,844	560,197
Botswana Fibre Network	7,217,155	9,378,071	4,478,046	6,249,811
iii) Compensation to key management				
Short-term employee benefits	18,319,330	16,292,390	18,319,330	16,381,584
post employment benefits	2,644,069	2,506,001	2,644,069	1,911,724
	20,963,399	18,798,391	20,963,399	18,293,308
iv) Amount received from Government for schools computerisation project				
	-	228,895,478	-	-

23. Risk management

Capital risk management

The Group's objectives when managing funds are to safeguard the Group's ability to continue as a going concern in order to provide effective oversight on the telecommunication, broadcasting and postal services operators and create sufficient funds for development of world class facilities to monitor its activities.

The capital structure of the Authority consists of cash and cash equivalents disclosed in note 7, and accumulated surplus as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.

Risk management is carried out by the key management of the Authority and under policies approved by the Board. The Board provides written principles for overall risk management.

Liquidity risk

The Group's risk to liquidity is a result of the funds available to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

23. Risk management (continued) Liquidity risk (continued)

Group	Less than 1 year P	Between 1 and 2 years P
As at 31 March 2023		
Trade and other payables	42,432,833	-
As at 31 March 2022		
Trade and other payables	259,721,220	-
Authority		
As at 31 March 2023		
Trade and other payables	15,437,247	-
Universal Access and Service Fund Trust	22,723,389	-
	38,160,636	-
As at 31 March 2022		
Trade and other payables	13,030,821	-
Universal Access and Service Fund Trust	29,327,367	-
	42,358,188	-

Interest rate risk

The Group is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its cash resources and investments.

The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimising risks.

The Group places its funds both in fixed interest earning deposits (fixed deposits) and fluctuating interest earning deposits which are adjusted on a short-term basis based on changes in the prevailing market related interest rates.

Further, these deposits are due on demand. The deposits for the Group which exclude current account balances amount to P493 million (2022: P723 million) and for Authority amounts to P231 million (2022: P223 million). These deposits are exposed to cash flow interest rate risk. However, considering the short-term maturity between 14 and 91 days for these deposits, these risks are minimised.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

23. Risk management (continued)

Cash flow interest rate risk – 2023	Current Interest Rate	Group	Authority
		Due in less than one year	Due in less than one year
Financial Instrument		P	P
3 months fixed deposits	8.75%	50,000,000	50,000,000
3 months fixed deposits	8.55%	54,291,133	54,291,133
3 months fixed deposits	8.40%	100,000,000	-
3 months fixed deposits	8.80%	102,000,000	102,000,000
Call accounts	0.025% to 1%	187,103,250	24,800,868
		493,394,383	231,092,002

Cash flow interest rate risk – 2022

Financial Instrument	Current Interest Rate	Group	Authority
		P	P
3 months fixed deposits	4.50%	77,094,185	77,094,185
3 months fixed deposits	5.50%	51,551,382	51,551,382
3 months fixed deposits	6.20%	84,878,305	-
3 months fixed deposits	5.40%	234,824,273	73,623,944
Call accounts	0.025% to 1%	274,960,085	20,822,533
		723,308,230	223,092,044

At 31 March 2023, if the interest rates on interest bearing assets had increased / decreased by 0.5% with all other variables held constant, post-tax profit for the year would have been for the Group: P1 924,238 (2022: P2 820 902) and for the Authority: P901 259 (2022: P870 059) higher / lower, mainly as a result of interest income on interest bearing assets.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, and trade debtors. The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Year-end trade receivables comprise mainly of three major operators from the telecommunication sector, amounting to P36.66 million for Group (2022: P53 million) and P25.65 million (2022: P37 million) for the Authority.

The Group only places short term fixed deposits with major banks with high quality credit standing and limits exposure to any one counter-party. The Group has policies in place approved by the Board to ensure that only reputable banks and financial institutions are accepted. The following table contain credit risk exposure of cash and cash equivalents:

	2023	2022	2023	2022
	P	P	P	P
Absa Bank Botswana Limited	58,049,877	82,440,643	58,049,877	82,440,643
Stanbic Bank Botswana Limited	160,116,766	254,738,805	-	-
Bank of Baroda Botswana Limited	54,303,857	51,564,074	54,303,857	51,564,074
First National Bank of Botswana Limited	17,256,480	15,243,174	17,256,480	15,243,174
Standard Chartered Bank of Botswana Limited	204,230,503	108,429,833	102,037,540	65,508
Vunani Fund Managers	-	234,824,273	-	73,623,944
	493,957,483	747,240,803	231,647,755	222,937,343

Foreign exchange risk

There are no foreign currency exposures outstanding at the year end. The Group does not hedge foreign exchange fluctuations.

Notes to the Consolidated and Separate Financial Statements (continued)

For The Year Ended 31 March 2023

24. Fair value measurement

Investment property

Level 3: Inputs for the asset or liability that are not based on observable market data.

Plot 4965, Extension 15, Village, Gaborone

Group		Authority	
2023	2022	2023	2022
P	P	P	P
8,340,000	14,100,000	8,340,000	14,100,000

The amounts shown above represents the level within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 March 2023.

The freehold property fair value information disclosed above is based on the independent valuers report. The independent valuation was carried out on 6 June 2023. Refer to details under note 3.

The investment property comprises of Plot 4965, Gaborone. The fair value of this property determined by independent valuers is P 8,340,000.

The fair value of this property is estimated based on annual rentals the property is generating, expenses incurred by the property and capitalisation rates from comparable sales in the market. The inputs used in the valuation:

Assumptions

Capitalisation rate

Market rental per month per unit

Investment Property

6.15%

P11,865

The reconciliation of the carrying amounts of non financial assets classified within Level 3 is as follows:

Investment property

Opening balance

increase/(decrease) in fair value of investment property

Balance at 31 March 2023

Group		Authority	
2023	2022	2023	2022
P	P	P	P
14,100,000	10,100,000	14,100,000	10,100,000
(5,760,000)	4,000,000	(5,760,000)	4,000,000
8,340,000	14,100,000	8,340,000	14,100,000

25. Going concern

For the year ended 31 March 2023, the Group recorded comprehensive loss before tax of P29.13 million (2022: surplus of P38.66 million). The current assets exceed current liabilities by P525.86 million (2022: P548.38 million). The Group is able to meet its financial obligations as they fall due.

26. Events after the reporting date

There have been no subsequent events identified by management which require disclosure or adjustment in these financial statements.

Detailed Income Statement

For The Year Ended 31 March 2023

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Revenue				
Turnover fees – Telecommunications	94,419,652	102,895,472	94,419,652	102,895,472
Turnover fees – Postal	541,069	1,174,133	541,069	1,174,133
Turnover fees – Broadcasting	1,004,191	1,136,167	1,004,191	1,136,167
Radio license fees	61,456,087	22,630,899	61,456,087	22,630,899
System licence fees	10,494,469	9,715,644	10,494,469	9,715,644
Service license fees	2,489,751	2,199,833	2,489,751	2,199,833
UASF Levy	44,877,368	44,080,599	-	-
Domain name fees & Type approval fees	1,630,315	2,022,972	1,630,315	2,022,972
	216,912,902	185,855,719	172,035,534	141,775,120
Other income				
Gains on disposal of assets	499,001	382,882	296,264	382,882
Miscellaneous income	649,580	1,455,463	646,640	1,233,050
Rental income	495,495	495,495	495,495	495,495
	1,644,076	2,333,840	1,438,399	2,111,427
Interest received	28,427,003	19,984,930	13,161,939	8,551,158
Fair value adjustments	(5,760,000)	4,000,000	(5,760,000)	4,000,000
	22,667,003	23,984,930	7,401,939	12,551,158
Total income	241,223,981	212,174,489	180,875,872	156,437,705
Expenses (refer to page 113)	(259,274,145)	(164,647,953)	(151,905,079)	(118,922,323)
Deficit / surplus for the year before tax	(18,050,163)	47,526,536	28,970,793	37,515,382

The detailed income statement does not form part of the audit opinion expressed on page numbers 79 and 80.

Detailed Income Statement (continued)

For The Year Ended 31 March 2023

	Group		Authority	
	2023 P	2022 P	2023 P	2022 P
Operating expenses				
Advertising	(4,920,595)	(3,790,525)	(3,148,097)	(2,799,194)
Assessment rates and municipal charges	(72,683)	(205,389)	(72,683)	(205,389)
Auditors remuneration	(368,291)	(303,381)	(273,355)	(219,354)
Impairment reversal/(charge) on trade receivables	(138,775)	(6,463)	(46,236)	(341,790)
Bank charges	(218,095)	(158,566)	(195,859)	(138,078)
Board expenses	(3,795,260)	(972,413)	(2,653,249)	(624,642)
Contingencies	(658,988)	-	(658,988)	-
Cleaning	(573,237)	(489,356)	(573,237)	(489,356)
Computer expenses	(8,006,271)	(5,945,161)	(8,006,271)	(5,931,062)
Conference expenses	(8,963,370)	(2,182,296)	(8,963,370)	(2,182,296)
Consulting and professional fees	(9,086,096)	(6,880,665)	(5,793,403)	(4,180,658)
Consumables	(1,961)	(1,990)	(1,961)	(1,990)
Corporate Social Responsibility	(2,078,003)	(1,346,909)	(2,078,003)	(1,346,909)
Depreciation, amortisation and impairments	(15,219,385)	(14,246,586)	(14,792,259)	(14,165,174)
Donations	(66,915)	(1,462,071)	(66,915)	(392,891)
Employee costs	(66,494,789)	(59,592,194)	(66,494,789)	(59,592,194)
Entertainment	(19,032)	(3,650)	(19,032)	-
Functions hosted by Authority	(1,480,548)	(796,010)	(1,480,548)	(796,010)
Insurance	(845,200)	(760,491)	(649,669)	(695,002)
Internet expenses	(5,146,669)	(3,595,684)	(5,146,669)	(3,595,684)
Legal expenses	(110,810)	(114,372)	(110,810)	(114,372)
Magazines, books and periodicals	(127,181)	(85,720)	(127,181)	(85,720)
Motor vehicle expenses	(777,475)	(424,611)	(324,886)	(314,695)
Other costs	-	(271,615)	-	(271,615)
Postage	(61,335)	(18,010)	(61,335)	(18,010)
Printing and Stationery	(572,955)	(832,229)	(467,979)	(832,229)
Project expenses	(98,220,432)	(40,574,441)	-	-
Protective clothing	(1,865)	(12,960)	(1,865)	(12,960)
QoS Monitoring Costs	(181,284)	189,613	(181,284)	189,613
Repairs and maintenance	(6,093,943)	(4,085,453)	(6,093,943)	(4,085,453)
Secretariat Costs	(1,551,499)	(676,728)	-	-
Security	(2,066,633)	(2,026,710)	(2,066,633)	(2,026,710)
Staff welfare	(4,018,092)	(2,206,964)	(4,018,092)	(2,206,964)
Subscriptions	(2,242,626)	(1,383,112)	(2,242,626)	(1,383,112)
Telephone and fax	(1,080,115)	(673,707)	(1,080,115)	(673,707)
Training	(7,506,242)	(6,360,986)	(7,506,242)	(6,360,986)
Training levy	(463,822)	(255,362)	(463,822)	(255,362)
Travel	(4,729,023)	(1,439,443)	(4,729,023)	(1,439,443)
Utilities	(1,314,650)	(1,332,925)	(1,314,650)	(1,332,925)
	(259,274,145)	(165,325,537)	(151,905,079)	(118,922,323)

The detailed statement income statement does not form part of the audit opinion expressed on page numbers 79 and 80.

Glossary

Call Set-up Success Rate (CSSR) – (Target 98% minimum): refers to the percentage of originating calls that were successfully established by the customer.

Congestion Rate (CR) – (Target 2% maximum): refers to the percentage of failure to access a traffic channel during a call set-up.

Drop Call Rate (DCR) – (Target 2% maximum): refers to the percentage of calls that were cut before the speaking parties completed their conversation. The DCR applies to data drop rate and voice drop rate.

Handover Success Rate (HSR) – (Target 96% minimum): refers to the percentage of the transferred ongoing calls from one channel to another.

Network Availability (NA) – (Target 99% minimum): refers to the availability of network equipment and software used in the call set up.

SMS Delivery Success Rate (SMS DSR) – (Target 99% minimum): refers to the percentage of sent messages that are received by the intended recipient(s).



