

Regulating for Development & Impact

Annual Report **2024**



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VALUES

EXCELLENCE

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

PROACTIVENESS

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

INTEGRITY

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

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.

MISSION

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

VISION

A Connected and Digitally Driven Society.

PERFORMANCE HIGHLIGHTS



MOBILE TELEPHONY SUBSCRIPTIONS

↑ **1.04%**

MARCH 2023

4,38M

MARCH 2024

4,43M

IMPACT: Increased access to mobile services hence closing the digital divide. High SIM Card penetration enabled subscribers to access a diverse portfolio of M-services suitable to their needs.

FIXED BROADBAND

↑ **3.46%**

MARCH 2023

138,824

MARCH 2024

143,628

MOBILE BROADBAND

↑ **5.15%**

MARCH 2023

2,768,010

MARCH 2024

2,910,507



IMPACT: Increased access to online services and app usage, driving digital economy. Enhanced ease of doing business.



MOBILE MONEY ACCOUNTS

MARCH 2024

1.1M

IMPACT: Financial Inclusion for the population that was unbanked and unserved by traditional banking institutions. The value of mobile money transactions increased from P26,5 Billion to P33,5 Billion from March 2023 to March 2024.

GLOBAL CYBER SECURITY INDEX

↑ **10%**

MARCH 2023

53%

MARCH 2024

63%



IMPACT: Improved security of our cyber space resulting in safer online transactions and secure communications, elevating Botswana's global standing in cyber security as a trusted partner.

4G COVERAGE**↑ 1.2%**

MARCH 2023

97%

MARCH 2024

98.20%**5G COVERAGE****↑ 5.89%**

MARCH 2023

36%

MARCH 2024

41.89%

IMPACT: Communications infrastructure rolled out to most parts of the country, ensuring availability of digital services to the people.

AFFORDABLE SERVICES**FIXED BROADBAND 4MBPS**

MARCH 2023

P436

MARCH 2024

P399**MOBILE BROADBAND 2GB**

MARCH 2023

P69

MARCH 2024

P69

IMPACT: Enabled participation and leaving no one behind in accessing services and exposure to new opportunities.

COMMERCIAL FM COVERAGE**↑ 6%**

MARCH 2023

74%

MARCH 2024

80%

IMPACT: An additional 34 villages gained access to commercial radio signal station coverage, therefore giving people diversity to broadcasting services and promoting the information society.

HUMAN CAPITAL

MARCH 2024: 105 STAFF COMPLEMENT

**52%****STAFF COMPLEMENT****QUALIFICATIONS****27****MASTER'S DEGREE****12****BACHELOR'S DEGREE****48%****STAFF COMPLEMENT****QUALIFICATIONS****22****MASTER'S DEGREE****20****BACHELOR'S DEGREE****ORGANISATIONAL PERFORMANCE****95%**CORPORATE SCORECARD
PERFORMANCE RATING**21**KPIs ACHIEVED OUT
OF 22 PLANNED KPIS

IMPACT: Excellence in Action. Consistent high performance

NET SURPLUS FOR THE YEAR

MARCH 2023

P22.72M

MARCH 2024

P37.56M

IMPACT: Met the cost of regulation through prudent financial management

CHAIRMAN'S STATEMENT



“The vision of the new Strategic Plan is to achieve a “digitally enabled economy”.

I feel honoured and privileged to present my first Annual Report as Chairman of the Board of Directors of Botswana Communications Regulatory Authority (BOCRA or the Authority). The Board assumed office between 1 August and 2 September 2023. The Board membership is a mix of the reappointments of some members from the previous Board and the appointment of new members, which gives it a balance of experience and fresh perspectives.

The Board could not have wished for a better time to assume office, as the period coincided with the conclusion of the five-year Strategic Plan for the period 2019–2024. The ending of the Strategic Plan prompted the development of a new plan for the period 2024–2029. The Board, therefore, benefited from a review of the old strategy covering the successes and shortcomings, and the opportunity to take part in the development of the new strategic plan.

The implementation of the 2019–2024 Strategic Plan revealed that over the years, BOCRA realised a marked transformation of the communications sector from traditional communication methods to digitised and digitalised communications platforms. BOCRA also achieved its developmental agenda through the Universal Access and Service Fund (UASF) which drove the objectives of the National Broadband Strategy (NBS). These objectives include facilitating the roll-out of fibre infrastructure, which gave rise to the growth of Long-Term Evolution (LTE/4G) technology to a population coverage of 98% from the predominately 2G based networks of the late 90s.

In view of the foregoing, the Board's vision espoused in the 2024–2029 Strategic Plan was to leverage the foundation established by the previous strategic plans to create a transformative, socio-economic, development-focused, environmentally conscious, and technologically advanced communications sector. The vision of the new Strategic Plan is to achieve a "digitally enabled economy". The Strategy is underpinned by the Government Transformation and Reset Agenda, Digitisation Programme (4IR), Smart

Botswana Initiatives, and the National Broadband Strategy. The Strategy seeks to improve the Authority's regulatory maturity from Generation 3 to Generation 4 driven by five (5) strategic pillars of: Collaborative Regulation, Inclusivity, Digitalisation, Trusted Corporate Leader, and Diverse and Inclusive Organisational Culture. These pillars will be executed through sustainable regulation of the sector to ensure competition, service delivery to transform lives, and community development through universal access.

The value proposition for the new strategy is to facilitate the rollout of broadband services to improve access to communications services and ensure their affordability to enhance use. More importantly, the Strategy emphasises creating a meaningful impact. The Strategy places emphasis on local citizen talent and reliance on local citizen contractors to drive the roll-out of communications services and applications. Cybersecurity will also be prioritised to ensure safe access to digital services. In so doing, the Authority will contribute to economic growth and development, transform lives, as well as make the country more competitive.

The 2024–2029 Strategic Plan further seeks to increase access to 4G services to achieve 100% population coverage in all gazetted villages and settlements by 2029. The Strategy also seeks to drive the affordability of broadband services to less than 2% of the monthly Gross National Income (GNI) per capita. Lastly, our Strategic Plan is aligned with the International Telecommunication Union (ITU) and Communications Regulators' Association of Southern Africa (CRASA) Strategic Plan of 2023–2028, which seeks to promote harmonisation and collaboration among regulatory bodies.

I wish to pay tribute to the previous Board Chairperson, Ms. Tsaone Ruth Thebe, her Board, and Management for the communications regulatory environment they have built to date and pledge my commitment to progressing the work of BOCRA to another level.

Tefo Modise Setlhare
Chairman

Increase access to 4G
services to achieve

100%

population coverage in
all gazetted villages and
settlements by 2029

CHIEF EXECUTIVE'S STATEMENT

“It is anticipated that all public schools will have internet connectivity within the first half of the 2024-2029 Strategic Plan.”



The period under review concludes the implementation of the 2019–2024 Strategic Plan and ushers in a new five-year Strategic Plan for 2024–2029.

The 2019–2024 Strategic Plan had a vision to facilitate the creation of a Connected and Digitally-Driven Society through the regulation of the communications sector to promote competition, innovation, consumer protection, and universal access.

The strategy was underpinned by six key success factors: organisational efficiency and effectiveness; competition and innovation; universal access and service; consumer protection; talent management; and stakeholder engagement.

Throughout the five-year period, the sector has had notable successes and challenges, as measured against key success factors. In terms of organisational efficiency and effectiveness, BOCRA has transformed into a largely ICT-based entity. Several interventions have been introduced, including online application processes for services such as the Subscriber Information Management System, Online Portal, Licence Verification System, and Online Human Resource and Administration Systems. All these processes combined have enabled BOCRA to enhance efficiency and facilitate transition to a paperless environment as we go green.

The communications sector has also grown in terms of competition and innovation, offering a variety of services at affordable rates. The sector has seen major players build their own data centres. Similarly, all major players offer mobile money services, which greatly benefit the unbanked. The sector has also experienced growth in the fibre backbone as well as last mile connectivity with the arrival of players such as Abaricom, Paratus, Liquid Telecom, and others that offer targeted solutions to the sector. Mobile operators and Value-Added Network Service (VANS) providers offer an array of packages aimed at addressing various segments of the market.

In terms of universal connectivity, BOCRA, through the Universal Access and Service Fund (UASF), has

pushed broadband connectivity to remote and previously unserved areas, resulting in the growth of 4G connectivity to 98% population coverage. These efforts have benefitted primary schools and other public offices, including health clinics and tribal administration offices. Given the progress in broadband connectivity and internet access, it is anticipated that all public schools will have internet connectivity within the first half of the 2024–2029 Strategic Plan. It is worth noting that this initiative also provides employment to youth through ICT.

Consumer protection is an ongoing process that should adapt to the changing needs of consumers and the services offered in the market. As consumers increasingly rely on data services, their protection demands have grown from concerns such as price and quality of service to include online data protection. With this development, BOCRA has acquired the necessary resources to keep up with this moving target. These resources include the Quality-of-Service Monitoring system for mobile and fixed services, the Broadcasting Monitoring System (BMS), and the Computer Security Incident Response Team (CSIRT) for the monitoring and protection of cyberspace. These facilities allow BOCRA to continuously address issues related to consumer protection.

“As consumers increasingly rely on data services, their protection demands have grown from concerns such as price and quality of service to include online data protection.”

The communications sector is ever-evolving, spurred by rapid changes in technology which demands that BOCRA's human resources should continuously be tooled and retooled to keep up. Over the five-year period of the just ended strategic plan, BOCRA has put several of its staff members through formal academic training up to the master's qualification level, as well as practical training across various facets of its mandate, as evidenced by the statistics presented in the Human Capital section of this report.

Communications regulatory work demands local, regional, and international collaboration with various stakeholders. BOCRA continues to engage with various entities in line with its communications strategy. Local primary stakeholders include the shareholder (Government), licensees, consumers, and the media, among others. Regionally and continentally, BOCRA engages with other regulators of the SADC region under the CRASA framework, as well as Africa-wide regulatory bodies through Africa Telecommunications Union (ATU).

Globally, BOCRA is a member which actively participates in the affairs of international standards bodies dealing with internet domains, radio spectrum, cyber security, postal regulation, and standardisation of communications equipment. The bodies include, but are not limited to, the ITU, Universal Postal Union (UPU), Forum of Incident Response and Security Teams (FIRST), Internet Corporation for Assigned Names and Numbers (ICANN), European Telecommunications Standards Institute (ETSI), and the International Institute of Communications (IIC). All these collaborations ensure that Botswana is in alignment with the rest of the world which facilitates interoperability and harmonisation.

Specific to the year under review, BOCRA attained a 95% performance of its annual organisational objectives, for which I am indebted to the Board and staff for their support and dedication to the work of the Authority.

Martin Mokgware
Chief Executive





CORPORATE GOVERNANCE

BOCRA is led by a team of seven (7) Non-Executive board of directors and one (1) Executive member, who is the Chief Executive. All members of the Board are appointed by the Minister responsible for the communications sector in terms of the Communications Regulatory Authority (CRA) Act, 2012.

The Board's responsibilities are to establish sound corporate governance practices to ensure that the organisation meets its obligations and set the strategic direction to help the organisation achieve its purpose as stipulated in its statutory powers and policies. It further plays an active role in building a culture of integrity by modelling behaviours based on public sector values and standards.

In fulfilling its mandate, the Board derives guidance from the CRA Act, Board Charter, Board Committees Terms of Reference, and 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 is enshrined with a regulatory and administrative mandate, which is enumerated under Sections 5 and 6 of the CRA Act. Some of the Board's duties include:

- Ensuring and promoting universal access to communication services, while establishing ways to enhance performance in the sector.
- Protection and promotion of consumers in the regulated sector.
- Ensuring effective regulation and monitoring of the performance of regulated sectors.
- Processing applications for and issuing licenses, permits, or other authorisations for regulated sectors.
- Preparation of the Authority's Strategic Plan and approval of annual plans necessary for the efficient operations of the Authority.

- Preparation and submission of the annual report of the Authority to the Minister.
- Overall performance review of the organisation, its various committees, and the Chief Executive.

COMPOSITION OF THE BOARD

The Board of Directors comprises the following seven Non-Executive members:

Mr. Tefo Modise Setlhare, (Chairperson of the Board) appointed on 1 September 2023

Ms. Kago Mmolawa, (Vice-Chairperson of the Board) re-appointed on 1 August 2023

Ms. Tsholofelo Bogosi, re-appointed on 1 August 2023

Dr. Mokaedi Monnane, appointed on 1 September 2023

Dr. Bokamoso Basutli appointed on 1 September 2023

Ms. Mpho Molefe, appointed on 1 September 2023

Ms. Senwelo Modise, appointed on 1 August 2023

Mr. Martin Mokgware, Chief Executive of BOCRA, ex-officio member appointed on 1 December 2021

BOARD PROFILES



Mr. Tefo Modise Setlhare
Chairman

QUALIFICATIONS

- 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

Mr. Tefo Modise Setlhare was appointed Chairperson of the Board of Directors. He has more than 20 years of experience in corporate and commercial law, non-banking financial services, and mining.

He joined Debswana Diamond Company in 2014 as Head of Risk Management and transitioned to leading the Entrepreneurship and Enterprise Development Programme (EEDP), which has successfully delivered the following:

- Supplier entrepreneurship development
- Employee entrepreneurship development
- Outsourcing and Privatisation
- Naledi Mining Services

Company (NMSC) (a Debswana subsidiary)

- Currently, he is the lead for Strategic Finance – Special Projects at Debswana.

Mr. Setlhare has held several Board positions, including the Trustee of the Debswana Pension Fund, Chairperson of Sesiro Insurance Company, and Independent Non-Executive Director at BPOMAS.

He holds a Bachelor of Laws from the University of Botswana, Master of Laws from the University of South Africa, and has completed a management programme with the University of Stellenbosch Business School and senior executive programmes with Gordon Institute of Business Science and Harvard Business School.

BOARD PROFILES (cont.)



Ms. Kago Mmolawa
Vice Chairperson

Ms. Kago Mmolawa is a dynamic business executive with a remarkable 13-year career spanning diverse industries, including Fast-Moving Consumer Goods (FMCG), Banking, Mining, and Government. Ms Mmolawa currently serves as Group Head-Culture, Change and Organisational Effectiveness, at the JSE-listed company, AECI Limited.

Ms. Mmolawa brings a comprehensive perspective to her leadership, deep understanding of human resources management, drive for change, talent optimisation, and organisational development. An experienced leader, Ms. Mmolawa has successfully guided organisations through transformative phases, aligning talent, and organisational goals seamlessly.

Ms. Mmolawa holds an MA in Human Resources Management and a BA in Social Sciences from the University of Botswana.



Dr. Bokamoso Basutli, PhD
Board Member

Dr. Bokamoso Basutli is a Professional Engineer and a Senior Member of the Institute of Electrical and Electronics Engineers (IEEE), the world's largest technical professional organisation dedicated to advancing technology for the benefit of humanity.

Dr. Basutli is currently working as a Senior Lecturer at the Botswana International University of Science and Technology (BIUST), offering and coordinating modules under Telecommunications and Computer Engineering programmes, including Satellite Communications, Digital Signal Processing, and Artificial Intelligence (AI). His research activities include serving as the leader of the Signal Processing, Networks, and Systems Research (SPNS) Group, Principal Investigator (PI) and originator of BotswanaSat-1 project (2020-2021). Dr. Basutli has published several peer-reviewed papers in high-impact journals including IEEE, IET, Hindawi, and MDPI.

He worked as an Installation Engineer and a Lead Engineer with Singapore Technologies Electronics (Info-Software Systems) from 2007 to 2010. In addition, he worked as a Senior Telecommunications Engineer with the Civil Aviation Authority of Botswana (CAAB) from 2010 to 2012. He served as the Vice-Chairperson and then Chairperson of the IEEE Botswana Sub-section in 2019 until 2023. Dr. Basutli currently holds the position of the Past-Chairperson in the same subsection.

Dr. Basutli holds a Ph.D. in Electronics, Electrical, and Systems Engineering from Loughborough University, U.K.

BOARD PROFILES (cont.)



Dr. Mokaedi Monnane Monnane
Board Member

Dr. Mokaedi Monnane Monnane is an independent consultant with over 25 years of experience as a researcher and consultant. He has led and been part of research teams for clients such as the Government of Botswana, SADC, UNDP, and African Development Bank. His research has engaged him in various areas, such as economic diversification, the local manufacturing sector, and the development of the SADC Private Sector Engagement Mechanism. In addition to this research, Dr. Monnane has published in international journals and co-authored on the competition scenario in Botswana. He is also a member of the Botswana Economics Association.

Dr. Monnane has worked for institutions such as the central Bank of Botswana, Botswana Institute for Development Policy Analysis (BIDPA), and SADC Secretariat.

Dr. Monnane holds a PhD in Economics from Lincoln University, New Zealand. He is also a member of the Botswana Minimum Wage Board.



Ms. Tsholofelo Bogosi
Board Member

Ms. Tsholofelo Bogosi is a Chartered Management Accountant (CIMA, UK) and a Certified Internal Auditor (CIA). She holds a BCom (Accounting) degree from the University of the Witwatersrand in South Africa and a Postgraduate Certificate in Risk Management from the Botswana Accountancy College (BAC). She is a member of both the Botswana Institute of Chartered Accountants (BICA) and the Chartered Institute of Management Accountants (CIMA).

Ms. Bogosi is currently the Head of Risk Management for Debswana Diamond Company under the broader Governance, Risk, and Compliance Function. She previously held various management roles within Debswana: Senior Support Services Manager (A) (Orapa, Letlhakane, and Damtshaa Mines, OLDLM), Audit Manager (IT and Projects), and Audit Manager (OLDLM).

Prior to joining Debswana, she held various management positions at Botswana Power Corporation (BPC) and Water Utilities Corporation (WUC), including the role of the Head of Internal Audit at Water Utilities Corporation, Internal Audit Manager with WUC, and Manager-Accounts Operations with BPC. Her career began with a junior role with the Office of the Auditor General (Botswana). She has over 20 years of professional experience in the areas of governance, risk, and compliance.

BOARD PROFILES (cont.)



Ms. Mpho V. Molefe
Board Member

Ms. Mpho Molefe is a marketing professional with over 17 years of progressive experience across a broad range of marketing and communication functions working with world class, multiple brands and categories to drive strong and sustainable financial gains by leveraging corporate potential and enhancing top-notch marketing and communication solutions and innovative brand strategies.

Ms. Molefe is currently the Puma Energy sub-regional marketing manager for Africa, overseeing five markets – South Africa, Zimbabwe, Namibia, Botswana, and Lesotho – to maximise the success of Puma Energy products in Africa by creating world-class commercial outputs to deliver business and category growth. Before joining Puma Energy, Ms. Molefe was the Head of Marketing for Vivo Energy Botswana (Shell and Engen licensee). She has held various leadership roles at Kgalagadi Breweries, Standard Chartered Bank, Population Services International, and The Botswana Olympic Committee.

Ms. Molefe holds a BA Degree in Communications, majoring in Public Relations, Marketing, and Advertising from the University of Northwest in South Africa as well as a certificate of Finance for Non-Finance Managers from Botswana Accountancy College. She is currently pursuing a Master of Business Administration degree at the University of Suffolk.

Ms. Molefe sits on the Botswana National Olympic Committee's Marketing and Communication Committee.



Ms. Senwelo Modise
Board Member

Ms. Senwelo Modise is a practising attorney with diverse backgrounds, ranging from technology to cybersecurity, commerce, and law. Ms. Modise is licensed to practice law in Botswana and specialises in privacy and data protection, complemented by a robust understanding of corporate and commercial law. Ms. Modise has experience in advising clients on the legal complexities of digitisation, digitalisation, privacy, cybersecurity, and emerging technologies.

Ms. Modise holds a Bachelor of Laws (LLB) from the University of Botswana and is currently pursuing a Master of Research and Public Policy at the University of Botswana. She also holds several technology-focused professional certifications, such as Certified Information Privacy Professional, Certified Information Privacy Manager, Certified Information Privacy Technologist, CompTIA Security+, Certified Blockchain Security, Certificate in African Space Policy and Strategy. She serves as a Board Member of the Fintech Association of Botswana, where she is the Vice President.

BOARD PROFILES (cont.)



Mr. Martin Mokgware
Chief Executive

As the Chief Executive of BOCRA, Mr. Mokgware is responsible for providing leadership and direction in the implementation and achievement of the BOCRA Strategic Plan in line with Government Policy Agenda on Telecommunications, Broadcasting, Postal and ICT Regulation.

QUALIFICATIONS

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

Mr. Mokgware focused on universalising affordable broadband internet, advocating for policies that prioritise underserved communities, ensuring that rural and low-income areas receive the same level of connectivity as urban areas. He has a clear vision of a digitally inclusive society where everyone has access to high-speed internet, regardless of their socio-economic status or geographic location.

Mr. Mokgware has additional responsibilities which have him serving in the following enterprises:

- Ordinary member of the Board of Trustees of the Universal Access and Service Fund (UASF), which is responsible for ensuring provision of Communications services throughout Botswana;
- Chairman of UNESCO Communication and Information Programme Committee. The Committee is mandated to foster freedom of expression, media development, and access to

information and knowledge in line with UNESCO's mandate to "promote the free flow of ideas by word and image"; and

- Treasurer of the Communications Regulators Association of Southern Africa (CRASA), ensuring prudent management and utilisation of funds for the Regulators' Association in SADC.

Mr. Martin Mokgware has been instrumental in the development and implementation of the following:

- National Broadband Strategy for Botswana;
- Smart Botswana Strategy;
- Cybersecurity Strategy for Botswana;
- Operationalisation of Cyber Security Incident Response Team (CSIRT); and
- Cost Modelling and Pricing Frameworks for determining the underlying cost of providing Telecommunication Services

BOARD COMMITTEES

The Communications Regulatory Authority Act, in terms of Section 20, states that the Board may establish committees for the purposes of performing functions of the Authority and may delegate some of the functions as it deems

necessary. Pursuant thereto, there are three (3) Board Committees assigned different responsibilities and conferred with a range of powers under their respective Terms of Reference.

The composition of the Committees is as follows.

Regulatory Committee

This Committee is tasked with advising the Board on regulatory decisions and related policies exercised pursuant to legislative responsibilities. The Committee is chaired by Dr. Mokaedi Monnane Monnane and has Dr. Bokamoso Basutli and Ms. Senwelo Modise as members.

Finance & Audit Committee

The Committee is chaired by Ms. Tsholofelo Bogosi, with Ms. Kago Mmolawa and Ms. Mpho Molefe as committee members. This Committee is responsible for overseeing the Authority's IT governance, risk management, and financial and internal control practices.

Human Resources Committee

As part of its terms of reference, the Human Resource Committee advises the Board on Management's human resource capital and related policies. This extends to providing guidance on employer-employee relationships from a strategic perspective as well as monitoring adherence to fair labour and corporate practices.

The Committee is chaired by Ms. Kago Mmolawa with Dr. Bokamoso Basutli and Ms. Senwelo Modise as members.

BOARD ALLOWANCES

During the period of April 2023 until November 2023, Board allowances comprised sitting allowances for the Board Chair at P2 250.00 per sitting and ordinary members at P1 800.00 per sitting. From 1 December 2023, the Presidential Directive CAB

30B/2023 REV.1 revised board allowances by introducing quarterly retainer allowances for the Chairperson and Members at P12,500 and P11,000, respectively. Sitting allowances were revised to P9,500 for the Board Chairperson, P9,000 for the Vice Chairperson, and P8,500 for members per sitting.

Table 1: Board Meeting Attendance & Sitting Allowances for period April 2023 to March 2024

| Board Members | Board | Regulatory Committee | Finance & Audit Committee | Human Resource Committee | Sitting Allowance | Retainer Allowance |
|-----------------------|-------|----------------------|---------------------------|--------------------------|-------------------|--------------------|
| Mr. Tefo M. Setlhare | 6/6 | - | - | - | P 35,250.00 | P 29,166.67 |
| Ms. Kago Mmolawa | 6/6 | - | 3/3 | 1/1 | P 51,500.00 | P 25,666.67 |
| Ms. Tsholofelo Bogosi | 5/6 | - | 3/3 | - | P 43,000.00 | P 25,666.67 |
| Dr. Mokaedi Monnane | 6/6 | 1/1 | - | - | P 39,400.00 | P 25,666.67 |
| Dr. Bokamoso Basutli | 6/6 | 1/1 | - | 1/1 | P 47,900.00 | P 25,666.67 |
| Ms. Mpho Molefe | 5/6 | - | 2/3 | - | P 39,400.00 | P 25,666.67 |
| Ms. Senwelo Modise | 6/6 | 1/1 | - | 1/1 | P 47,900.00 | P 25,666.67 |
| Mr. Martin Mokgware | 9/9 | 2/2 | 3/3 | 1/1 | Not Applicable | Not Applicable |

Table 2: Retired Board Members

| Board Members | Board | Regulatory Committee | Finance & Audit Committee | Human Resource Committee | Sitting Allowance |
|----------------------|-------|----------------------|---------------------------|--------------------------|-------------------|
| Prof. Joseph Chuma | 3/3 | 1/1 | - | - | P11,250.00 |
| Dr. Gape Kaboyakgosi | 3/3 | - | - | - | P7,200.00 |
| Mr. Galeboe Mmesesi | 3/3 | 1/1 | - | - | P9,000.00 |

BOARD ACTIVITIES & TRAINING

Board Induction

Board was introduced to its role in a comprehensive induction programme held in September 2023. The Programme covered issues of governance, strategy, finance, and regulation.

Corporate Governance Training

The seven (7) newly appointed Board members were trained on corporate governance, in the Authority's efforts to promote a culture of good corporate governance and leadership. The training also covered key and emerging strategic corporate discussions related to cybersecurity in the boardroom, artificial intelligence, and governance, as well as the Environmental, Social and Governance (ESG) principles in the corporate world.

Mobile World Congress

In February 2024, three Board members travelled to Barcelona, Spain to attend the Mobile World Congress (MWC). MWC is the premier mobile communications industry event 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, GSMA seminars, summits, and more.

LEGAL DEVELOPMENTS

Litigation

A former supplier, Accore Enterprises (Pty) Ltd., sued the Authority before the High Court for an alleged breach of contract. As at March 2023, the Authority had been awarded a favourable court order based on an interlocutory application for damages, which damages were to be assessed by the Registrar and Master of the High Court.

In another legal case, the Botswana Telecommunications Corporation Limited (BTCL) appealed the Authority's decision that was delivered against it in 2022 in a matter between BTCL and Inq. Digital (Pty) Ltd., formerly VBN (Pty) Ltd. The dispute centred around allegations of anti-competitive practices in relation to the provision of internet products and pricing by BTC, and the Authority had ruled in favour of the complainant, Inq. Digital (Pty) Ltd.

RISK BASED INTERNAL AUDITING

Internal Audit contributes towards the Authority's risk management process by providing reasonable assurance that the identified risks are effectively managed. The function adopted a risk-based auditing approach, as evidenced by the 2023-2024 internal audit plan, developed from the conducted risk assessment. Furthermore, risk assessments are conducted at the internal audit engagement level.

During the period, the function achieved 100% coverage of the approved audit plan, comprising 12 assignments covering High to Medium-risk areas across the Authority.

IMPLEMENTATION OF RECOMMENDATIONS

To ensure the effectiveness of internal controls against identified risks, the internal audit function conducted follow-up audits and tracked the implementation of prior audit recommendations.

RISK MANAGEMENT

To achieve its strategic objectives, the Authority remains committed to ensuring proactive and effective risk-management practices.

“During the period, the function achieved 100% coverage of the approved audit plan, comprising 12 assignments covering High to Medium-risk areas across the Authority.”

BOCRA's internal audit function is outsourced. The function facilitated risk workshops, risk register compilations, and conducted regular assessments. Risk management activities were aligned with the Authority's Risk Management Framework, designed to identify, assess, mitigate, and monitor risks. To further strengthen its resilience to potential threats, BOCRA shall review its ERM Strategy in the upcoming financial year and develop a Fraud Risk Management Framework.













RISK REGISTER UPDATE

The Authority identified 15 risks, divided into six (6) risk categories: Strategic, Operational, Financial, Technological, Reputational, and Legal & Compliance. As shown in Table 3, the identified risks were further profiled into five (5) levels of severity relative to their inherent and residual

Table 3: Summary Risk Register as of 31 March 2024. Source: BOCRA

| RISK REGISTER MARCH 2024 | | | | | | | | | | | |
|--------------------------|-------------|----------|------|--------------|-------|--------------------|---------|----------|------|--------------|-------|
| Inherent | | | | | | Residual | | | | | |
| Category | Min/ Low | Moderate | High | Very High | Total | Category | Min/Low | Moderate | High | Very High | Total |
| Strategic | | 3 | 3 | 1 | 7 | Strategic | 4 | 2 | 1 | 0 | 7 |
| Reputational | 1 | 1 | 0 | | 2 | Reputational | 2 | 0 | | | 2 |
| Operational | | 1 | 2 | | 3 | Operational | 1 | 2 | | | 3 |
| Financial | | 0 | 2 | | 2 | Financial | 2 | 0 | | | 2 |
| Technological | | | | 0 | 0 | Technological | | | | | 0 |
| Legal & Compliance | | | 1 | | 1 | Legal & Compliance | | 1 | | | 1 |
| Total | 1 | 5 | 8 | 1 | 15 | Total | 9 | 5 | 1 | 0 | 15 |

Figure 1: A synopsis of key risks identified

| RISK 1: INCREASED CYBER SECURITY THREATS (HIGH) | RISK 2: INADEQUATE MONITORING OF QUALITY OF SERVICE AND EXPERIENCE (MODERATE) | RISK 3: INEFFICIENT USE OF SPECTRUM (MODERATE) | RISK 4: FAILURE BY LICENSEES TO COMPLY WITH LICENCE CONDITIONS (MODERATE) | RISK 5: INADEQUATE PROJECT MANAGEMENT (MODERATE) | RISK 6: INADEQUATE REGULATORY INSTRUMENTS (MODERATE) |
|--|---|---|---|---|---|
|  RISK DESCRIPTION: Inadequate legislation dedicated towards dealing with cyber threats. Inadequate Competencies (skills and technical tools) to effectively address cyber threats. |  RISK DESCRIPTION: Inability to independently monitor and measure quality of service and quality of experience parameters |  RISK DESCRIPTION: Insufficient use and monitoring of spectrum |  RISK DESCRIPTION: Failure to fully enforce licence conditions on licensees |  RISK DESCRIPTION: Failure to complete projects on time and within budget |  RISK DESCRIPTION: Inadequate regulatory instruments to regulate new innovations/developments |
|  IMPLEMENTED CONTROLS & ACTION PLANS: BOCRA implemented the NCS strategy and conducted regular cybersecurity awareness and training sessions to keep key stakeholders informed. Additionally, the Authority facilitated technical capacity building and advanced research on cybersecurity issues to ensure adequate protection of communication networks, prevent data loss, and protect consumers. |  IMPLEMENTED CONTROLS & ACTION PLANS: In its implementation of the QoS Guidelines, the Authority procured and commenced the usage of a new QoS system to ensure compliance by licensed entities. New initiatives were also implemented to facilitate independent efficiency audits, measured the effectiveness of the system. |  IMPLEMENTED CONTROLS & ACTION PLANS: Several controls were implemented to enhance spectrum management practices, aimed at reducing the significant inherent risks associated with spectrum limitations for new services, idle frequencies, interference and failure to detect unauthorised spectrum use. |  IMPLEMENTED CONTROLS & ACTION PLANS: BOCRA continually engaged with its licensees and other key stakeholders, to ensure they are aware of their obligations and the implications of non-compliance. Several initiatives were implemented including preparatory work for metering and billing verification audits and implementation of the QoS system. |  IMPLEMENTED CONTROLS & ACTION PLANS: Effective project management is the cornerstone of the Authority's success. To improve project outcomes, an assessment of the Authority's project management environment was conducted and initiatives were implemented to address identified gaps. |  IMPLEMENTED CONTROLS & ACTION PLANS: BOCRA proactively facilitated research on new technologies and the potential effects on regulation, thereby creating flexible and adaptive frameworks that accommodate emerging technologies. |

ratings. Concerning the latter, the Authority had one (1) high risk, five (5) moderate risks, and nine (9) low risks. The classification demonstrates the varying degrees of likelihood and impact that the identified risks had on the Authority's operations. As illustrated in Table 3, the overall risk profile of the Authority was MODERATE, with most risks classified as minimal/low. A synopsis of the key risks identified is provided in Figure 1, with a specific emphasis on High and Moderate Risks. This summary provides

an overview of the risk names, descriptions, and implemented controls to effectively mitigate and manage them.

RISK HEAT MAP

Figure 2 illustrates the organisation's risk landscape, indicating that BOCRA is a low-to medium-risk organisation.

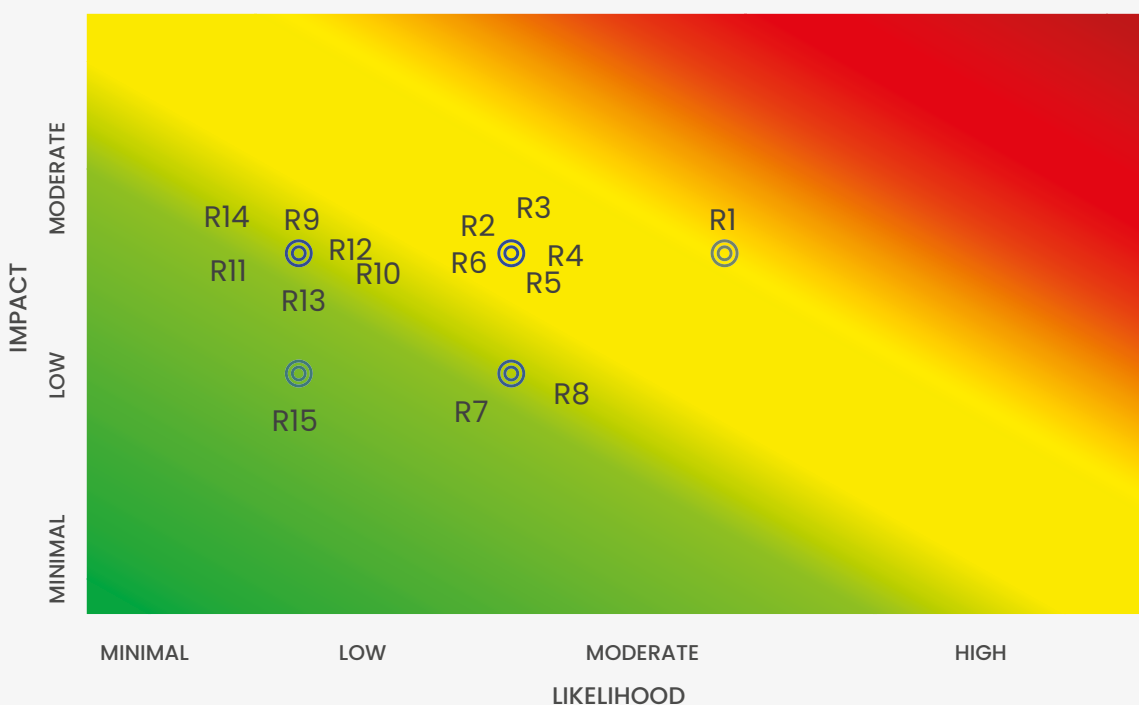


Figure 2: Risk Heat Map as at 31 March 2024. Source: BOCRA

EXECUTIVE MANAGEMENT



Martin Mokgware
Chief Executive



Bonny Mine
Director, Finance



Tebogo Mmoshe
Director, Licensing



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



Bathopi Luke
Director
Technical Services



Aaron Nyelesi
Director, Broadcasting and
Corporate Communications



Murphy Setshwane
Director
Business Development



Thapelo M. Mogopa
Director Strategy
and Projects



Peter Tladinyane
Director
Corporate Services



Maitseo Ratladi
Director Broadband
& Universal Service



Cynthia Jansen
Chief Engineer Networks
& Quality of Service



EXECUTIVE MANAGEMENT

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.

Bonny Mine

Director Finance

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- Chartered Institute of Management Accountants (CIMA)
- BCom (Accounting), University of Botswana.

Tebogo Mmoshe (Seated)

Director Licensing

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- BSc Applied Accounting- Oxford Brooks University, UK
- ACCA, Botswana Accountancy College. Botswana
- BA Economics and Accounting, University of Botswana.

Murphy Setshwane

Director Business Development

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- PGD Telecommunications Regulation, University of Westminster, UK
- BA Economics and Demography, 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.

Maitseo Ratladi (Seated)

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.

Joyce Wema Isa-Molwane

Director, Legal, Compliance and Board Secretary
LLB, University of Botswana

Thapelo M. Mogopa

Director Strategy and Projects

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

Bathopi Luke (Not in the picture)

Director Technical Services

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

Aaron Nyelesi (Not in the picture)

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.

ORGANISATIONAL PERFORMANCE

This section covers BOCRA's performance against its objectives for the Financial Year (FY) 2023-2024, which is the final year of the 2019-2024 Strategic Plan. The section highlights actual versus planned performance as measured by the attainment of Key Performance Indicators (KPIs). The Strategy Performance Dashboard prescribed achievement as meeting the performance target of the KPI or being within an 80% performance rating.

The Authority planned to attain 10 Strategic Objectives which were measured using 22 KPIs. Of the 22 KPIs planned, 21 were achieved or within the performance threshold, representing a 95% Corporate Scorecard performance rating. The performance rating represented a six percentage points increase from the 89% previously achieved, as illustrated in Figure 3.

OVERALL PERFORMANCE ANALYSIS

Figure 3 displays a dashboard view of the overall performance of the Corporate Scorecard for the 2023-2024 Financial Year, followed by a detailed breakdown of the performance of the Authority against each Strategic Objective. The breakdown delves into each KPI, capturing a graphical presentation of progress on the respective KPIs over the 5-year or 3-year strategic period.

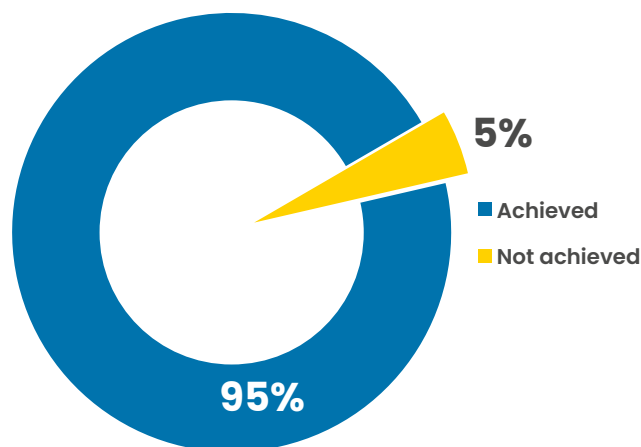


Figure 3: BOCRA Actual Performance 2023/24

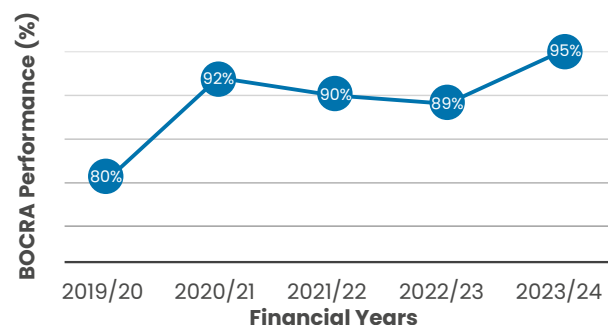


Figure 4: BOCRA Actual Performance 2019-2020 – 2023-2024

BOCRA carried out a strategic midterm review during 2021–2022 FY that led to the introduction of additional new KPIs. The introduction of the new KPIs was meant to align the Strategy with market changes and to replace those that had been achieved. Graphical presentation of the performance against the new KPIs is only available for a 3-year period since they were introduced two years into strategy implementation.

Improve Consumer Protection

BOCRA sought to improve Consumer Protection, as measured by download speed performance for the LTE network and the Global Cybersecurity Index (GCI).

LTE Download Speed

The average download speeds for the LTE network of Mobile Network Operators (MNOs) for the period 2023–2024 were based on a target with a minimum 25Mbps performance of the most subscribed MNO. Hence, the performance of Orange Botswana, the market leader, was used to measure this indicator. An average LTE download speed of 28.23Mbps was recorded for the period. LTE throughputs could only be tracked from the 2021–2022 financial year after the strategic midterm review. Figure 5 depicts the 3-year period performance against this KPI.

The Authority closely monitored the MNOs for compliance with the Quality of Service (QoS) frameworks. To improve network performance, operators invested in the deployment of more LTE sites to increase network capacity and cater to growing broadband demand, resulting in improved download speeds.

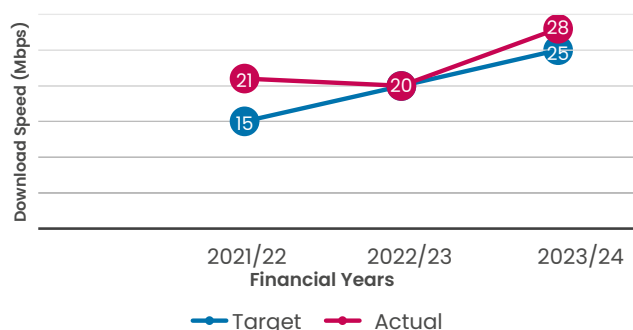


Figure 5: Throughput on LTE network

Global Cybersecurity Index

Global Cybersecurity Index (GCI), as computed by the ITU, was used as an indicator for measuring traction against the objective. ITU biennially computes the GCI which assesses the cybersecurity readiness and capabilities of countries worldwide. Although the ITU had not released the report at the end of the financial year, Botswana had completed several critical components that were anticipated to positively impact the GCI.

Initiatives such as operationalising the national CSIRT, capacity building for the public and private sectors, critical infrastructure operators, and the constituents were completed. In addition, three memoranda of understanding were established with Lesotho, Zambia, and Namibia to facilitate collaboration.

Furthermore, Botswana became a full member of FIRST and TrustBroker Africa to strengthen incident response capabilities and enhance the cybersecurity landscape.

Based on the foregoing, BOCRA computed the GCI for 2023–2024 to be 0.63 against a target of 0.70. The progress made on the GCI over the 5-year strategic period is illustrated in Figure 6.

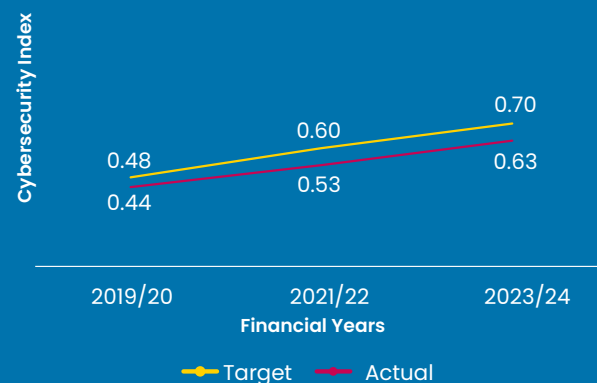


Figure 6: Global Cybersecurity Index

Improve Consumer Satisfaction

The aim of this objective was to improve the satisfaction of consumers with services regulated by the Authority, as measured by the Consumer Satisfaction Index (CSI).

During the strategic plan period, BOCRA biennially conducted a consumer satisfaction survey to gauge consumers' level of satisfaction and identify areas for improvement. Progress made on the CSI over the strategic plan period is shown in Figure 7.

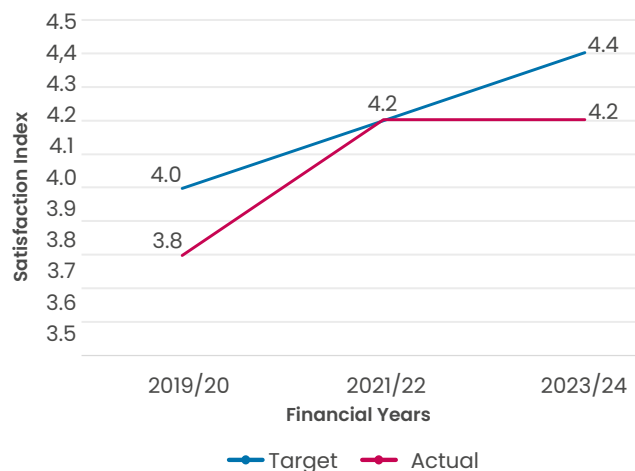


Figure 7: Consumer Satisfaction Index

The consumer satisfaction survey was not conducted for the 2023-2024 period owing to the re-prioritisation of objectives. Consequently, the index for 2021-2022 was maintained. Therefore, BOCRA targeted to conduct the survey in the next financial year.

Improve Access and Affordability of Broadband Services

The 2019-2024 Strategic Plan was premised on the National Broadband Strategy, and thus aimed at ensuring that all Batswana afforded and enjoyed the latest broadband services.

The improvement in Access and Affordability of Broadband Services as a key goal of the strategy was measured by five KPIs: Price of Mobile broadband (2GB per month), price of fixed broadband (4Mbps per month), percentage population with LTE, percentage of households with fixed broadband, and percentage population coverage (terrestrial radio).

Price of Mobile Broadband

The definition and application of this KPI were derived from the ITU. The KPI considered the cheapest mobile service plan providing high-speed data of at least 2GB offered by the operator with the largest market share over a 30-day period. Therefore, a 2GB data package from Orange, as the market leader in mobile broadband provision, was considered.

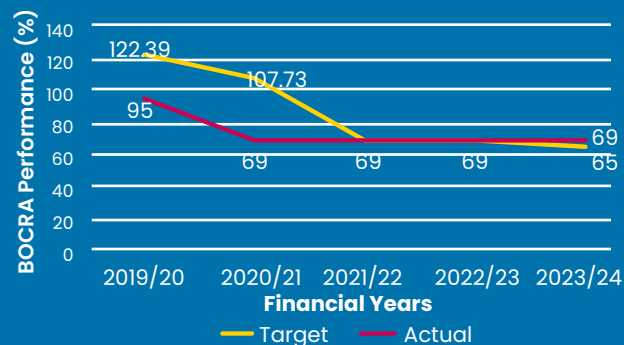


Figure 8: Mobile Broadband Price of 2GB per month

During the 2023-2024 Financial Year, the price of the 2GB package was maintained at 69 BWP against a target of 65 BWP, as depicted in Figure 8. This translated to a partial achievement of the objective. The opportunity to further reduce prices was negated by increased input costs. It is worth highlighting that the international standard for measuring affordability is based on the 1GB package. However, the Botswana market no longer has a 1GB package but offers a minimum of 2 GB.

The minimum 2GB package that Botswana uses to compare itself with the rest of the world provides evidence of the affordability of data services. This is consistent with the increased uptake of mobile broadband internet packages.

Price of Fixed Broadband

As with the price of mobile broadband, the fixed broadband price aligns with the ITU definitions. This KPI is considered the cheapest plan providing fixed 4Mbps¹ over a 30-day period from the market leader. Since BTC was the market leader in the provision of fixed broadband, the 4Mbps package

¹ Prior to the 2021-2022 FY, this KPI considered 512Kbps fixed broadband. 512Kbps has since been phased out.

offered by the operator was used. BTC reduced the price of 4Mbps to 379.62 BWP compared with the target of 390 BWP for the year, resulting in the achievement of the KPI. Figure 9 shows the movement of the fixed broadband price.

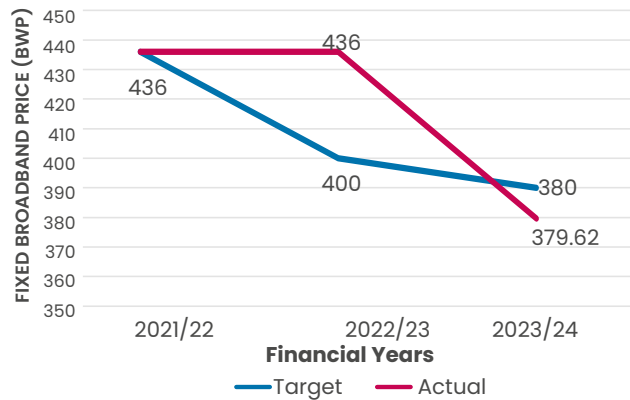


Figure 9: Prices for 4Mbps Fixed Broadband

Population with LTE

This indicator captures the percentage of the population that has access to LTE broadband services. An increase in population coverage of LTE was noted as operators expanded their LTE networks across the country. Operators also increased the deployment of 5G sites in Gaborone, Francistown, towns, and major villages, and hence the high accessibility of LTE. Figure 10 shows the progress of this measure.

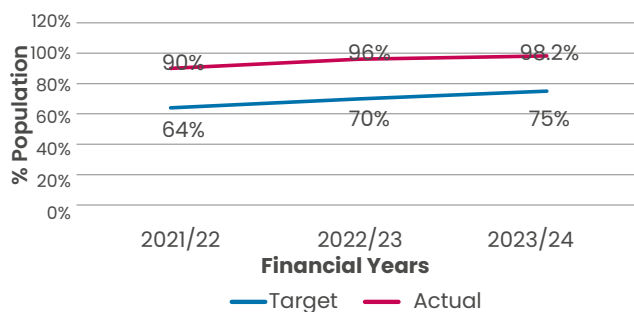


Figure 10: Population with Access to LTE

Households with Fixed Broadband

Fixed broadband, an alternative to mobile broadband, registered low uptake as consumers sought convenience in the mobility of their end user devices and internet modems. Despite the low uptake of fixed broadband, the segment still recorded growth and managed to surpass the target, as shown in Figure 11.

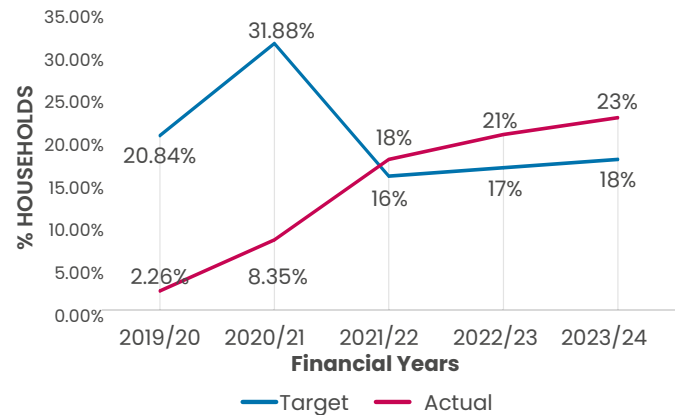


Figure 11: Households with Access to Fixed Broadband

This good performance was mainly attributable to a net decrease in the Mbps prices of fixed broadband packages.

Population Coverage (Terrestrial Radio)

The aim of this objective was to increase access to Terrestrial Commercial Radio Broadcasting. The implementation of the objective was achieved through the Authority's developmental agency, the Universal Access and Service Fund (UASF). With the intervention of the UASF, which facilitated the rollout of new FM transmitters across the country, the Authority managed to exceed targets for this KPI.

In the year under review, FM transmitters were installed in the North-West District covering Shakawe, Seronga, Gumare, Sankoyo, and Sehithwa cluster villages. As a result, an additional 34 villages had access to commercial radio stations, leading to 80% population coverage against the target of 75%, as shown in Figure 12.

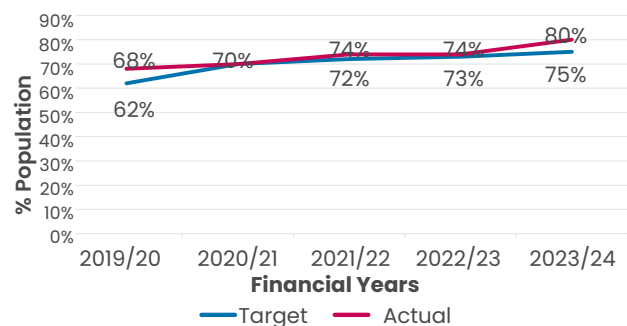


Figure 12: % of Population with Access to Terrestrial Radio

Improve Management of Financial Resources

This strategic objective was measured by the Authority's adherence to its approved budget and improvement in the recovery of long outstanding regulatory fees. A targeted budget variance of 10% was achieved. Figure 13 shows the performance of this KPI over the strategic plan period, with greater budget variances recorded during the 2020-2021 and 2021-2022 periods due to the effects of COVID-19.

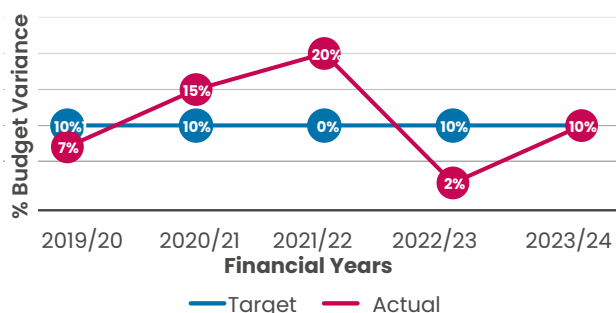


Figure 13: BOCRA Budget variance

BOCRA performed well in the collection of regulatory fees for the review period, as it achieved a 94% collection rate against a target of 90%. Debt collection efforts were intensified, resulting in the revocation of inactive licences, and writing off unrecoverable debt. Figure 14 illustrates the recovery rate against the targets for the 5-year period.

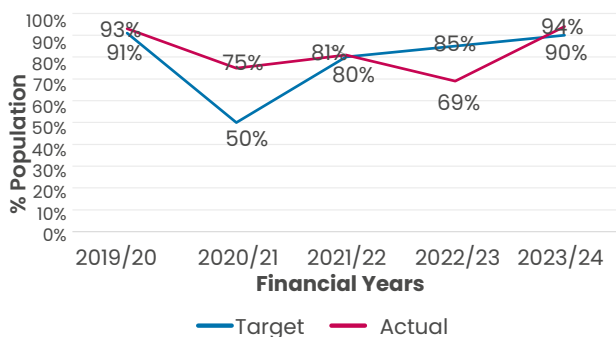


Figure 14: Collection of Regulatory Fees

**COLLECTION OF
REGULATORY FEES**

94%

**COLLECTION RATE AGAINST
A TARGET OF 90%**

Improve Competitiveness in the Market

This objective measured competitiveness for Mobile Voice, Mobile Broadband Internet, Fixed Broadband, and Terrestrial Radio. Competitiveness was measured to keep track of market dominance and prevent abuse of the dominant position in the market using 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 (and the lower its competition). The ideal with HHI is a downward movement on the Index, as it aims to mimic a perfectly competitive market.

Mobile Voice

Competition in the mobile voice market intensified for the period under review as operators introduced attractive and competitive promotions to entice consumers.

Orange surpassed Mascom as the market leader, with a market share of 43%. Mascom closely followed at 42% market share, while BTC followed at 15%. The movement of the KPI over the strategic plan cycle is shown in Figure 15.

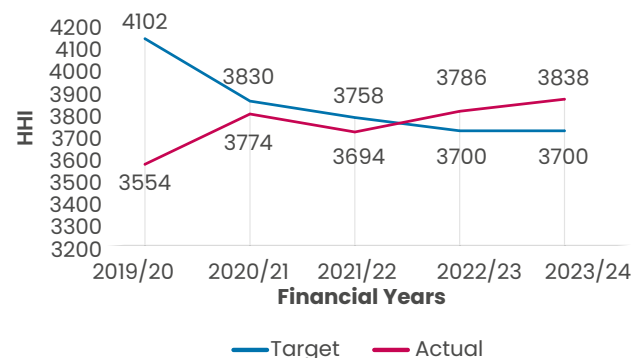


Figure 15: HHI for the Mobile Voice market

Mobile Broadband Internet

The mobile broadband market, like the mobile voice market, was also competitive, with Orange and Mascom as dominant players, followed by BTC. Orange was the market leader at 50%, followed by Mascom at 43% and BTC at 7%. Figure 16 shows the HHI for this market segment over the 5-year period.

Fixed Broadband

The HHI for Fixed broadband and terrestrial radio was measured only after the strategic midterm review. BTC, the incumbent operator of Fixed Broadband services, continues to dominate the market. However, a slight improvement in competition was noted as more ISPs were licensed, which introduced affordable and attractive packages for consumers.

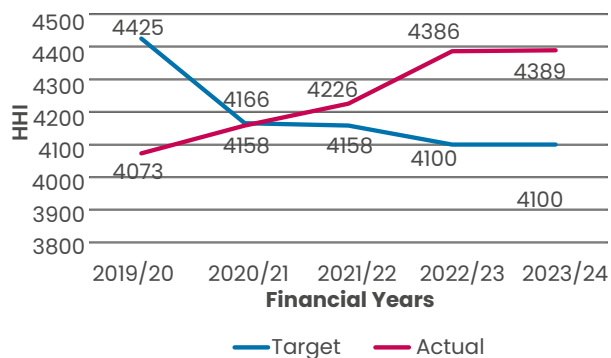


Figure 16: HHI for the Mobile Broadband market

Terrestrial Radio

Advertising revenue was used as a measure of the market share in the Terrestrial Radio market. Duma FM maintained its 40% market share, whereas Yarona FM lost 3% of its market share to Gabz FM. As a result, Yarona FM was the second market leader at 32% share, relative to 35% previously recorded, and lastly Gabz FM at 28% share, an improvement from 25% registered in the last reporting period. The Terrestrial market was heavily contested, and hence, competitive. Figure 17 shows the HHI for this market segment.

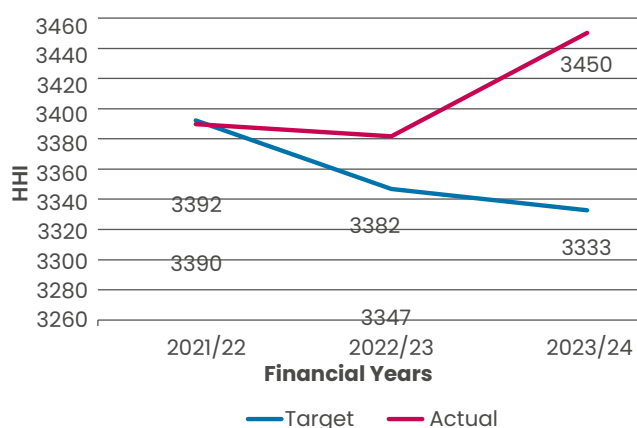


Figure 17: HHI for the Terrestrial Radio market

Improve Management of Regulatory Resources

In an effort to ensure efficient deployment of allocated resources, the Authority imposes rollout quotas on licensees to promote the delivery of services. Quotas encourage effective utilisation of scarce resources, such as numbers and radio frequency spectrum, by MNOs.

In its management of the radio frequency spectrum, BOCRA imposes rollout obligations as a licence condition to monitor the uptake of local domain names. Both KPIs were introduced after the midterm review. Prior to the review, the Authority monitored the efficiency of the 3G and 4G spectrum only.

Operators achieved and maintained 100% compliance with the spectrum rollout obligations throughout the strategic plan period. The local domain name uptake continued to increase despite falling short of meeting the targets. While there was a growth in the number of domains, the Authority also deleted some domain names.

The deletions affected those domains that had been registered only for temporary events and those for businesses that could not keep up with the market forces and closed shop. The uptake of local domains is shown in Figure 18.

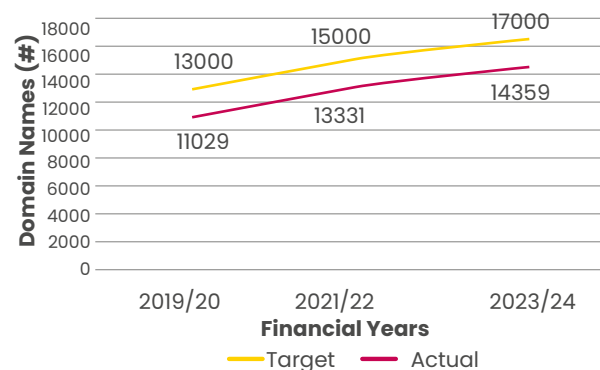


Figure 18: Local Domain Names Usage

Increase Research and Studies in the Regulatory Environment

The aim of this objective was to conduct research to inform regulatory interventions that BOCRA needed to formulate. Research has also been conducted to gain an understanding and insights into the different regulated sectors.

The objective was measured by the number of research studies conducted and new regulatory instruments introduced. The Authority fared well on this initiative, consistently meeting the targets set for research studies throughout the strategic cycle. Cumulatively, 32 research papers were produced, with a target of 22.

The formulation of new regulatory instruments KPI was also achieved by formulating the Satellite Licensing Framework, Community Radio Licensing Framework, Audit of Billing Guidelines, and Sim Card Registration Guidelines. These resulted in the cumulative delivery of 15 regulatory instruments against a target of 8.

Improve Strategic Relationships

The Authority sought to realise the beneficiation of forged partnerships and managed to do so by undertaking two (2) projects through partnerships with the public and private sectors. The provision of LTE services in the North-West District was undertaken in partnership with BTC. BOCRA further partnered with the Botswana Unified Revenue Services (BURS) to monitor ICT equipment entering the country. There were eight (8) cumulative initiatives implemented through partnerships for the year against a target of five (5). Therefore, the Authority consistently met the targets throughout the strategy period.

Improve Employee Engagement

The Authority sought to improve the level of employee engagement as measured by the employee engagement index. Employee engagement surveys were conducted every two years to gauge the level of employee engagement. BOCRA attained an employee engagement index of 66%, against a target of 76%. This was a three-percentage point decline on the 69% previously scored. Despite falling short of the set target, the Authority's performance was in line with the national and global benchmark scores recorded at 65% and 67%, respectively. Figure 19 shows how the Authority fared on this KPI during the strategic plan cycle.

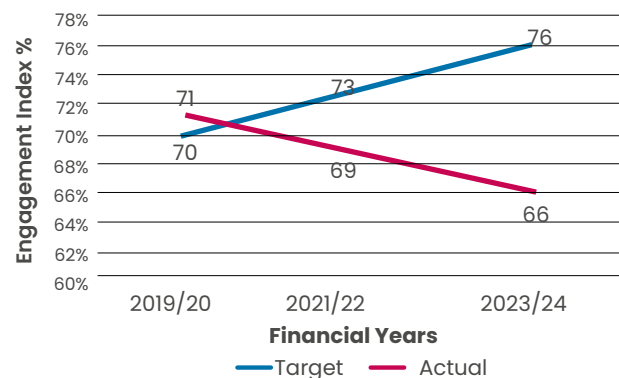


Figure 19: Employee Engagement Index

The employee engagement survey revealed employees' dissatisfaction with the aspect of Internal Communication, as well as the Reward and Recognition policy. These two areas of dissatisfaction were addressed through the revision of the General Conditions of Service and Communications Strategy.

Improve Employee Performance

The strategic objective was measured by two (2) KPIs, which were staff exceeding performance thresholds and staff below performance thresholds. Both KPIs were achieved during the year, with 45% of staff exceeding performance thresholds against a target of at least 20%, whereas none of the staff performed below performance thresholds. Throughout the strategy period, the Authority embarked on several initiatives to ensure that a high-performance culture was maintained. This included regular performance reviews for departments and individuals as well as staff performance awards. Consequently, the targets for this objective were exceeded.

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MARKET REVIEW

ICT MARKET PERFORMANCE REVIEW

TELECOMMUNICATIONS MARKET STRUCTURE

The Botswana telecommunications market structure remained largely unchanged in terms of the number of telecommunications players during the review period. The three main telecommunication licensees/operators are Botswana Telecommunications Corporation Limited (BTC), Mascom Wireless Botswana (Pty) Ltd. (Mascom), and Orange Botswana (Pty) Ltd. (Orange).

These operators hold network facilities and network service licences. They provide a wide range of retail and wholesale services such as the internet, voice telephony, and value-added services. Another prominent player in the market is BoFiNet, which operates only in the wholesale market segment. These players are complimented by Internet Service Providers (ISPs) which rely mainly on the main operators to provide services, although a few of them have some level of independence.

Mobile Telephony Market Segment

Botswana has experienced remarkable growth in mobile telephony subscriptions primarily due to the convenience provided by mobile platforms. Mobile networks have become necessary for everyday communication, efficient business operations, and service delivery enhancements in all sectors of the economy.

The trend in mobile telephony growth over the preceding five years is illustrated in Figure 20.



The six-year period demonstrated steady growth in subscriptions, with a 32% increase from 3,353,337 subscriptions in March 2019 to 4,425,582 subscriptions in March 2024. From the previous year ending March 2023, there was a 1% increase in subscriptions. Competition among market players in this market segment is intense and has led to vast service offerings of data and voice bundles which seek to offer customers value for money. Mobile telephony penetration stood at 188% during the period under review, compared to 186% registered in the previous year.

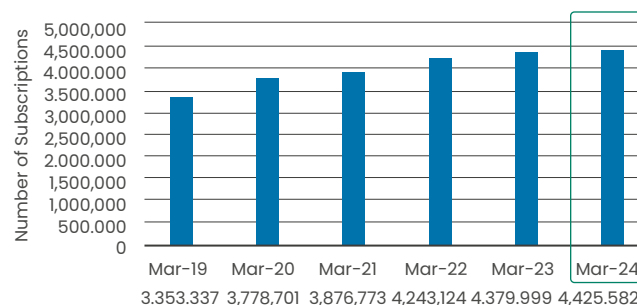


Figure 20: Mobile telephone subscriptions for the past six years, from March 2019 to March 2024. Source: BOCRA

Orange Botswana has positioned itself as a market leader, surpassing Mascom. Figures 21 and 22 provide a pictorial representation of the market shares of the three operators for the periods ending March 2023 and March 2024.

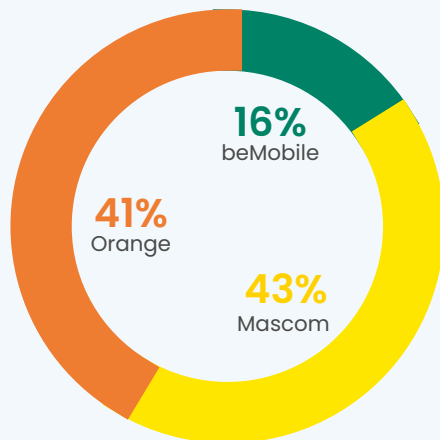


Figure 21: Mobile telephone market share in 2023. Source: BOCRA

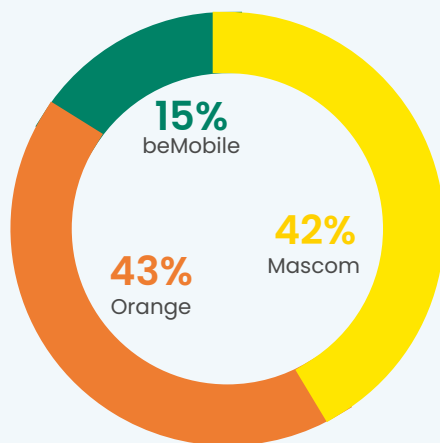


Figure 22: Mobile telephone market share in 2024. Source: BOCRA

The shift in market share is a sign of competitive forces and consumer demand that affect customer distribution among various operators. Central to creating a competitive environment is a regulatory strategy that focuses on healthy competition in the sector. The increase in competitive forces, such as prices, new services, promotions, and commensurate consumer demands have played a significant role in market share changes.

In the current period ending March 2024, the share between Prepaid and Post-paid mobile telephony subscriptions stood at 96% and 4%, respectively, as in the previous financial year, as demonstrated in Figure 23. Although usage charges for post-

paid services are generally cheaper than those for prepaid services, consumers prefer prepaid services for the convenience of tracking their usage while avoiding contractual obligations.

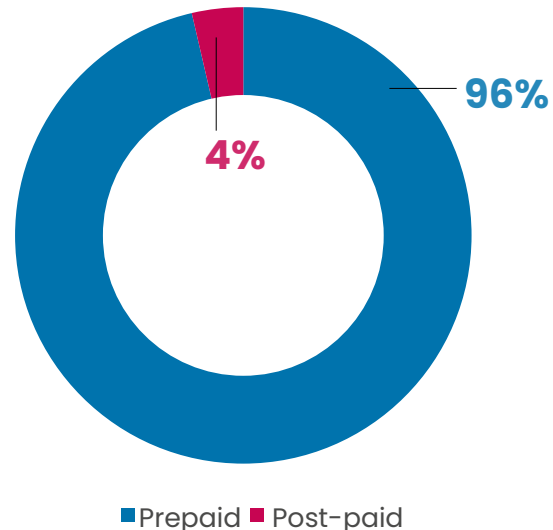


Figure 23: Market Share of Prepaid and Post-paid mobile. Source: BOCRA

Fixed Market Segment

Fixed telephony services are offered by BTC only, although Mascom and Orange hold the licences to offer the services. Fixed telephony subscriptions stood at 88,419 compared to 91,625 recorded in the previous year, representing a decrease of 3%. Teledensity for fixed telephony was recorded at 4%. The expected long-term market trend is that there will be a continued decline in subscriptions, as consumers favour mobile technology for various reasons, including cost, flexibility, mobility, and diversity of value-added services. The trend for fixed telephony subscriptions from March 2019 to March 2024 is illustrated in Figure 24, which shows a general decline in the subscriber base.

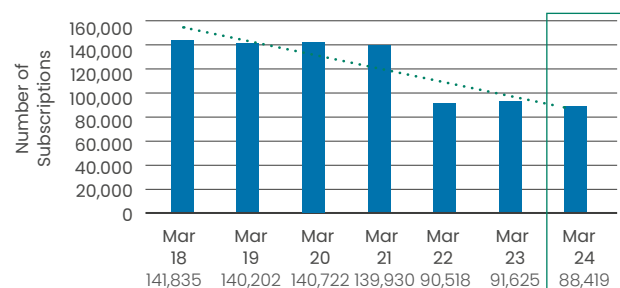


Figure 24: Total Fixed Telephony subscriptions from March 2018 to March 2024. Source: BOCRA

INTERNET UPTAKE

Fixed Broadband Internet

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 complementary service to mobile wireless internet, and secondly, as a solution for bandwidth-intensive applications and services. BTC offers, among others, a fixed broadband product named Asymmetric Digital Subscriber Line (ADSL) at the retail and wholesale levels, with a market share of 15% of the total fixed broadband.

Mascom and Orange offer a combined fixed wireless broadband at 85% of the total fixed broadband market in the year reviewed. Internet service providers offer ADSL as resellers of the BTC service. Most ISPs offer the fixed wireless internet because they use free spectrum in the Industrial, Scientific, and Medical (ISM) bands for last mile access. Figure 25 represents the number of fixed broadband subscriptions to ADSL and Fixed wireless, and total fixed broadband subscriptions.

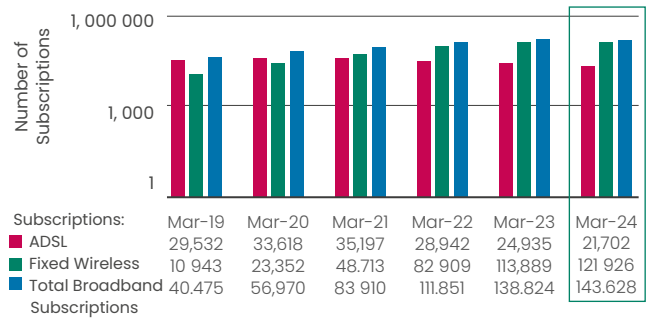


Figure 25: Fixed broadband subscriptions from March 2019 to March 2024. Source: BOCRA

ADSL uptake declined from 24,935 recorded in the previous year to 21,702 recorded in this year. Over the six-year period, ADSL subscriptions fluctuated, reaching 29,532 in March 2019, before declining to a low 21,702 recorded this year. This decline can be primarily attributed to a database clean-up exercise by BTC, which validated subscription records. However, fixed wireless subscriptions grew significantly from 113,889 registered in March 2023 to 121,926 in March 2024. This increase was primarily due to the growth in new products and services introduced by mobile operators compared to previous years.

Mobile Broadband Market

A significant portion of the population has access to and use mobile broadband as operators continue to increase their coverage of mobile broadband services. Operators also continue to develop consumer-driven packages, including their own and alternative brands' smartphones, which contribute to increased access and usage. Figure 26 shows the number of mobile broadband

subscriptions over the preceding six years. During the review period, mobile broadband subscriptions increased from 2,542,916 in March 2023 to 2,910,507 in March 2024, representing a 15% increase. Mobile broadband penetration is expected to continue experiencing higher growth rates than fixed broadband owing to its convenience and ability to enable e-commerce, social media networking, knowledge resources, and entertainment.

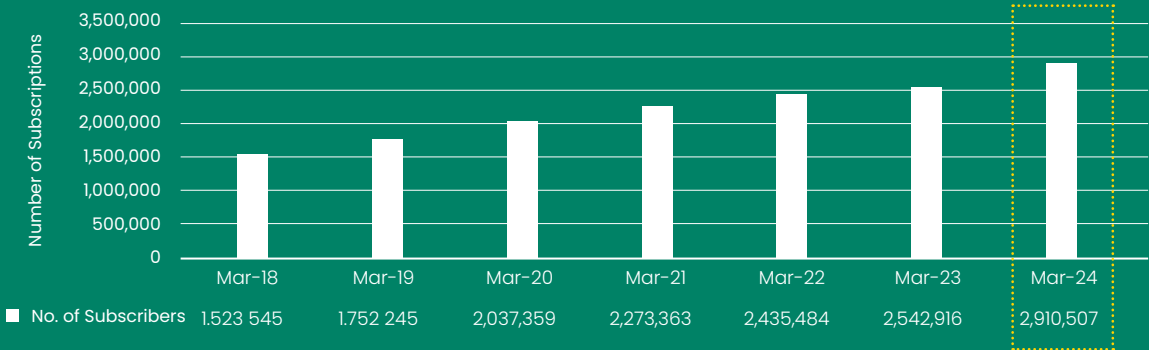


Figure 26: The Number of Mobile Broadband Subscribers. Source: BOCRA

MOBILE MONEY SERVICES

All three mobile operators are players in the Mobile Money market, together with Botswana Post, which began offering this service in 2018. As illustrated in Figure 27, as of March 2024, Orange remains a market leader with a 78% market share, followed by Mascom, BTC, and Botswana Post at 11%, 7%, and 4%, respectively.

In the previous financial year, Orange was the market leader at 49%, followed by Mascom at 38%, BTC at 11%, and Botswana Post at 2%. The huge shift in market share was due to a data clean-up exercise that differentiates registered and active subscribers.

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

Figure 29 illustrates the number of mobile money accounts recorded over the preceding six years, showing a significant increase of 46% from March 2019 to March 2023. However, in the year under review, the number of subscriptions decreased by 33% from March 2023 to March 2024.

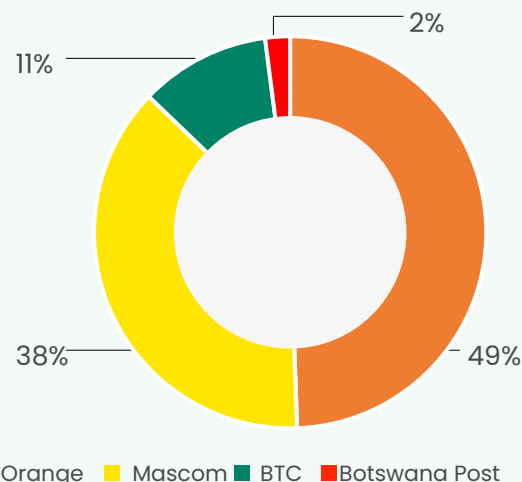


Figure 27: Mobile Money Market Share 2023. Source: BOCRA

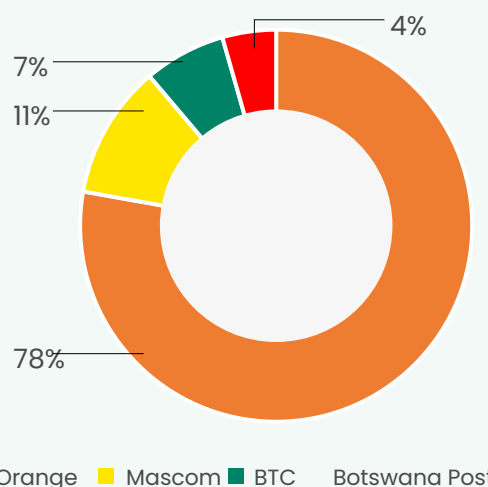


Figure 28: Mobile Money Market Share 2024. Source: BOCRA

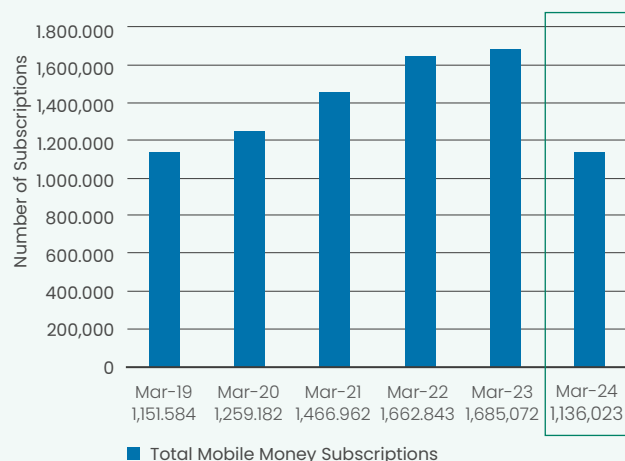


Figure 29: Total Mobile Money Subscriptions from March 2019 to March 2024. Source: BOCRA



for 4% (62,079 mail items). Domestic parcel mail items accounted for 19% (261,146 mail items), whereas international parcel mail constituted 1% (17,913 mail items) of the total postal mail volume. Domestic letter items recorded a substantial decrease of 7,583,491 (88%) mail items from 8,669,875 recorded for the year ending March 2023. In comparison, international mail letter items registered a decline of 93,189 (60%) from a total of 155,268 recorded in the previous financial year. The movement of parcels also experienced a significant decline, with a decrease of 726,650 (74%) for domestic parcels and 63,429 (78%) for international parcels.

POSTAL SECTOR PERFORMANCE REVIEW

Commercial Postal Operators' Market Share

Figure 30 illustrates the market share of the commercial (courier) postal operators. Botswana Postal Services Limited led the market, accounting for 59% of the market share, followed by Sprint Couriers at 16%. The third spot was DHL Botswana (15%), followed by FedEx Express (5%), and Ram Transport (2%). The sixth position was Pinnacle Express and Aramex, each accounting for 1% of market share. The aggregated operators labelled Others' account for 1% of the market share. These operators individually held less than 1% of the market share.

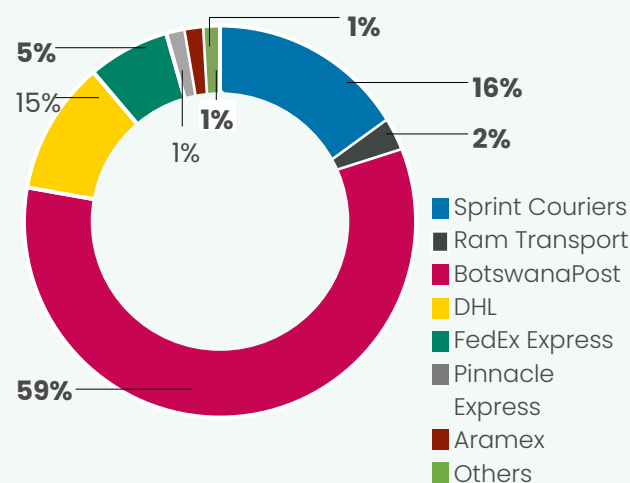


Figure 30. Commercial Postal Operators' Market Share for the Period Ending March 2023. Source: BOCRA

Mail Volume for the Postal Sector

Analysis of mail volumes recorded between the period ending March 2023 and March 2024 showed an 86% decrease in the movement of letters and parcel items. During the period ending March 2024, the postal market recorded a total of 1,427,522 mail items, including both letter mail and parcel mail, compared to 9,894,281 mail items registered for the period ending March 2023. This decline in uptake is attributable to the fact that most people prefer to use other communications services such as telephones and emails instead of postal services.

Figure 31 illustrates the high movement of letter mail items compared with parcel mail items. Domestic letter mail items constituted 76% (1,086,384 mail items) of the total mail volume, whereas international letter mail items accounted

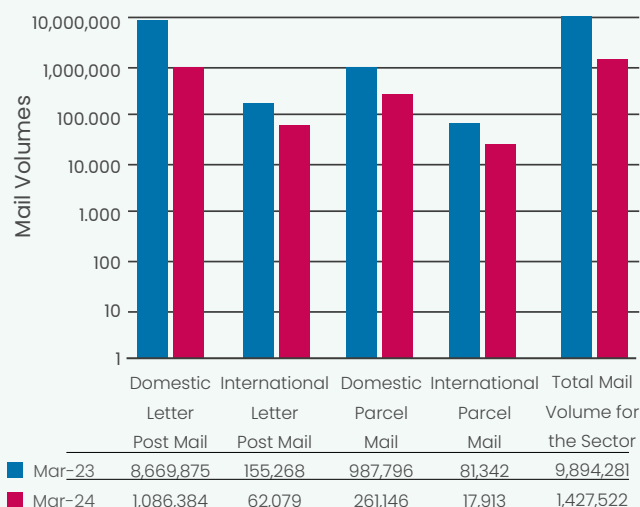


Figure 31. Total Mail Volumes for the Period Ending March 2023. Source: BOCRA

BROADCASTING MARKET PERFORMANCE REVIEW

FM Radio Broadcasting Market Structure

The commercial FM radio broadcasting market comprises Duma FM, GABZ FM, and Yarona FM. The three radio stations hold national broadcast licences and cater to different market segments. DUMA FM is a family radio station with a target audience ranging from 25 to 49 years. Gabz FM caters to the contemporary adult clientele, while Yarona FM is targeted at young and upwardly mobile youth within the 20–29 age bracket, with spillage on either side of this age group. The three radio stations provide varying percentages of nationwide population coverage. In addition to the three terrestrial FM radio licensees, the University of Botswana has also been licensed to operate campus radio in Gaborone, Francistown, and Maun. Campus radio licensing is expected to contribute to the growth of the broadcasting sector in terms of the development of broadcasting talent.

In addition, two state broadcasters, Radio Botswana and RB2, play in the radio broadcasting market. The market also features two online radio broadcasting stations: Rera radio station and Excelsior. All the terrestrial FM radio stations are also available online.

Monitoring of FM Broadcasters

The Authority undertook an FM Broadcasting performance monitoring exercise in the Southern, Goodhope, Ghanzi, Charles-Hill, Kweneng, and North-East 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 a compliance check for adherence to the use of allocated frequencies.

A standard domestic portable FM radio set was used to assess the reception of the commercial broadcasters. The services were identified by performing a full scan using a portable FM receiver and recording the frequency at which the service was picked.

An examination of the findings from various districts shows that Yarona FM was accessible in 20 areas within the Southern District, Gabz FM in 23 areas, and Duma FM in 22 areas. In the Goodhope District, all three radio stations (Yarona FM, Duma FM, and Gabz FM) were available in 32 villages. Conversely, in the Ghanzi District, Gabz FM and Yarona FM were absent, with only Duma FM broadcasting in one village. Moving to the Kweneng District, Yarona FM was present in 24 villages, Gabz FM in 26 villages, and Duma FM in 37 villages.

Finally, in the North-East District, Yarona FM covered 11 villages, Gabz FM 12, and Duma FM 16. Across the six monitored districts, commercial FM broadcasters

FM Radio Broadcasting Market Share

The market-share performance of radio broadcasters was monitored using advertising revenue. Duma FM held the highest market share performance of 40%, an increase from the 39%

reported in the previous year. Yarona FM followed with a market share of 35%, an increase from the 31% reported in the previous year. Gabz FM's market share for the reporting period was 25%, which declined from 30% in the last reporting period.

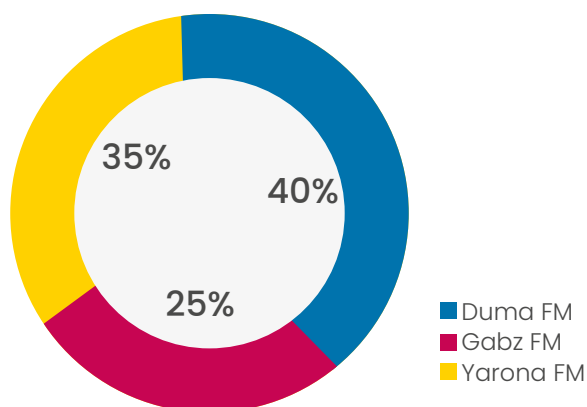


Figure 32: FM Broadcasting Market Share 2022/23

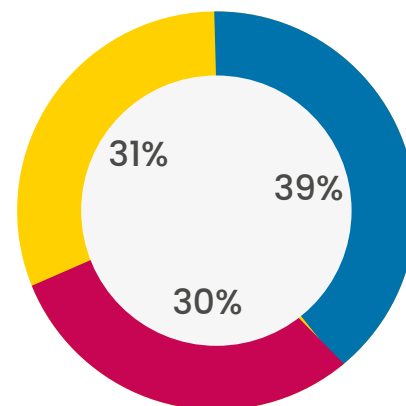


Figure 33: FM Broadcasting Market Share 2023/2024

adhered to the frequencies allocated to them by BOCRA. Additionally, the monitoring process highlighted strong signal strength from these broadcasters, with coverage aligning closely with the rollout obligations outlined in their quarterly reports to BOCRA.

Service Availability Rate (SAR)

BOCRA also monitored the operations of licensed broadcasters for the quality of service based on the Service Availability Rate (SAR), which was set at 99.9% as a minimum. SAR is defined as the percentage of time a broadcasting service is available for access by consumers. SAR for the period under review is shown in Table 4.

An analysis of the SAR for the three commercial FM radio stations indicates that Duma FM registered

an average performance of 98.75%, representing an increase from 98,00 registered in March 2023. Duma FM attributed its failure to attain the minimum SAR to challenges with satellite connections which tended to default to channel 100 during periods of power load shedding. The station reported that it was engaged in consultations with other signal distribution service providers for a deal to be hosted on available set-top boxes before the end of April 2024.

Yarona FM reported a 97,79% SAR performance which was an increase from the 89.82% reported in March 2023. However, its performance still fell below threshold. Yarona FM ascribed its failure to reach the Minimum SAR threshold to power supply interruption to the Hukuntsi site. To rectify this problem, UASF was in the process of installing Uninterrupted Power Supply (UPS) system to

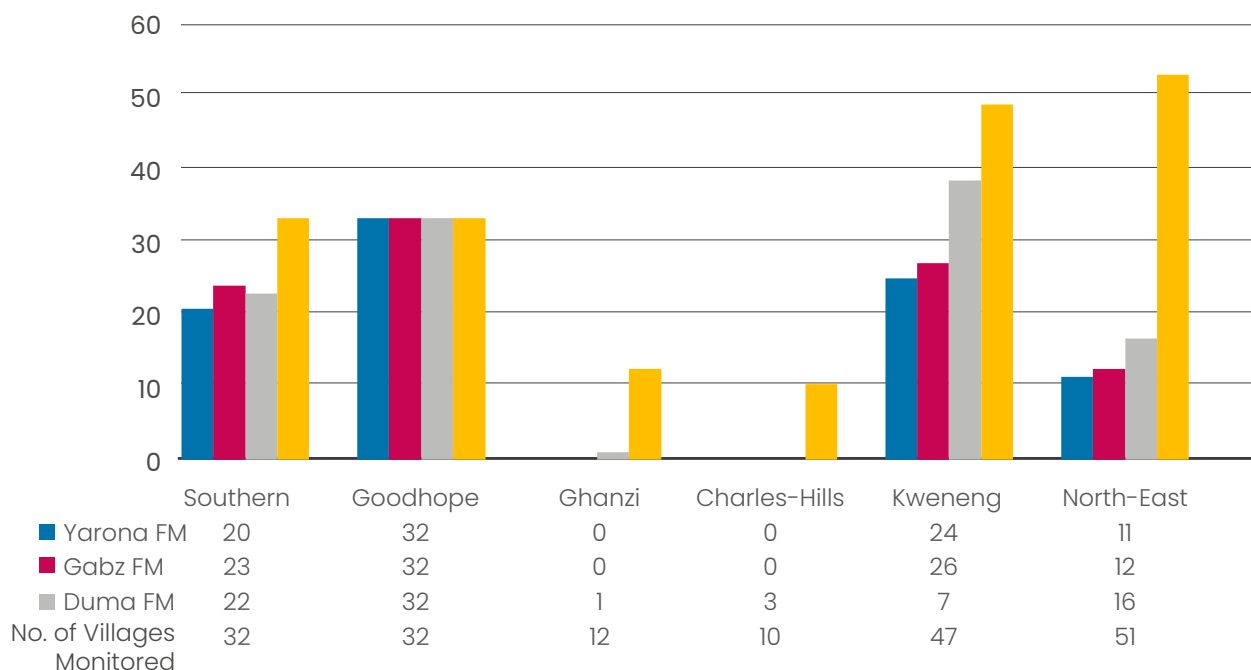


Figure 34: The Presence of Commercial FM Broadcasters

Table 4: Service Availability Rate

| Stations | Apr – June 2023 | Jul – Sep 2023 | Oct– Dec 2023 | Jan – Mar 2024 | Average | Shortfall |
|------------|-----------------|----------------|---------------|----------------|---------|-----------|
| Duma FM | 99,00% | 99,00% | 99,00% | 98,00% | 98,75% | 1,15% |
| Gabz FM | 90,00% | 85,00% | 90,50% | 95,00% | 90,13% | 9,77% |
| Yarona FM | 88,35% | 95,00% | 99,36% | 99,00% | 97,79% | 2,11% |
| Ytv | 98,00% | 98,00% | 98,00% | 98,00% | 98,00% | 1,90% |
| SAR Target | 99,90% | 99,90% | 99,90% | 99,90% | 99,90% | 0,00% |

ensure uninterrupted service during periods of power failure at the site.

The SAR performance rating for Gabz FM was 90,31%, representing an increase from the 87,19% reported in March 2023. However, its performance still fell below threshold. Gabz FM attributed its non-compliance with the minimum SAR to failures of its new antennas and transmitters at the Kasane site, following heavy rainfall in the area that affected their new antennas and transmitters. The station reported that it was in the process of waterproofing its transmitter building and antennas to avoid the recurrence of a similar nature.

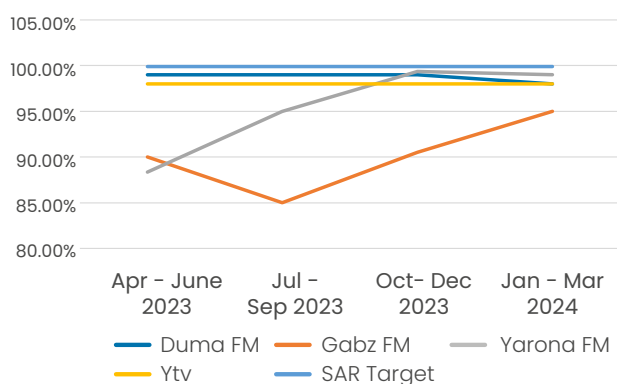


Figure 35: SAR Performance for 2023-2024

Local Content Quota

BOCRA monitored broadcasters to comply with local content quota requirements in line with the licence conditions which obligate broadcasters to achieve a minimum of 45% local content quota. The local content quota for radio broadcasting was calculated as the percentage of local content aired over the overall percentage of music played by the radio station over a given period.

Commercial radio broadcasters achieved the minimum set local content quota of 45%. Duma FM achieved an average of 63.50%, which was a slight improvement from the 63.00% achieved in the previous financial year. The average local content quota performance of Gabz FM was 50.17%, which is a decline from the previous reporting period of 52.49%. Yarona FM reported an average of 54.69% local content quota performance, a decline from the 57.00% reported in the previous reporting period. Notwithstanding the noted declines, the radio stations still significantly surpassed the set threshold.

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

Table 5 shows the local content quota achieved by broadcasters during this reporting period. In commercial television broadcasting, Ytv surpassed the 20% local content target, recording an annual average performance of 48.00%, an increase from the 43.00% reported in the last reporting period. The station attributed the performance to in-house production of most of its content.

Table 5: Local Content Performance for 2022-2023

| Stations | Apr - June 2023 | Jul - Sep 2023 | Oct - Dec 2023 | Jan - Mar 2024 | Average |
|--------------|-----------------|----------------|----------------|----------------|---------|
| Duma FM | 63,00% | 63,00% | 65,00% | 63,00% | 63,50% |
| Gabz FM | 49,00% | 47,00% | 54,47% | 50,20% | 50,17% |
| Yarona FM | 57,00% | 57,00% | 53,00% | 51,74% | 54,69% |
| Ytv | 47,00% | 48,00% | 49,00% | 48,00% | 48,00% |
| Radio Target | 45,00% | 45,00% | 45,00% | 45,00% | 45,00% |
| TV Target | 20,00% | 20,00% | 20,00% | 20,00% | 20,00% |

Increased local content performance means that Batswana have access to programming that is relevant to their day-to-day lives and culture. It is envisaged that such exposure will positively influence artists' footprints and generate revenue for artists.

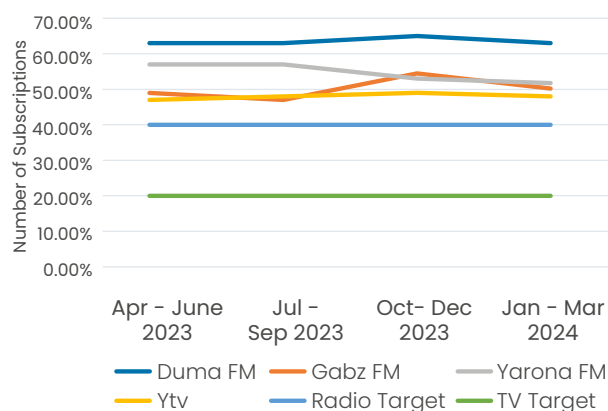


Figure 36: Local Content Performance for 2023-2024

Roll Out Obligations

As part of their licence conditions, FM radio stations are obliged to provide services that cover a defined population during their licensing period. Licensees realised marginal increase over their “expected coverage” obligation following the installation of shared transmitters in Shakawe, Seronga, Gumare, Sankoyo, and Sehithwa Villages. Transmitter Locations of the three FM radio stations are as shown in Table 7

Table 6: Commercial Operators Expected Coverage Performance

| FM Radio Stations | 2022-2023 | 2023-2024 | % Expected Coverage by 2027 |
|-------------------|-----------|-----------|-----------------------------|
| Duma FM | 81,59% | 84,07% | 92% |
| Gabz FM | 78,58% | 81,06% | 91% |
| Yarona FM | 72,72% | 75,20% | 92% |

Table 7: Transmitter Locations of the three FM radio stations

| 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 | Ghanzi | Malwelwe |
| Ghanzi | Hukuntsi | Salajwe |
| Serule | Sojwe | Takatokwane |
| Sefhare | Malwelwe | Mabutsane |
| Bobonong | Salajwe | Senyamadi |
| Molepolole | Takatokwane | Malau |
| Letlhakeng | Mabutsane | Phitshane Molopo |
| Tutume | Senyamadi | Mabule |
| Hukuntsi | Malau | Shakawe |
| Sojwe | Phitshane Molopo | Seronga |
| Malwelwe | Mabule | Gumare |
| Salajwe | Shakawe | Sankoyo |
| Takatokwane | Seronga | Sehithwa |
| Mabutsane | Gumare | |
| Senyamadi | Sankoyo | |
| Malau | Sehithwa | |
| Phitshane Molopo | | |
| Mabule | | |
| Shakawe | | |
| Seronga | | |
| Gumare | | |
| Sankoyo | | |
| Sehithwa | | |

FM EXPANSION PROJECT IN NORTH-WEST DISTRICT

Through the UASF, BOCRA implemented FM broadcast signal expansion in the North-West

District for the cluster villages of Sehithwa, Seronga, Shakawe, Gumare, and Sankoyo. The project introduced commercial broadcasting services to a population of 50,330 which resulted in a 2.48% increase in the national population coverage of commercial radio stations.

Table 8: Villages that benefited from the FM Expansion Project

| Cluster | Location of Transmitter | Villages Intended for Coverage | Population | Total Population Coverage | % Increase of Population Coverage |
|---------|-------------------------|--------------------------------|------------|---------------------------|-----------------------------------|
| 1 | Sehithwa | Sehithwa | 2748 | 6655 | 0.33% |
| | | Botlhatlogo | 555 | | |
| | | Bodibeng | 778 | | |
| | | Legotlhwane | 347 | | |
| | | Toteng | 902 | | |
| | | Semboyo | 629 | | |
| | | Tsau | 577 | | |
| | | Makakung | 119 | | |
| 2 | Gumare | Gumare | 8532 | 11082 | 0.55% |
| | | Tubu | 483 | | |
| | | Danega | - | | |
| | | Nokaneng | 2067 | | |
| 3 | Shakawe | Shakawe | 6693 | 17304 | 0.85% |
| | | Xakao | 1565 | | |
| | | Kauxwi | 2040 | | |
| | | Samochima | 1149 | | |
| | | Mohembo | 1770 | | |
| | | Sekondomboro | 629 | | |
| | | Ngarange | 985 | | |
| | | Xhaoga | 889 | | |
| | | Nxamasere | 1584 | | |
| 4 | Seronga | Seronga | 2674 | 14398 | 0.71% |
| | | Etsha 13 | 2377 | | |
| | | Ikoga | 673 | | |
| | | Gunotsoga | 635 | | |
| | | Mokgacha | - | | |
| | | Sepopa | 2283 | | |
| | | Eretsha | 720 | | |
| | | Etsha 6 | 3130 | | |
| | | Beetsha | 941 | | |
| | | Etsha 1 | 965 | | |
| | | 5 | Sankoyo | | |
| Mababe | 230 | | | | |
| Khwai | 251 | | | | |
| TOTALS | | | 50330 | 2.48% | |

Research on Trends & Technologies in Radio Broadcasting In Botswana

In pursuit of attaining BOCRA's strategic objective of conducting research, the Authority undertook research on the trends and technologies in Radio Broadcasting in Botswana. The objective of this research was to examine and identify the trends and technologies in the radio broadcasting industry in Botswana.

The study focused on how these trends and technologies affect the terrestrial, online, and regulatory aspects of radio broadcasting in Botswana.

The research concluded that radio broadcasting in Botswana was undergoing a period of transformation, driven by both technological advancements and changing audience preferences. One key trend identified was the rise of digital radio, with radio stations exploring online streaming platforms to reach wider audiences beyond traditional terrestrial radio waves.

The research further indicated that mobile technology brought about more diverse content and flexibility in programme delivery. Mobile technology plays an increasingly important role, with listeners consuming radio content over their smartphones through mobile applications. The study also highlighted that these trends and technologies require radio stations to find new and innovative ways to adapt to the digital age to remain relevant to their listeners.

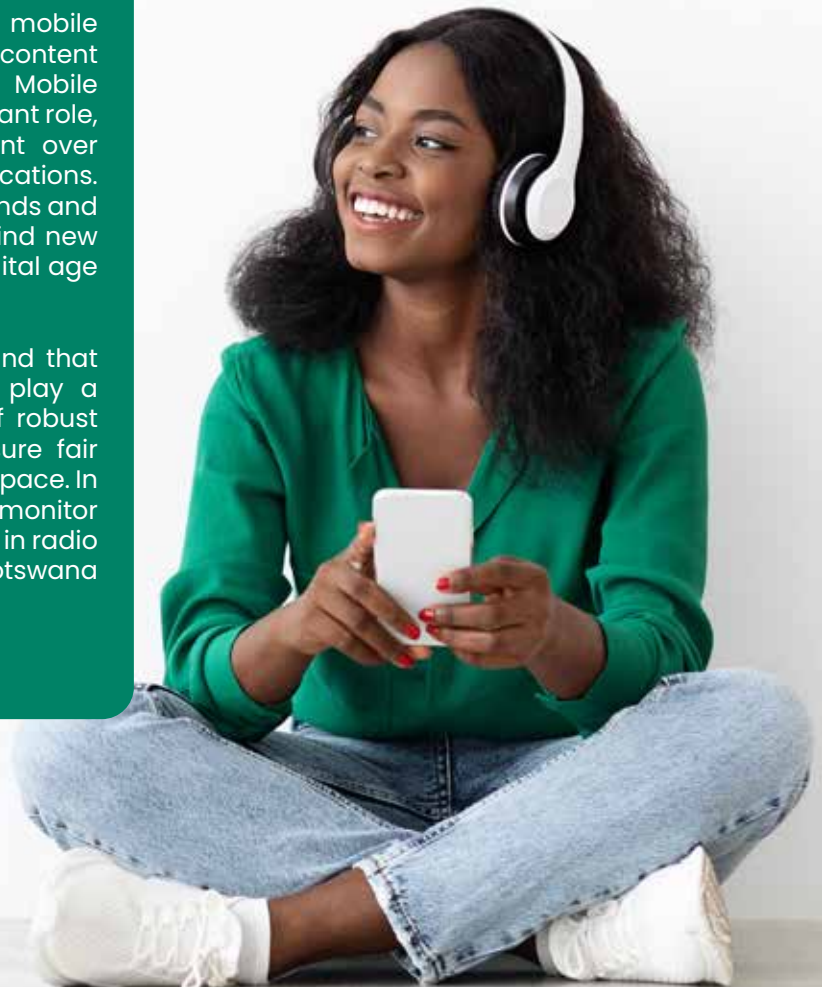
Specific to the regulator, the study found that there was need for the Authority to play a role by facilitating the development of robust digital infrastructure guidelines to ensure fair competition in the online broadcasting space. In addition, that BOCRA should continue to monitor developments, trends, and technologies in radio broadcasting to ensure that radio in Botswana continues to thrive in the digital age.

COMMERCIAL TELEVISION BROADCASTING MARKET STRUCTURE

A total of nine (9) television stations played in the commercial television broadcasting market of Botswana. Ytv was the largest privately owned free to air commercial television station in Botswana. Other licensed free-to-air television stations are Access TV and Khuduga TV.

The market also comprised six satellite television stations: Star Times, Urban TV, Maru TV, Ovy Network, On Air News, and MultiChoice Botswana, which provides Subscription Management Services.

Finally, the state broadcaster, Botswana Television (Btv), remained the largest terrestrial television operator in the country.



LICENSING

The year 2023–2024 marked the second year since BOCRA introduced two (2) year provisional licences to precede full-term licences. Provisional licences allow the licensee a trial period to curb the high number of dormant players post licensing.

With Provisional Licences, only those companies that satisfy certain levels of growth are transitioned to full licence status after a period of two years. BOCRA issued 19 Provisional licences in the current period, increasing the number to 29 by March 2024 across all regulated sectors, while long-term licences remained at 200.

13 Provisional Licensees were earmarked for monitoring visits, as required by their licence conditions. It was found that six out of the 13 licensees were operational.

During the visits, it was observed that most non-operational licensees faced a lack of funding, and some acquired licences for tender opportunities. BOCRA has since collaborated with the Local Enterprise Authority (LEA) to mentor and monitor licensees to ensure their sustainability and growth.

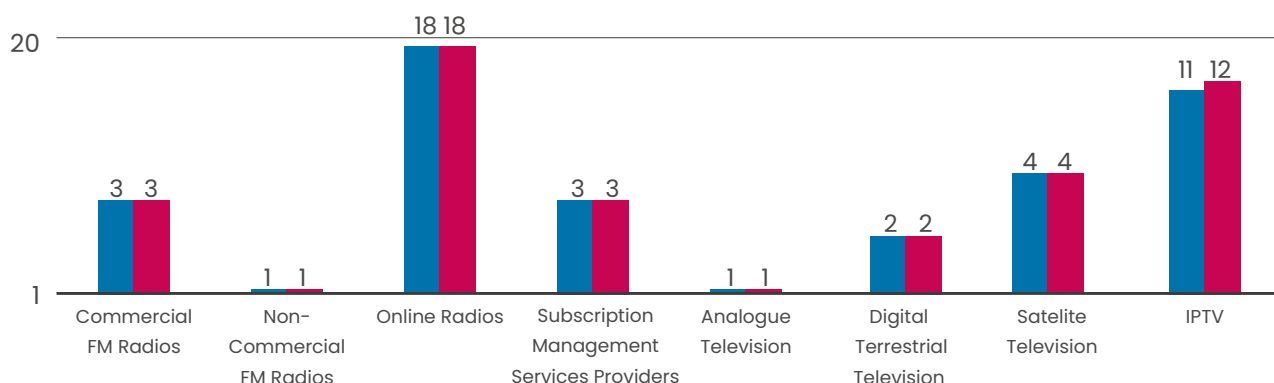


Figure 38: Total Number of Issued Broadcasting Licences

Broadcasting Licensing

No commercial broadcasting licences were issued during the financial year, resulting in the number of Commercial Radio Broadcasting Licences remaining at three (3), television broadcasting licences remaining at ten (10), and one (1) Non-Commercial Broadcasting licence. In addition, BOCRA issued a Special Event Licence to A1 Media (Pty) Ltd. for a live broadcast of the FIFA World Cup Qualifier Matches in Francistown in November 2023.

The Authority also issued one (1) Internet Protocol Television (IPTV) Authorisation to Kwikstream Tv (Pty) Ltd. The total number of authorisations issued stood at 30, comprising 12 IPTV and 18 online radio broadcasting authorisations.

Table 9 depicts the total number of broadcasting licences and authorisation issued during the FY 2023-2024.

Information Communications Technologies Licensing

The following is an analysis of the number of Internet Service Provider (ISP) licences issued by the regulator in the financial year 2023-2024. The licences were divided into three (3) categories comprising Services and Applications Provider (SAP) licence, Network Facilities Provider (NFP) licence, and Private Telecommunications Network (PTN) licence.

The Regulator issued 13 provisional (SAP) licences, increasing the total number to 20. The Authority also issued two (2) provisional (NFP) licences, increasing the total number to five (5) during the financial year 2023-2024. During the period under review, there was a decline of three (3) licences compared to the previous year, which represents a 2.8% decline in long-term SAP licences. On the other hand, long-term NFP licences declined by 2 (4.5%), from 46 licences recorded during the 2022-2023 financial year to 44 licences recorded during the reporting period.

Table 9: S Breakdown of Licensed Broadcasters.

| SERVICE CATEGORY | TYPES | ACCESS | LICENSEES | NUMBER OF LICENCES AT YEAR END | |
|---|-------------|--------------|----------------------------------|--------------------------------|------|
| | | | | 2023 | 2024 |
| Subscription Management Services provider | Satellite | Subscription | MultiChoice Botswana | | |
| | | | Harrington square t/a Star Times | 3 | 3 |
| | | | Media core-t/a Urban tv | | |
| Commercial FM radios | Terrestrial | FTA | Duma FM | | |
| | | | Gabz FM | 3 | 3 |
| | | | Yarona FM | | |
| Non- Commercial FM radio | Terrestrial | FTA | University of Botswana | 1 | 1 |
| Analogue television | Terrestrial | FTA | Ytv | 1 | 1 |
| Digital Terrestrial Television (CSP) | Terrestrial | FTA | Access TV | 2 | 2 |
| | | | Khuduga Tv | | |
| Satellite | Satellite | FTA | On Air News | | |
| | | | Maru | 4 | 4 |
| | | | Ovy Network | | |
| | | | Alfa View | | |
| Online Radio | Online | | Various | 18 | 18 |
| IPTV | Online | | Various | 11 | 12 |

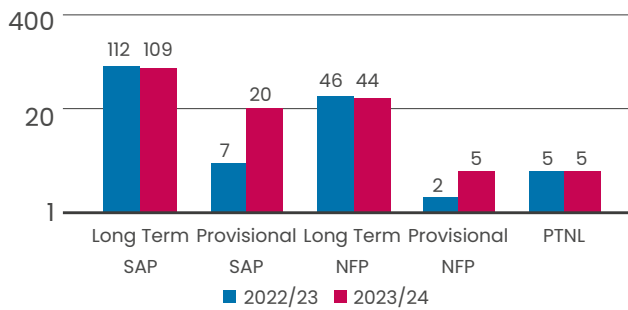


Figure 39: Total Number of Issued ICT Licences

Postal Licensing

The Authority issued four (4) Provisional Commercial Postal Operator (CPO) licences to Deep Dive (Pty) Ltd., Motswalle (Pty) Ltd., Mogaka (Pty) Ltd. t/a Courier Junxion, and Expedex CC during the reporting period, increasing the number of Provisional Licences to five (5), while the total number of long-term CPO licences declined from 34 to 33 due to the revocation of Zebra Hub of Excellence licence.

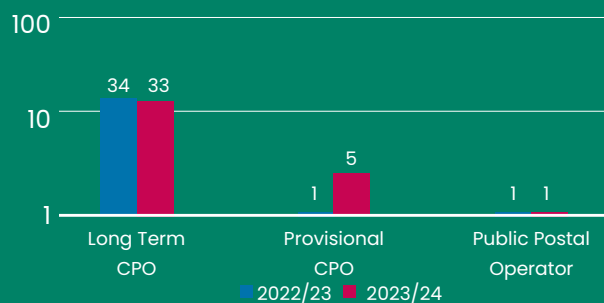


Figure 40: Total Number of Postal licences Issued

Radio Licences

During the year under review, BOCRA issued 375 new radio communications licences, compared to 187 new radio communications licences issued during the previous year, as depicted in Figure 41.

As at the end of March 2024, the total number of active radio communications licences stood at 912, following the termination of six licences and the cancellation of one licence, as shown in Table 10.

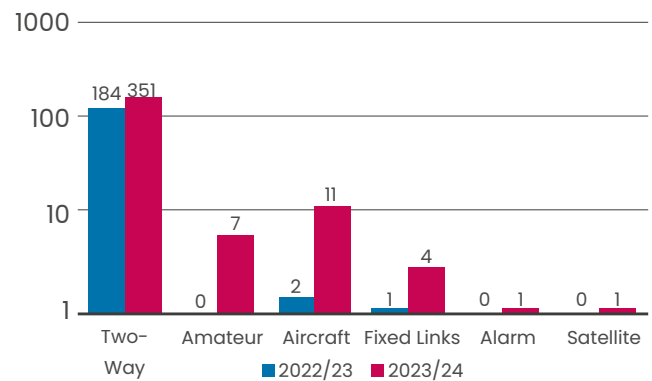


Figure 41: Number of Radio Communication Licences Issued during 2022-2023 Financial Year

Table 10: Radio Licences statistics as at March 2024

| LICENCE TYPE | ACTIVE | TERMINATED | CANCELLED |
|--------------|--------|------------|-----------|
| Land Mobile | 829 | 4 | 1 |
| Aircraft | 43 | 2 | |
| Amateur | 11 | | |
| Fixed links | 3 | | |
| Alarm | 22 | | |
| Satellite | 4 | | |



TECHNICAL SERVICES

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 the communications equipment used in Botswana is compliant with national standards, which cover health and safety, electromagnetic compatibility, interoperability, and the National Radio Frequency Plan under implementation.

In line with the Type Approval Guidelines issued in 2023, the Authority type approved a total of 1055 new electronic communications equipment that entered the market. This number represented a 10% increase over the 955 devices that were type approved during the 2022–2023 period, which can be attributed to natural growth. Figure 42 shows a year-on-year comparison of Type-Approved communications devices.

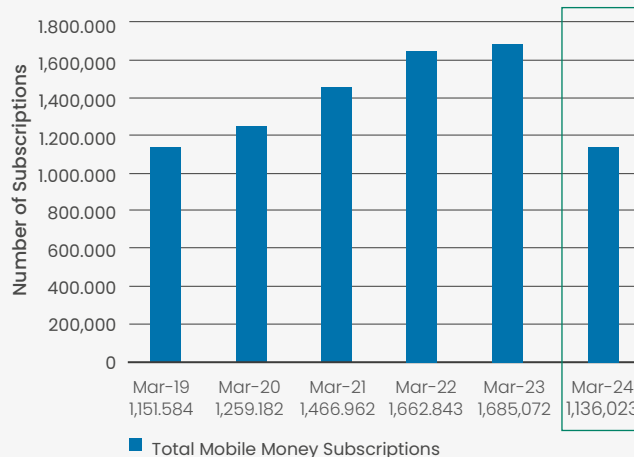


Figure 42: Number of Type Approved Devices per Financial Year (2019–2024)

NUMBERING PLAN UPDATE

ITU requires member states to submit an updated National Numbering Plan to facilitate global interconnection (ITU Operational Bulletin No. 1288 of 15.III.2024). In line with this requirement, the Authority updated and submitted Botswana's National Numbering Plan, advising the Union of new numbering assignments.

This was important, as ITU is the repository for numbering plans, where other entities and member states can access all the numbers approved for use in Botswana to facilitate international calling.

In addition, BOCRA assigned numbers to Mobile Network Operators and the Internet Service Providers (ISPs) according to service requirements. Such numbers include Mobile, Machine-to-Machine (M2M), and Voice Over Internet Protocol (VoIP), as shown in Table 11.

Table 11: 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 | 3,400,000 | 80,000 | 20,000 |
| BTC | 1,400,000 | 70,000 | 10,000 |
| Other SAP Licensees | – | – | 34,000 |
| TOTAL Assigned: | 7,800,000 | 310,000 | 114,000 |

MOBILE NUMBER UTILISATION RATE

↑ **87.67%**

AN INCREASE FROM THE 74.3%
RECORDED IN THE FY 2022/23



MOBILE NUMBERING RESOURCES

Mobile numbering resources are non-geographic resources that are used to provide mobile services using a mobile wireless network. These numbering resources are used to provide mobile telephony services, including voice communications, short messages, and data services. A total of 300,000 numbers were assigned to Orange Botswana this financial year, as shown in Table 12.

Table 12: Mobile Numbers Assigned to MNOs

| Mobile Operator | Mobile Numbers | Total Number Assigned |
|-----------------|--|-----------------------|
| Orange | 78500000 to 78599999 78600000 to 78699999 78700000 to 78799999 | 300,000 |

Machine to Machine (M2M) Numbering Resources

Machine-to-Machine (M2M) numbers are resources used to provide direct data transfers between devices using wired or wireless networks. Examples include Modems, Automatic Teller Machines (ATMs) and Points of Sale (POS) terminals. A total of 10,000 M2M numbers were assigned to BTC, as shown in Table 13.

Table 13: Machine to Machine Numbers Assigned to MNOs

| Mobile Operator | Machine to Machine Number (M2M) | Total Number Assigned |
|-----------------|---------------------------------|-----------------------|
| BTC | 8900290000 – 8900299999 | 10,000 |

Voice Over Internet Protocol (VoIP) Numbering Resources

Voice Over Internet Protocol (VoIP) refers to a group of technologies used for the delivery of voice communications and multimedia over the internet. Therefore, VoIP numbers are used to enable the provision of such services. A total of 5,000 VoIP Numbers were assigned to Paratus Telecoms (ISP).

Mobile Number Utilisation Rate

The mobile number utilisation rate is a key metric that measures the percentage of active mobile numbers. The mobile number utilisation rates are presented in Table 14.

Table 14: Mobile Number Utilisations for FY 2023–2024

| Financial Year | Number Assigned | Number Utilised | Percentage Utilisation |
|----------------|-----------------|-----------------|------------------------|
| FY 2020/21 | 7,200,000 | 5,742,219 | 79.75% |
| FY 2021/22 | 7,200,000 | 5,575,755 | 77.4% |
| FY 2022/23 | 7,500,000 | 5,575,000 | 74.3% |
| FY 2023/24 | 7,800,000 | 6,838,615 | 87.67% |

The Number Code of Conduct (CoC) provides that a number utilisation rate of 75% is a good indication that numbers are efficiently used.

On average, an 87.67% number utilisation rate was achieved in the FY 2023/2024, translating to an increase from the 74.3% utilisation recorded in the FY 2022/23.

The improvement in the number utilisation rate reflected that, on average, MNOs efficiently utilised the numbers assigned to them.

Short Codes, Toll Free, and Unstructured Supplementary Service Data (USSD) Codes Numbering Resources

BOCRA assigned numbering resources in accordance with the following categories: Short Codes, Toll Free Numbers, and Unstructured Supplementary Service Data (USSD) codes. These are the numbering resources used for services, such as digital payment platforms, emergency services, and product promotions. The assignment of these numbers over the years is shown in Figure 43.

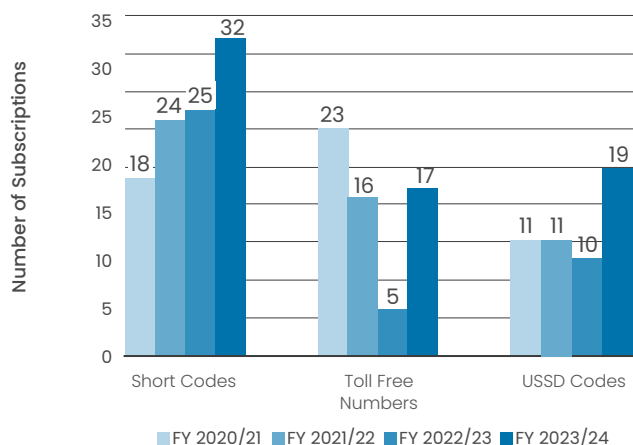


Figure 43: Short Codes, USSDs, Toll Free Numbering Resources Assigned (2020-2024)

There was a notable increase in the assignment of short codes, toll-free numbers, and USSD Codes in the FY 2023-2024 when compared to FY 2022-2023.

- The number of short codes increased from 25 in the FY 2022-2023 to 32 in the FY 2023-2024.
- Toll-free numbers increased from five (5) in the FY 2022-2023 to 17 in the FY 2023-2024.
- USSD increased from ten in the FY 2022-2023 to 19 in the FY 2023-2024.

This increase is attributable to the influx of

promotions launched by operators during FY 2023-2024 as the country recovered from Covid 19 effects.

ELECTROMAGNETIC RADIATION MONITORING

Section 6 (1) of the CRA Act mandates the Authority to ensure the provision of communications services which are safe, reliable, efficient, and affordable across all sectors. In pursuit of this mandate, the Authority continually monitors Electromagnetic Radiation (EMR) to ensure compliance with adopted radiation levels in line with the International Commission on Non-Ionising Radiation Protection (ICNIRP) reference levels.

EMR monitoring was performed in sampled areas across the country. The purpose of the measurements was to ensure that consumers were protected against possible harmful radiation emitted from cellular base stations. These measurements were made in line with national, regional, and international requirements and in compliance with the ICNIRP Guidelines.

The sampled EMF measurements were conducted at 12 sites in the Southern District. Figure 44 shows an exposure histogram for the measured points in all the sampled areas.

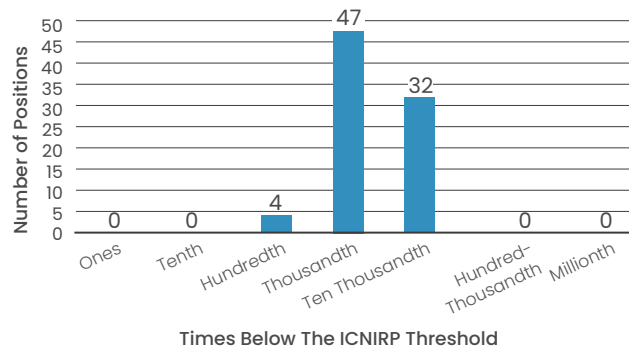


Figure 44: Cellular Exposure Histogram for the 83 measured points.

The results showed that all 83 (4+47+32) measurements taken across the 12 sites were below the set health and safety level in the order of hundredths, thousandths, and ten-thousandths.

BOCRA has adopted the safety and health level set by the ICNIRP at a value of 0.08W/Kg. Being below the ICNIRP means that the base stations were safe for humans and the surrounding environment.

IPv6 Migration Guidelines

BOCRA is mandated to develop and adopt recognised standards, such as Internet Protocol Version 6 (IPv6), to be applied to its regulated sectors. Botswana is currently using both IPv4 and IPv6. It is important to accelerate migration to IPv6, as IPv4 addresses are depleted.

The emphasis on the critical importance of accelerating the migration from IPv4 to the new IPv6 standard is underlined by ITU Resolution 180 (Rev Bucharest 2022).

In consultation with stakeholders, BOCRA developed the National IPv6 Migrations Guidelines which detail the processes, steps, planning, and implementation requirements to be followed by all key organisations in rolling out IPv6 standards. Crucially, the Guidelines outline the Deployment Plan to be implemented by all stakeholders. This plan shows the timelines, with all migration expected to be completed by 2026.

DOMAIN NAMES

A total of 14,359 .bw domain names were registered as of March 2024 compared to 13,331 registered as of March 2023, showing an increase of 1,028 (7.71%). Five registrars were accredited, thus increasing the number of registrars to 99.

Table 15 summarises the domain name registrations from 2019/2020 to 2023–2024.

Table 15: Domain Name Registrations

| | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 |
|---|-------|--------|--------|--------|--------|
| Total number of Domain Names Under Management | 9,428 | 11,302 | 12,019 | 13,331 | 14,359 |

During the year, BOCRA implemented Domain Name System Security Extensions (DNSSEC) for the .bw ccTLD. DNSSEC ensures that safeguards are in place against DNS-based threats and enhances the overall security posture and reputation of the .bw domain.

SPECTRUM MANAGEMENT

IMT Spectrum

During the year 2021–2022, BOCRA awarded International Mobile Telecommunication (IMT) spectrum licences to offer IMT services in the bands 800, 2 100, and 3 500 MHz.

Among other obligations, IMT licences provided for the rollout of infrastructure in identified areas within a specific period. This was known as mandatory rollout obligation.

BOCRA monitored licensees for those mandatory obligations for the year 2023–2024. The monitoring exercise confirmed that the base stations were rolled out, as shown in Table 16.

Table 16: Number of Base Stations Rolled Out As Mandatory Obligation for IMT Spectrum

| Band | Orange | Mascom | BTC |
|------|--------------|--------------|--------------|
| 800 | 88 out of 88 | 88 out of 88 | Not Assigned |
| 2100 | Active | Active | Active |
| 3500 | 90 out of 90 | 79* out 110 | Not Assigned |

**Obligation was revised to 93 base stations following engagement with the operator.*

As shown in Table 16, the operators were found to comply with the rollout obligations as per their licence and agreement with BOCRA.

It should be noted that for 2100 MHz, the operators did not roll out new base stations and activated new frequency channels on the existing base stations to expand connectivity.

In all the sites monitored, the operators had activated new frequencies, thereby increasing the capacity of the base stations and improving the quality of service and customer experience.

World Radiocommunication Conference 2023 (WRC-23)

WRC is an international conference facilitated by the ITU every three to four years to review and, if necessary, revise the Radio Regulations (RRs), the international treaty governing the use of the radio-frequency spectrum, geostationary satellite, and non-geostationary satellite orbits. Botswana is a signatory to the RRs.

The RRs are important for ensuring that countries can use the frequency spectrum and space resources equitably and efficiently without causing harmful interference. The RRs also ensure that the use of frequencies is harmonised to facilitate the use of devices across countries, thus allowing global economies of scale.

The World Radiocommunication Conference took place from 20 November to 15 December 2023 in Dubai.

During the preparations and at the Conference, Botswana served as a Rapporteur for Chapter 4, Agenda Item 7, regarding satellite matters on behalf of SADC and Africa. Botswana also chaired Committee 2 of the Conference dealing with credentials.

The outcome of the WRC 23 was the Final Acts Document which contains amendments to the Radio Regulations (RR). Some of the key outcomes

of WRC-23 which are crucial for Botswana, are outlined as follows.

Identification of radio frequency spectrum for International Mobile Telecommunications (IMT)

The 3600–3800 MHz and 6425–7125 MHz frequency bands were identified for IMT Services. These are crucial for expanding broadband connectivity and developing IMT mobile services such as 5G and 6G once the equipment, including user terminals, becomes available in the global market. Botswana supported and advocated for additional spectrum.

Protection of existing Services

To identify new frequencies for IMT, it is necessary to ensure that services using the same frequencies or adjacent frequencies are protected from interference. WRC 2023 agreed on measures to protect existing services, such



as satellite, aeronautical, and broadcasting services. Botswana also took additional protection measures for operating satellite services in the 3GHz band or C Band. Identification of frequency bands for using High-Altitude Platform stations as IMT base stations (HIBS) and the establishment of regulations for their operation.

The frequency bands 694–960 MHz, 1710–1980 MHz, 2010–2025 MHz, 2110–2170 MHz, and 2500–2690 MHz were identified for use by HIBS. HIBS offers a new platform to provide mobile broadband connectivity with minimal infrastructure, using the same frequencies and devices as IMT networks. HIBS can contribute to bridging the digital divide in remote and rural areas and maintain connectivity during disasters.

Recovery of Satellite Orbital Slots

Botswana was initially allocated two satellite orbital slots for broadcasting and for broadband connectivity. These slots enable Botswana to launch satellites in space and use them to provide connectivity. However, over the years, as other countries were launching their satellites, the Botswana slots have been severely affected to a point where they were unusable.

In line with WRC-19 Resolution 559, Botswana and 40 other administrations were able to secure a new orbital position in the Geostationary Satellite Orbit (GSO) for Broadcasting Satellite Services (BSS) at the WRC 23. The orbital slot was registered in the ITU plan bands under Appendix 30/30 A of the Radio Regulations (RR) and is now protected by the RRs. This orbital resource and its associated spectrum will enable Botswana to launch satellites for broadcasting services.

Botswana was also able to restore its Fixed Satellite Service (FSS) orbital slot by signing an agreement with the Luxembourg Administration, which was consequently included as a special agreement in the Radio Regulations. Botswana can now launch its own satellite to extend broadband connectivity

Protection of terrestrial broadcasting services

WRC-23 considered the future protection of terrestrial broadcasting services in the UHF band. Botswana has invested heavily in the deployment of infrastructure for terrestrial television. This television spectrum is of strategic national

importance as it is the only spectrum available for the provision of universal coverage of broadcasting services. Therefore, it was important to implement adequate measures to ensure protection. WRC-23 reached a consensus that allowed future use of the UHF band for mobile services while fully protecting the broadcasting service in the band.

WRC23 was successful for Botswana. The outcomes have ensured that Botswana has adequate satellite and terrestrial resources to expand connectivity which will enable the country to meet its Vision 2036 and Maitlamo commitment for connectivity for all.

Preparation for future World Radiocommunication Conferences

WRC-23 also adopted several resolutions that mandated the ITU Radiocommunication Sector Study Groups to undertake studies in preparation for the next WRC 2027 on key topics that include:

- The development of regulatory measures to limit the unauthorised operations of non-geostationary-satellite orbit (non-GSO) earth stations in fixed-satellite service (FSS) and mobile-satellite service (MSS).
- Technical and regulatory measures for fixed satellite systems (FSS) while considering the specific needs of developing countries, including the need for equitable access to relevant frequency bands.
- Technical and regulatory provisions necessary to protect radio astronomy operating in specific Radio Quiet Zones from radio-frequency interference caused by systems in the non-geostationary-satellite orbit.
- Possible new allocations to mobile satellite services for direct connectivity between space stations and mobile user equipment to complement terrestrial mobile network coverage.
- Identification of measures to facilitate the operation of earth stations onboard unmanned aircraft, including identification of suitable frequency bands to decide on the appropriate course of action to be taken in 2031 (WRC-31).

QUALITY OF SERVICES

Quality of Service (QoS) refers to the quality of service offered to consumers by a service provider. [ITU-T Recommendation G.100].

Quality of Experience (QoE) refers to the consumer perception or experience of the quality of the service offered.

Quality of Service Guidelines refer to a set of standards and measures that define applicable quality measures.

Base Transceiver Station (BTS) refers to a piece of network equipment that facilitates wireless communication between a device and a network.

BOCRA is mandated to ensure compliance with Quality of Service (QoS) standards by mobile and fixed network providers. In the year 2023-2024, BOCRA’s effective quality of service monitoring program was based on the periodic reporting of defined QoS indicators using the Real Time Monitoring (RPM) system, as well as demanding explanations and justifications of poor performance by service providers. The RPM system

enhanced the Authority’s ability to independently monitor QoS, thereby ensuring that consumers get targeted interventions. This has improved the quality of service, resulting in a reduced number of reported incidents.

RPM NETWORK PERFORMANCE

Regulatory Performance Monitoring (RPM) refers to the system that employs the ITU’s network elements counter method to monitor the performance of a mobile network.

Network Availability

Network Availability (NA) is the degree to which a network is operable and not in a state of failure or outage at any time.

Network availability throughout the year posed a significant challenge for all network operators, as they consistently failed to meet the set target of 98%. The primary reason for this level of performance was a nationwide interruption in the

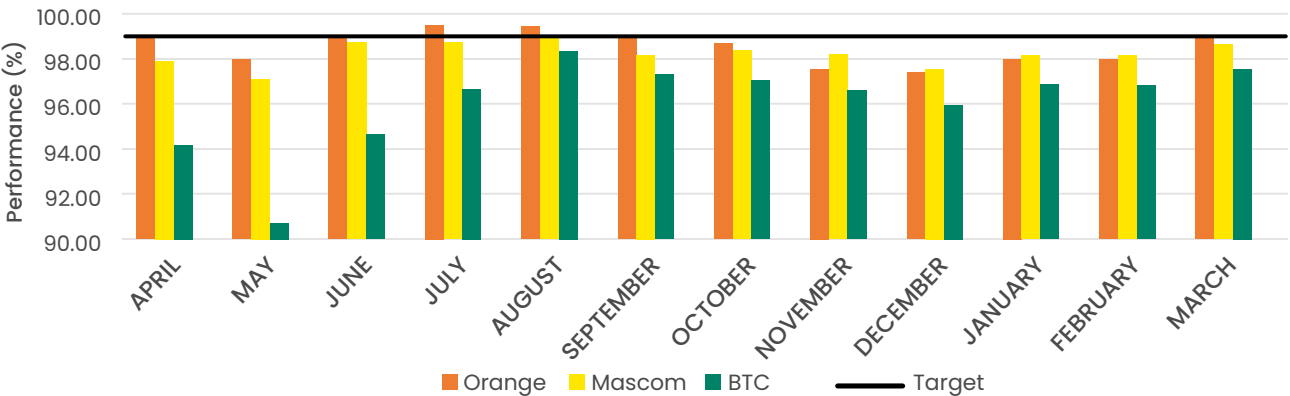


Figure 45: 2G National Network Availability for Orange, Mascom, and BTC

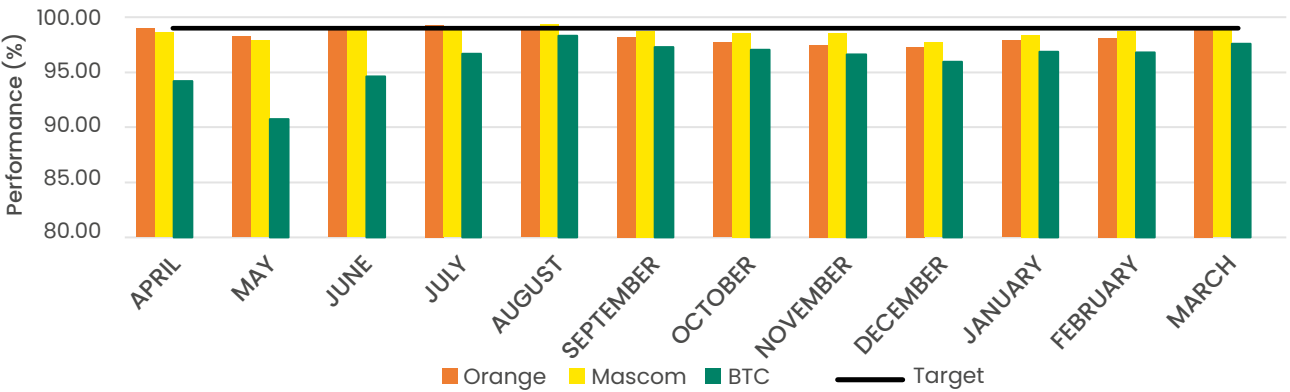


Figure 46: 3G National Network Availability for Orange, Mascom, and BTC

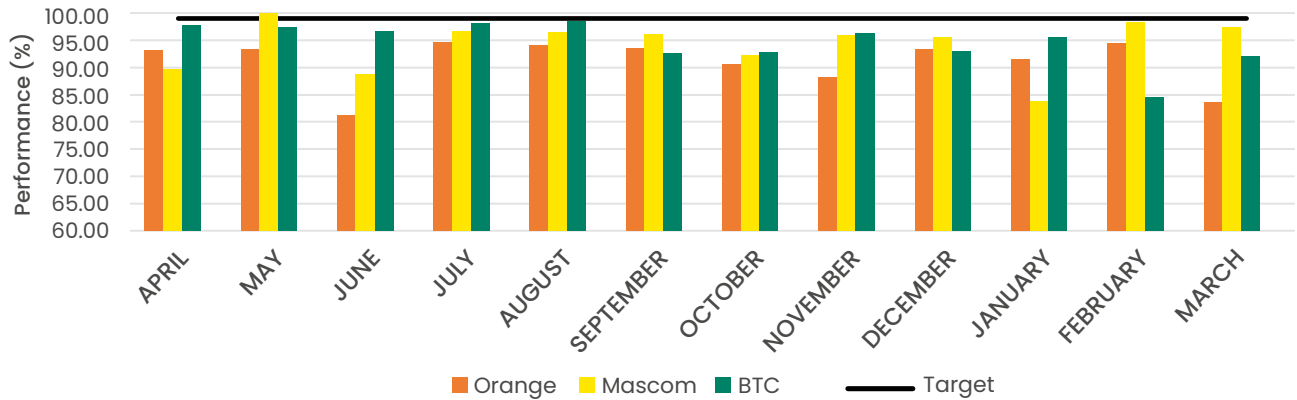


Figure 47: 4G National Network Availability for Orange, Mascom, and BTC

mains power supply.

This interruption was particularly pronounced in the southern and western parts of the country where power interruptions from primary suppliers to these regions (South Africa and Namibia) were rampant.

VOICE SERVICE ACCESSIBILITY

Service Accessibility (SA) refers to the availability of the network resources to support connections to the network and provide the requested services to users. This is measured using the CSSR low-level KPI.

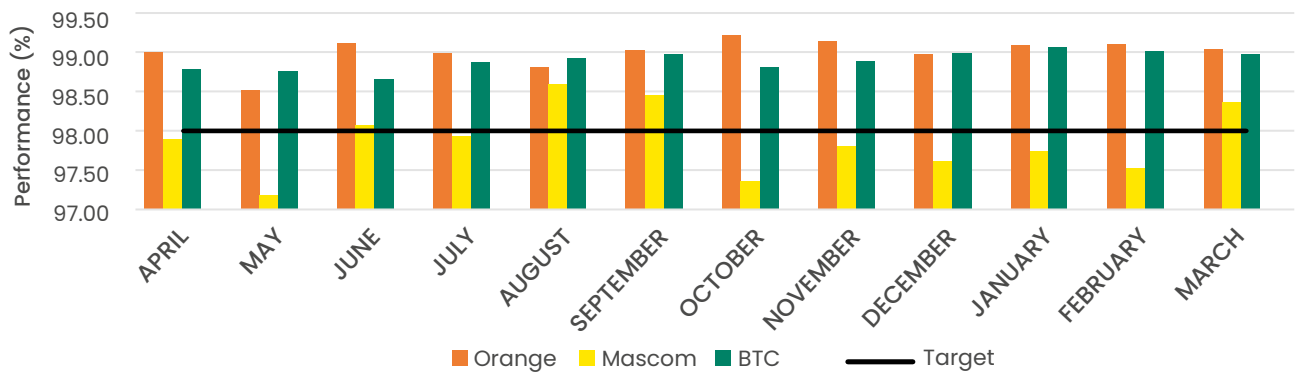


Figure 48: 2G National Service Accessibility for Orange, Mascom, and BTC

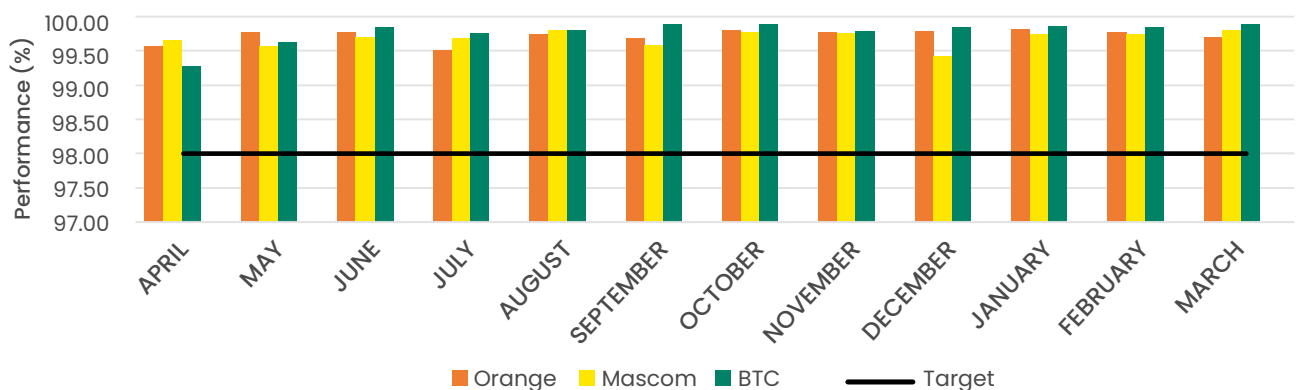


Figure 49: 3G National Voice Service Accessibility for Orange, Mascom, and BTC

Voice service accessibility varied among network providers throughout the year. Orange and BTC consistently maintained good voice service accessibility for all technologies.

The performances of 2G and 3G technologies met the set threshold of 98%. Notwithstanding, Mascom faced challenges in meeting the 2G target for a few months, primarily due to link failures in the transmission backbone network. Despite these difficulties, efforts were made to address these

issues, and service reliability improved as Mascom met the target of 3G voice service accessibility for the whole year.

Data Service Accessibility

The data service accessibility performance for 4G technology exceeded the set target for all operators throughout the year. A similar trend was observed for 3G.

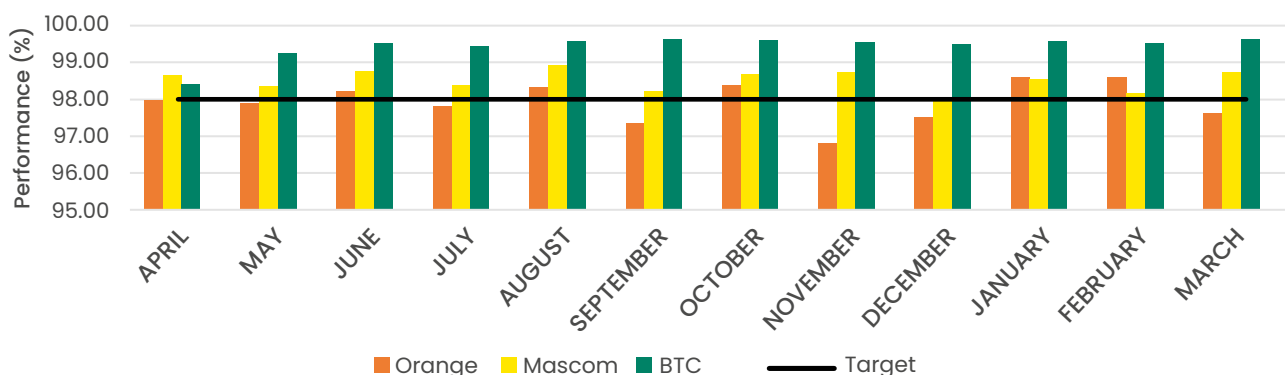


Figure 50: 3G National Data Service Accessibility for Orange, Mascom, and BTC

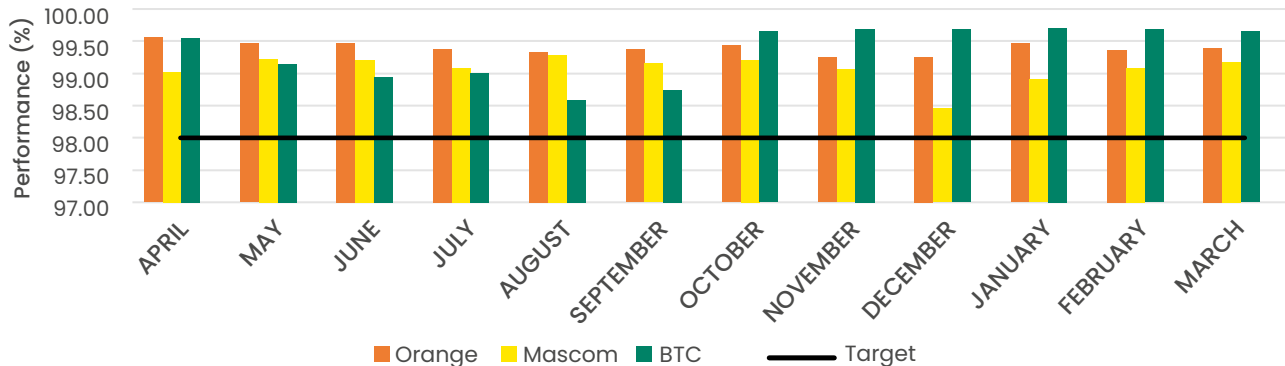


Figure 51: 4G National Data Service Accessibility for Orange, Mascom, and BTC

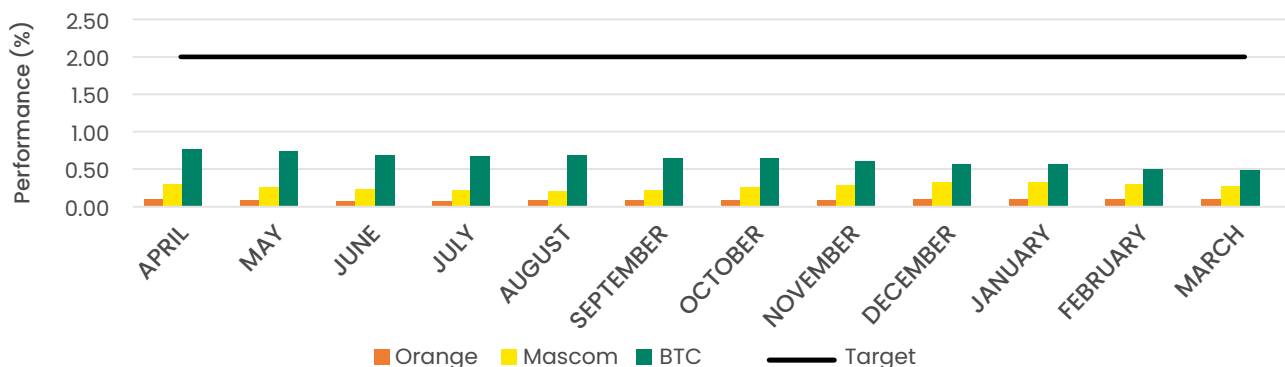


Figure 52: 2G National Voice Service Retainability for Orange, Mascom, and BTC

However, Orange experienced challenges in meeting targets for some of the months.

The lowest performance for Orange was 96%, recorded in November 2023, against the set target of 98%.

Voice Service Retainability

Service Retainability (SR) refers to a measure of how networks keep user connections or the ability to hold and provide the services to users. It is

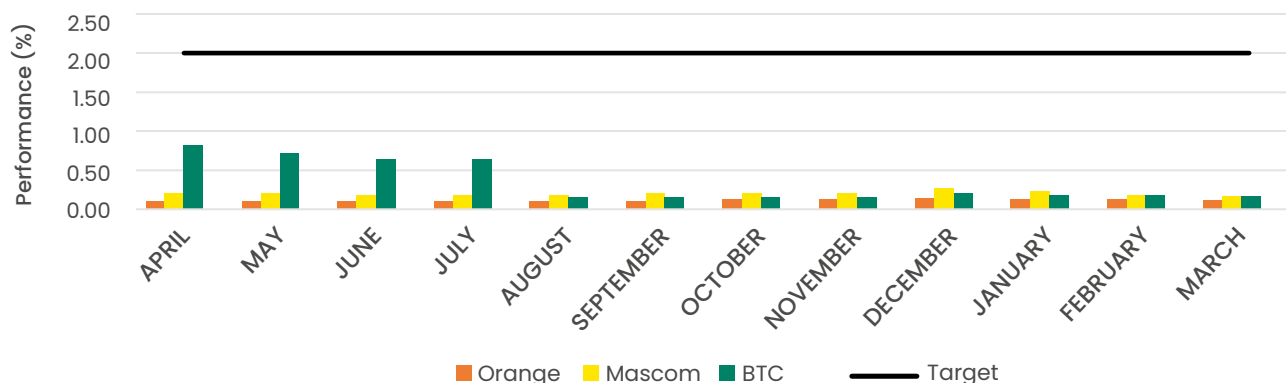


Figure 53: 3G National Voice Service Retainability for Orange, Mascom, and BTC

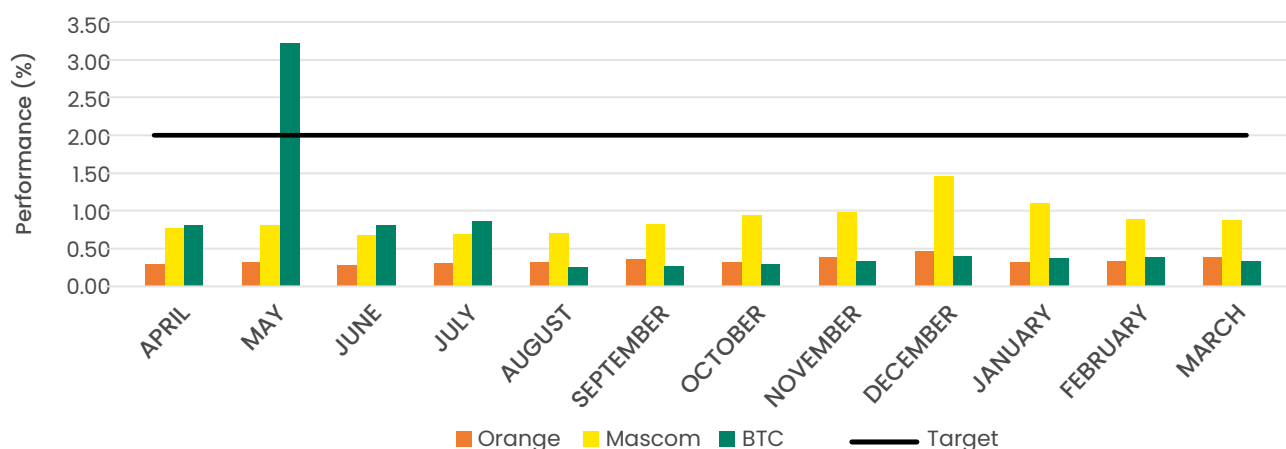


Figure 54: 3G National Data Service Retainability for Orange, Mascom, and BTC

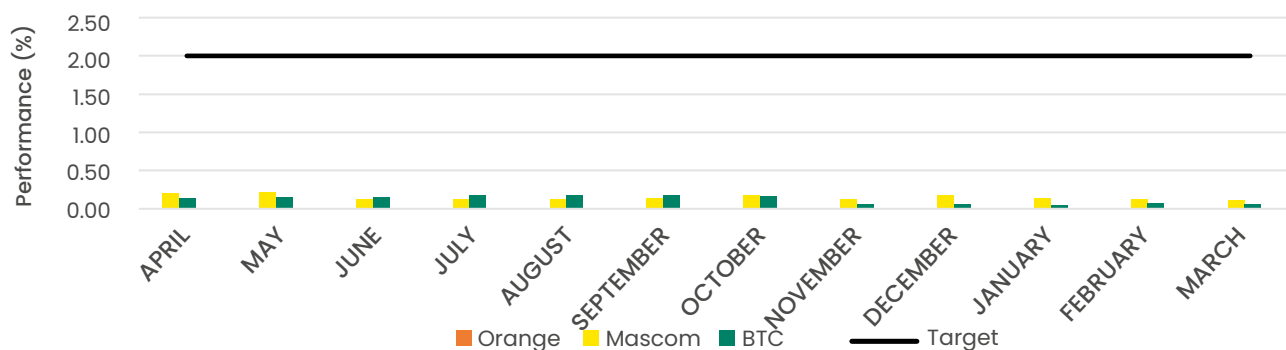


Figure 55: 4G National Data Service Retainability for Orange, Mascom, and BTC

measured using the Drop Call Rate in voice and Session Drop Rate in data.

Voice Service retainability across all network providers was good throughout the reporting period. All operators met the set target of less than 2%, indicating the effective management and maintenance of their 2G and 3G networks. This achievement confirmed the network providers' commitment to providing customers with uninterrupted connections and high-quality service experiences.

Data Service Retainability

Data service retainability throughout the year was compliant for all network operators in 4G technology, as they consistently met the set target of 2% established by the Authority. However, in 3G technology, BTC experienced shortfalls in April, failing to meet the set target because of planned network upgrades conducted during that month. Save for April, all operators exceeded the target for the year. This consistent performance underscores the reliability and stability of data services offered by operators, thereby enhancing the overall customer experience.

Data Service Integrity

Service Integrity (SI) – refers to the character or honesty of the network to its users, such as the voice quality, throughput, and latency with which users were served. The Mean Opinion Score (KPI) measures voice service integrity, whereas throughput is used for data services.

BOCRA measured service integrity using throughput. The average user throughput from the

RPM system was calculated from both fixed and mobile internet connections to the base station. Therefore, an operator with the most fixed network connections would have a lower user throughput. Mascom and BTC excelled in this regard, consistently providing services with minimal disruptions and offering subscribers high average internet speeds above 20 Mbps, indicating good connectivity and service delivery.

The average user throughput for Orange Botswana was slightly below 20Mbps throughout the year. To further appreciate the potential download speed of the network, a crowdsourcing method that only considers the download speed from mobile handset connections was used. To this end, the 2023 Speed Checker report² on Botswana's MNO speed benchmark was used for crowdsourcing.

According to the report, Mascom had the highest speed of 30.35Mbps, followed by Orange at 28.23Mbps. BTC registered the lowest download speed at 20.20Mbps. The national average user download speed for the three operators was 25Mbps which was within the National Broadband Strategy target.

These results are in line with expectations, as the crowdsourcing method exclusively uses volume-capped products as opposed to speed-capped products. In comparison, the BOCRA RPM tool used both parameters.

QOS MONITORING SYSTEM OF FIXED WIRELESS NETWORKS

During the financial year 2023–2024, BOCRA conducted a trial to monitor fixed Internet performance using a fixed monitoring tool. This

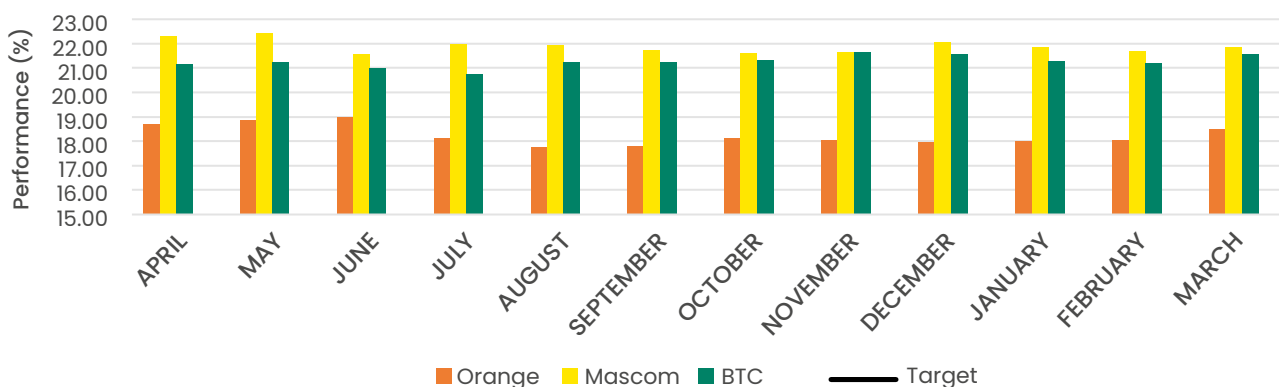


Figure 56: 4G National Service Integrity for Orange, Mascom, and BTC

² <https://insights.speedchecker.com/africa/botswana/bw-2023/>

tool provided continuous visibility of the end-user experience by proactively performing tests that emulate realistic user activities. The key metrics monitored include internet connectivity availability, file transfer speeds, and web browsing

speed among many KPIs.

The trial was successful, as it confirmed the system's potential to enable BOCRA to validate the performance of fixed internet services by monitoring end-user connections periodically.

EFFECTS OF VANDALISM AND THEFT OF SITE EQUIPMENT ON QUALITY OF SERVICE (QoS) PERFORMANCE IN BOTSWANA

In recent years, network infrastructure and service providers have faced a critical challenge in maintaining an acceptable network and service quality because of escalating incidents of vandalism and theft of site equipment.

In line with the 2019–2024 BOCRA Strategic Plan and as a response to the challenges faced by network providers, BOCRA carried out a study on the “Effects of Vandalism and Theft of Site Equipment on Quality of Service (QoS) Performance in Botswana.”

The study aimed to provide valuable insights for policy making, guiding infrastructure investments, and contributing to the development of effective security measures to protect telecommunications networks.

The study indicated several significant challenges regarding vandalism and theft of site equipment in Botswana, such as generators, back-up batteries, solar panels, copper/fibre cables, and fuel. Key findings include:

- Gaborone and immediate outskirts sites emerged as major hotspots for vandalism and theft.
- Financial repercussions could amount to P50 million annually per operator.
- Repair costs, replacement costs, labour expenses, and potential revenue losses contribute to escalating operational costs.
- These challenges impact routine maintenance, delay network upgrades, and consequently affect the overall operational cost for stakeholders.
- Vandalism and/or theft of network components result in a complete lack of service on a fixed network, affecting QoS.



QoS/QoE STAKEHOLDER WORKSHOP

BOCRA hosted a QoS/QoE Stakeholder Engagement Workshop featuring a series of presentations and panel discussions on assorted topics pertinent to telecommunications network performance. The workshop encompassed roundtable discussions addressing the consumer's perspective on QoS and its role in supporting the government's 4IR objective. Workshop participants included, among others, representatives from the central Government, BoFiNet, Mobile Network Operators, Consumer Watchdog, and Internet Service Providers.

The workshop reached a consensus that BOCRA should publicise the performance of mobile network operators to assist consumers in making informed decisions. The Authority accepted this recommendation and agreed to begin publishing mobile network performance data during the 2024–2025 financial year to empower consumers and foster competition among operators, ultimately driving improvements in service quality and reliability across the communications sector. On the consumer side, the workshop requested a reduction in turnaround time for complaints handling by service providers.

NUMBER OF BTS IN BOTSWANA PER NETWORK OPERATOR

BOCRA monitors MNOs' investments in infrastructure development in line with their rollout obligations. MNOs invest in Base Transceiver Stations (BTS) to improve their service coverage. Table 17 displays the number of BTS for the 2G, 3G, 4G, and 5G networks.

Continuing the trend from 2023, Orange has maintained its position as the frontrunner in network expansions across 2G, 3G, and now 5G technologies. However, Mascom has surpassed Orange to take the lead in 3G technology expansions. BTC recorded a slight increase in the number of its BTS. Table 17 depicts the number of base stations over the three-year period for each operator per technology used.

Table 17: Number of BTS per Network Operator for 2022, 2023, and 2024,

| TECHNOLOGY | NETWORK OPERATOR | MAR-22 | MAR-23 | MAR-24 |
|--------------|------------------|-------------|-------------|-------------|
| 2G | BTC | 649 | 625 | 702 |
| | MASCOM | 992 | 714 | 738 |
| | ORANGE | 685 | 695 | 811 |
| TOTAL | | 2326 | 2034 | 2251 |
| 3G | BTC | 209 | 204 | 215 |
| | MASCOM | 852 | 859 | 863 |
| | ORANGE | 685 | 684 | 807 |
| TOTAL | | 1746 | 1747 | 1885 |
| 4G | BTC | 508 | 559 | 577 |
| | MASCOM | 670 | 612 | 747 |
| | ORANGE | 435 | 689 | 800 |
| TOTAL | | 1613 | 1860 | 2124 |
| 5G | BTC | - | - | - |
| | MASCOM | 5 | 5 | 99 |
| | ORANGE | - | - | 180 |
| TOTAL | | 5 | 5 | 279 |

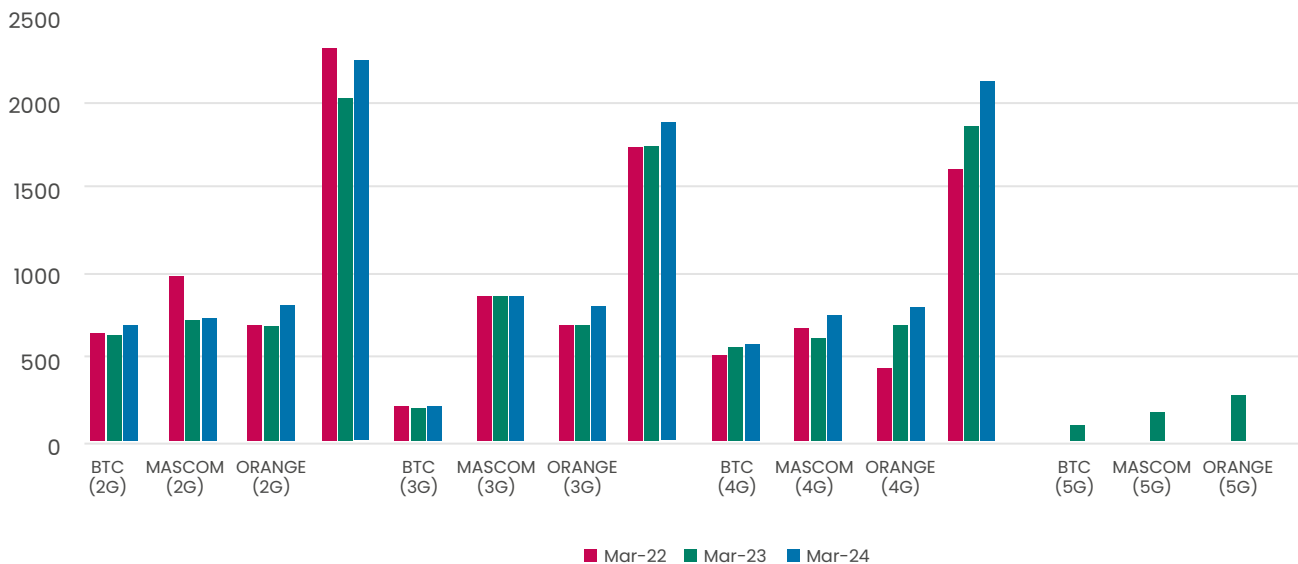


Figure 57: Number of base stations per technology

MOBILE NETWORKS COVERAGE MAPS



Figure 55: BTC 2G

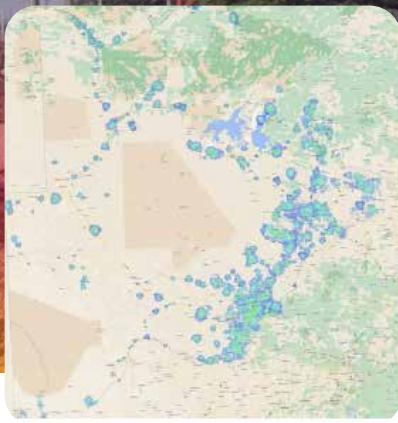


Figure 56: Mascom 2G

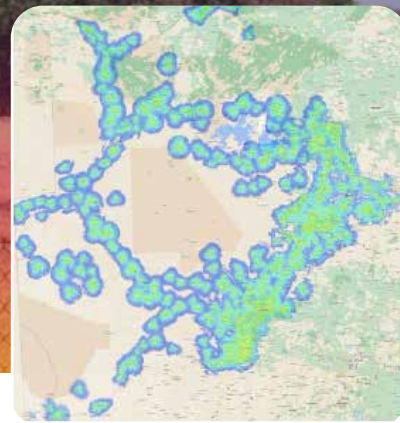


Figure 57: Orange 2G

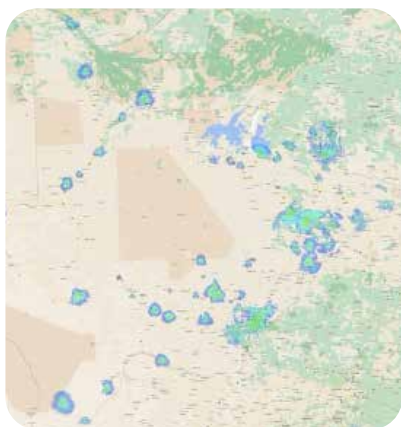


Figure 58: BTC 3G

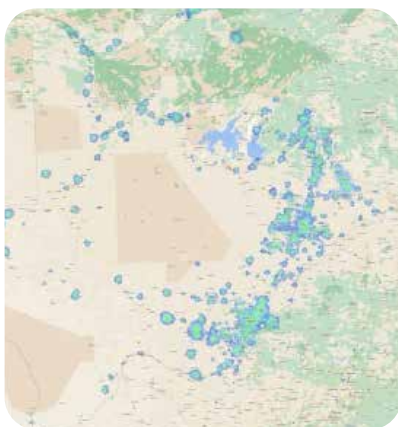


Figure 59: Mascom 3G

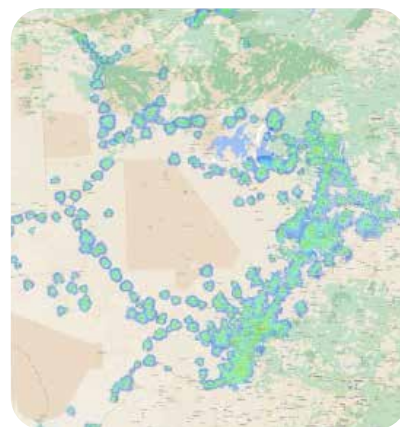


Figure 60: Orange 3G

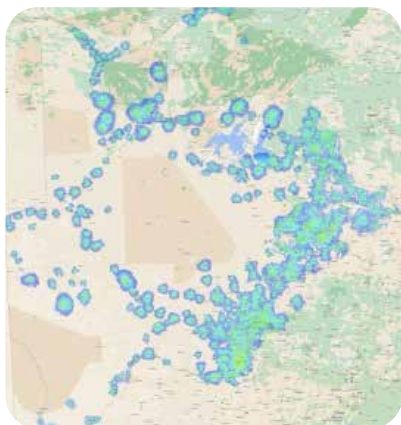


Figure 61: BTC 4G

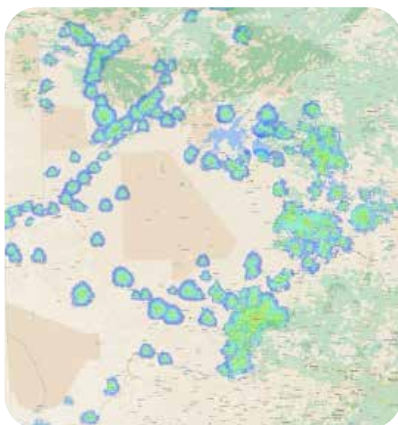


Figure 62: Mascom 4G

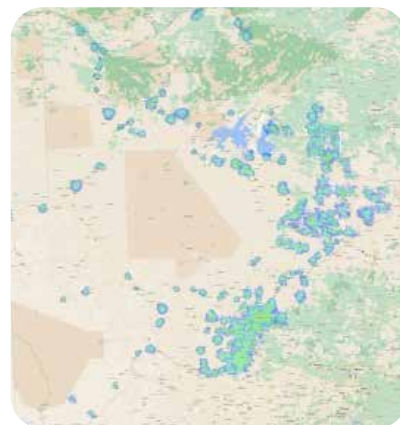


Figure 63: Orange 4G

MOBILE NETWORKS COVERAGE MAPS (CONT)

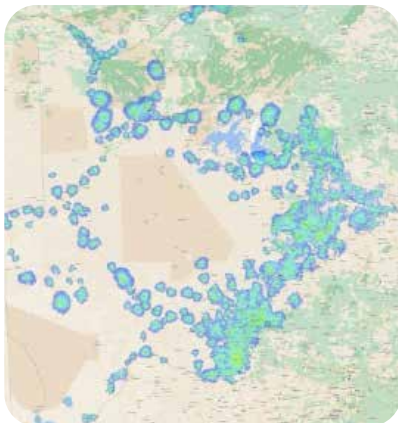


Figure 64: Mascom 4G

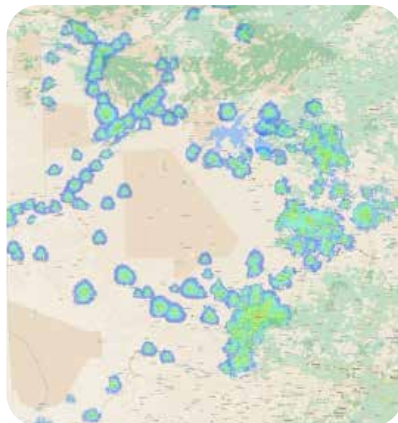


Figure 65: Orange 4G



COMPUTER SECURITY INCIDENT RESPONSE TEAM

The Botswana Computer Security Incident Response Team (CSIRT) achieved notable success during the reporting period through its membership in esteemed international cybersecurity forums, fostering stronger local and regional ties. The CSIRT also hosted an inaugural annual cybersecurity exercise in Botswana, marking a historic milestone in bolstering the nation's digital defences.

In both the 2019-2024 and 2024-2029 Strategic Plans BOCRA espoused consumer protection as a key objective. To this end, BOCRA established the CSIRT to address cybercrime issues. The successes highlighted below demonstrate BOCRA's achievement of consumer protection objectives:

In June 2023, the CSIRT attained membership in the FIRST, underscoring Botswana's dedication to international cybersecurity cooperation. The affiliation offers access to advanced incident response capabilities, empowering the CSIRT to respond swiftly and effectively to security incidents, bolstering both reactive and proactive cybersecurity efforts.

In October 2023, CSIRT orchestrated Botswana's inaugural Cyber Drill, drawing stakeholders from as far as Poland and Madagascar to demonstrate cybersecurity best practices and foster collaborative preparedness in combating cyber threats.

In February 2024, the BW-CSIRT attained full membership status with TrustedBroker Africa, solidifying its commitment to collaborative efforts within the African cybersecurity community. This affiliation provides access to exclusive member services, including a comprehensive directory and valuable information exchange platforms, fostering efficient interaction among accredited teams, and enhancing collective cybersecurity capabilities across the continent.

Two members of the CSIRT qualified as Security Information Management Maturity Model (SIM3) Certified Auditors, with only three (3) certified in Africa. They play a crucial role in helping organisations evaluate and improve their cybersecurity capabilities to better protect the country against cyber threats and risks.

CONSTITUENTS CAPACITY BUILDING

To enhance the cybersecurity posture of its constituents, the CSIRT conducted quarterly training sessions throughout the year, focusing on various aspects of cybersecurity. The quarterly training sessions included the following:

- **Incident Classification Training:** This training aimed to equip participants with the skills to effectively classify and respond to cyber incidents;
- **Secure Coding Training:** This training focused on teaching participants secure coding practices to prevent vulnerabilities in software development; and

- Hands-On Training Course on Cybersecurity Ethical Hacking:** This course provided participants with hands-on experience in ethical hacking, enabling them to identify and mitigate vulnerabilities in systems and networks.

These quarterly training sessions were designed to intensify capacity building and address the evolving cyberthreat landscape. The CSIRT recognised the importance of empowering its constituents to take ownership of their cybersecurity, and the quarterly training provided a platform for knowledge sharing and skills transfer.

In October 2023, the CSIRT organised the inaugural Botswana Cyber Drill, a ground-breaking exercise that brought together stakeholders from Critical Information Infrastructures, Government, ISPs, and the FIRST community. The drill was sponsored by

Poland ComCERT and utilised the Cyber Fortress platform, providing a unique opportunity for participants to engage in cybersecurity challenges from diverse perspectives.

The CSIRT has evolved to encompass a national mandate, enabling it to deal with wider cybersecurity issues going forward. This is consistent with the ethos of the BOCRA 2024-2029 Strategic Plan.

Cyber Threat Analysis

In terms of threat analysis, the CSIRT conducted a comprehensive review of vulnerabilities and incidents affecting Botswana, leveraging a combination of open source and commercial technologies.

The findings highlighted the top five (5) cyber

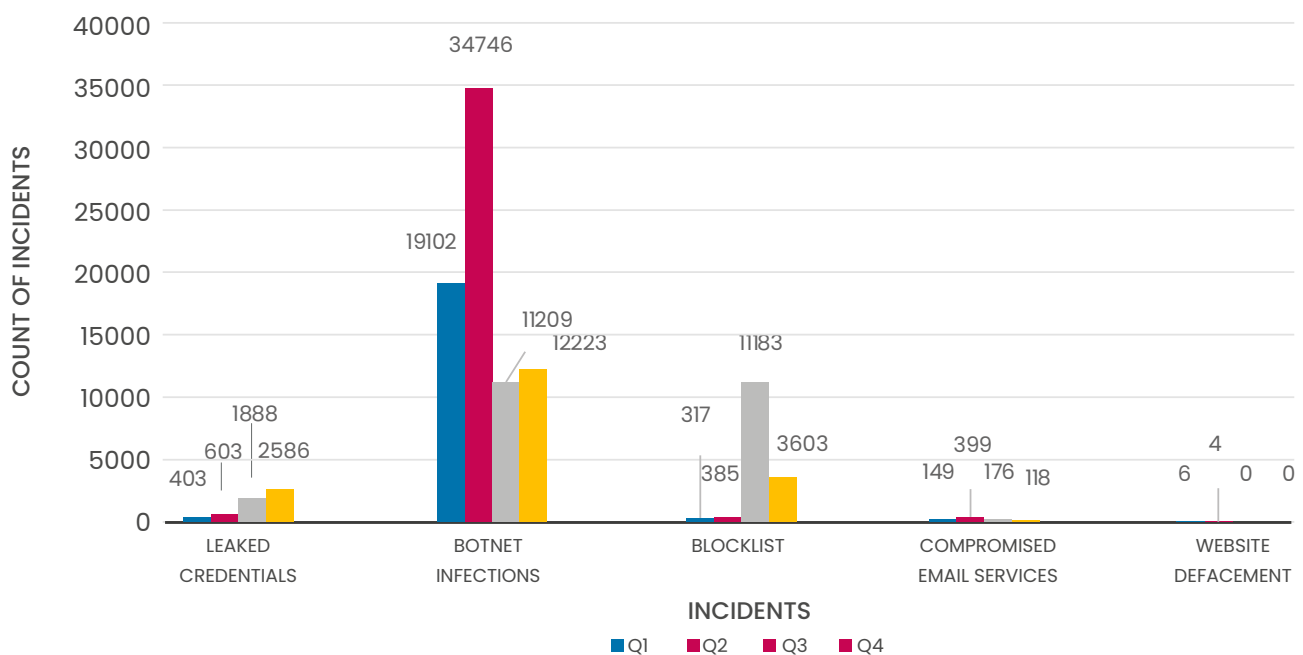


Figure 66: Aggregation of Top Cybersecurity Incidents

Table 18: Aggregation of Top Cyber Security Incidents

| Quarter | Leaked Credentials | Botnet Infections | Blocklist | Compromised Email Services | Website Defacement |
|---------|--------------------|-------------------|-----------|----------------------------|--------------------|
| Q1 | 403 | 19102 | 317 | 149 | 6 |
| Q2 | 603 | 34746 | 385 | 399 | 4 |
| Q3 | 1888 | 11209 | 11183 | 176 | 0 |
| Q4 | 2586 | 12223 | 3603 | 118 | 0 |

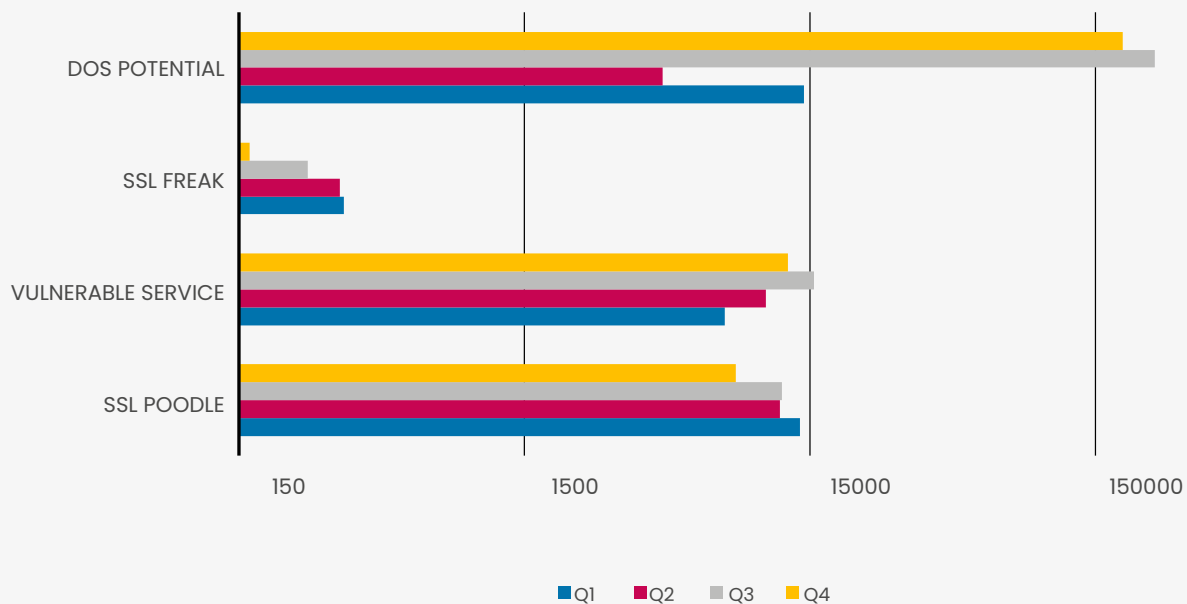


Fig 67: Aggregation of Top Cybersecurity Vulnerabilities

Table 19: Aggregation of Top Cybersecurity Vulnerabilities

| Quarter | SSL POODLE | Vulnerable Service | SSL Freak | DDoS Potential |
|---------|------------|--------------------|-----------|----------------|
| Q1 | 13,857 | 7,555 | 349 | 14,337 |
| Q2 | 11,794 | 10,500 | 338 | 4,575 |
| Q3 | 11,996 | 15,477 | 262 | 241,768 |
| Q4 | 8,274 | 12,586 | 164 | 186,459 |

security incidents, including botnet infections, leaked credentials, blocklists, compromised email services, and website defacements. Botnet infections emerged as the most prevalent, with an average of 1932 events per year.

Q2's unusually high botnet infections were linked to the Moobot botnet, which is controlled by APT28. Although it was dismantled in January 2024, its impact was already felt in Q2.

The ongoing threat of botnet infections remains a significant concern because of the limited understanding of online cybersecurity issues by users.

Table 19 shows a significant increase in Distributed Denial of Service (DDoS) attacks in Q2, from 4575 to 241,768 in Q3. There was a marked surge in DDoS

attacks, signalling potential malicious activities. DDoS attacks can disrupt services, leading to financial losses and reputational harm.

Notably, this pattern coincides with the holiday season, specifically around Christmas, which may have contributed to the fluctuations because people are more likely to be on vacation or take breaks, which can lead to a decrease in vigilance and an increase in online activity.

A noticeable decrease in the number of incidents during Q4 was observed which could be attributed to the trainings facilitated by the CSIRT team to equip constituents with skills and knowledge on how to prevent and mitigate the identified vulnerabilities.

COMPLIANCE AND MONITORING

In line with the provisions of the CRA Act, 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 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

BOCRA received 44 complaints during this reporting period. As depicted in Figure 68, there was a 33.3% increase in the number of complaints handled compared with the previous financial year

Figure 68 indicates that service-related complaints dominated complaints lodged during the review period. Of the 44 complaints received, 34 (77%) were service related, 9 (21%) products related whilst 1 (2%) was in relation to a tower.

Despite the challenges of some complaints taking

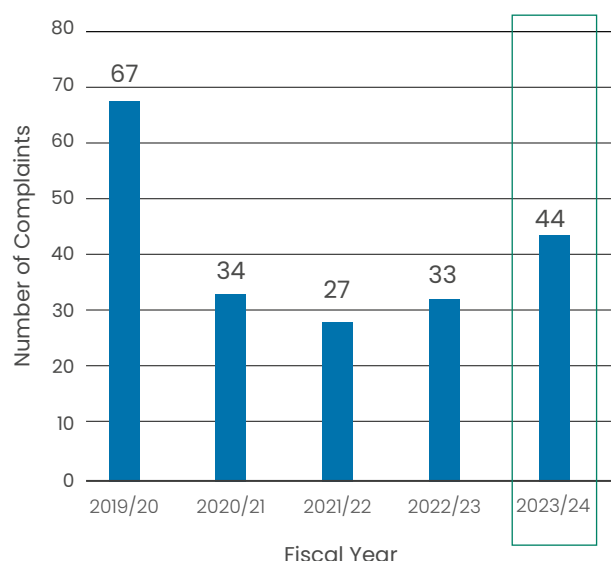


Figure 68: Five-Year Trend Analysis of Registered Complaints

longer to resolve because of their complexity, thus requiring thorough investigation and research, the Authority managed to resolve all 44 reported complaints, thus attaining a resolution of 100%.

One complaint between Devaki Holdings and the three MNOs was declared a dispute, as the parties failed to agree on commercial terms for interconnection. The parties were requested to file their position(s) in a case-stated format for consideration and determination by the Authority.

A detailed analysis of the types of complaints registered with the Authority and the frequency thereof is shown in Figure 69.

Mascom registered the greatest number of complaints (32%), followed by Orange (30%), BTC (16%), and MultiChoice and cell phone retailers (9%). The remaining complaints were against Paratus and Alluvium Cyber Solutions (2% each). The statistics of the complaints are shown in Figure 70.

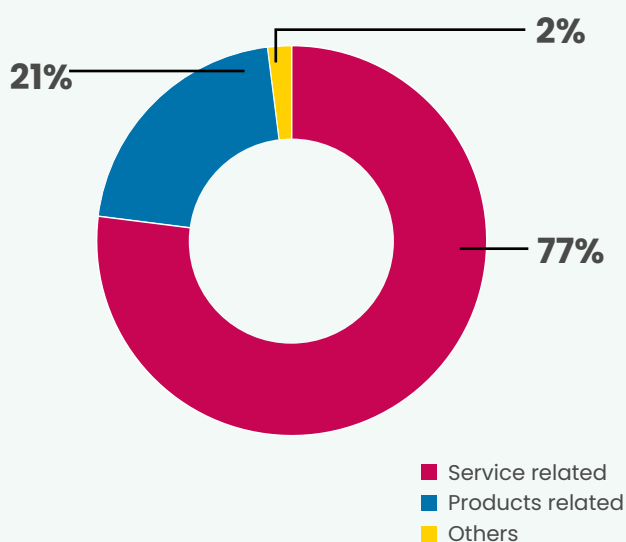


Figure 69: Nature of Complaints Registered with the Authority

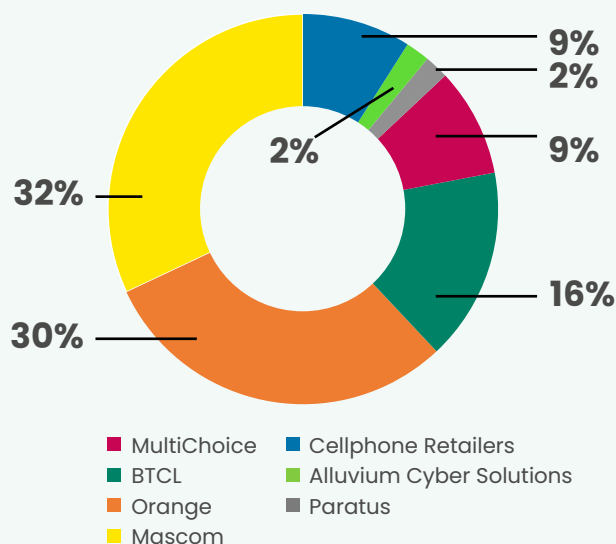


Figure 70: Cases Registered per Licensee

TYPE APPROVAL INSPECTIONS AND MONITORING

BOCRA carried out Type Approval investigations across the country to ensure consumer protection and compliance with the relevant statutory instruments. Investigation exercises were conducted in collaboration with key stakeholders including the Botswana Police Service, Companies and Intellectual Property Authority (CIPA), and Competition and Consumer Authority (CCA), to probe any contraventions of the CRA Act, enforce compliance, and monitor its impact.

Eleven type-approval inspections and monitoring exercises were conducted in diverse geographical locations. The inspections were complemented by ad hoc and tip-off investigation probes. Figure 71 illustrates the type approval inspection activity

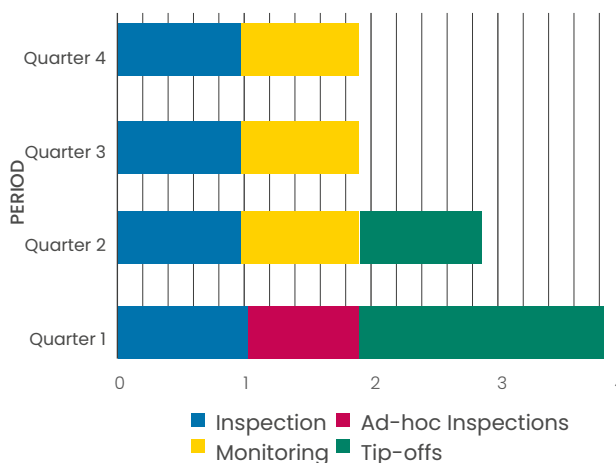


Figure 71: Type Approval Inspection Analysis. SOURCE: BOCRA

analysis for the year.

The Authority's Type Approval investigative efforts covered the South-east, Central, Ngamiland, Chobe, and North-east Districts. As illustrated in Figures 72 and 73, inspections were conducted in Gaborone, Mochudi, Nata, Sowa, Bobonong, Sefophe, Tsetsejwe, Letlhakane, Orapa, Tutume, Sebina, and Maitengwe. Monitoring exercises were performed in Maun, Kasane, Kazungula, Selibe-Phikwe, Mmadinare, and Francistown. Only one tip-off investigation was undertaken in Gaborone. An exercise was conducted to compile and reconcile the names of communication retail entities situated across malls in Gaborone, against the CIPA database.

91 entities were inspected for compliance, while 111 entities were monitored to ensure compliance with Type Approval requirements. Enforcement action was taken against 73 entities, leading to the confiscation of 1,076 gadgets. The non-compliant entities were also charged civil penalties ranging from P1,000.00 to P2,000.00, for failure to comply with the type approval requirements.

Type Approval Inspections

Of all the entities inspected, the average compliance rate for this financial year was 53%, marking a sharp decline of 19% from the previous year's rate of 72%. This decrease occurred across different areas, including some that had not been previously inspected. Figure 72 illustrates the level of compliance observed in each region relative to the number of entities inspected and the average compliance rate.

Sowa and Bobonong exhibited high compliance levels, with rates of 100% and 88%, respectively. A moderate level of conformity was observed in Sebina, with a compliance rate of 67%. The remaining areas, including Gaborone, Mochudi, Nata, Sefophe, Letlhakane, Orapa, and Tutume, exhibited low levels of conformity, with an average compliance rate of 39%. The Authority will continue carrying out type-approval awareness activities in regions that exhibited low compliance rates during the 2024-2025 period to ensure optimum compliance.

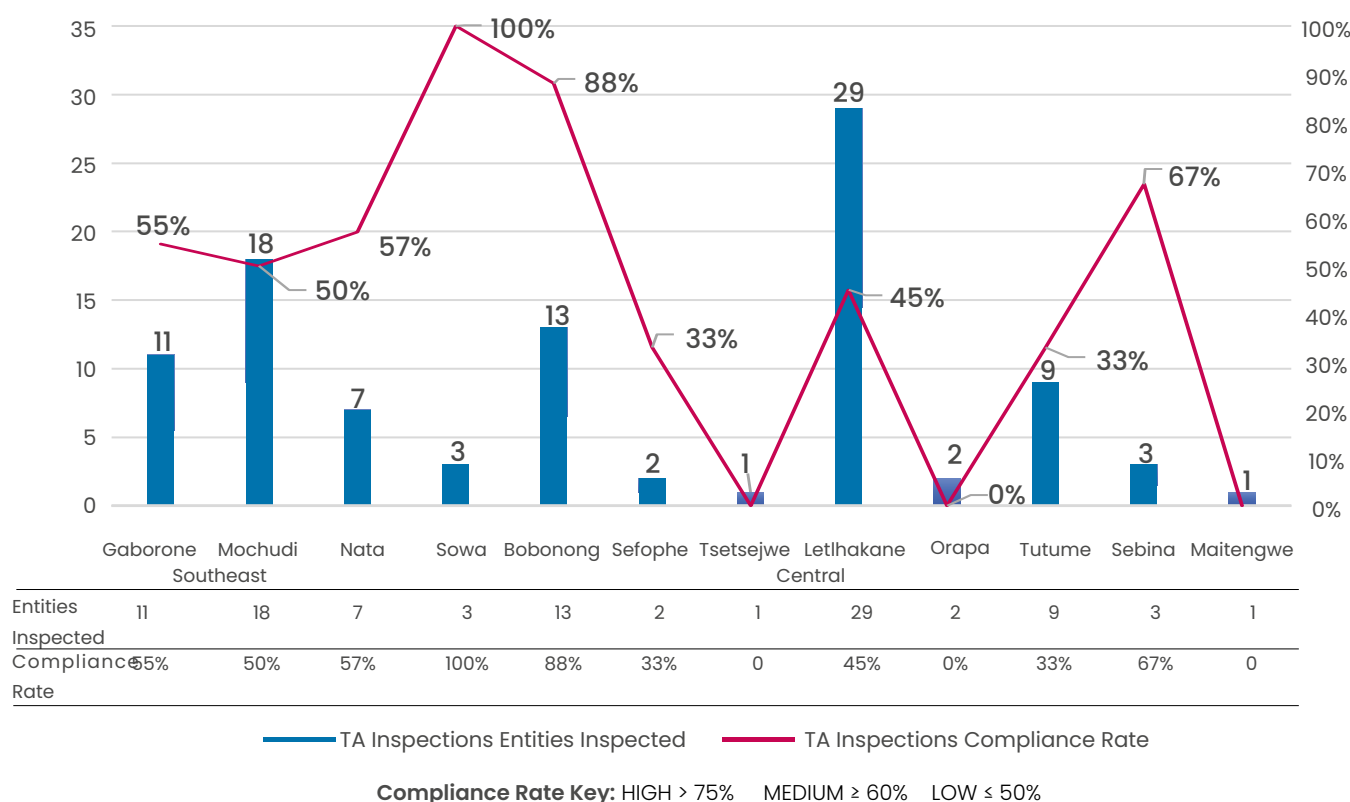


Figure 72: Type Compliance Rate Per Region. SOURCE: BOCRA

Type Approval Monitoring

The Authority observed an average Type Approval compliance rate of 75% following monitoring exercises conducted in the previously inspected regions. Figure 73 shows an analysis of the compliance statistics observed during this period.

As depicted in Figure 73, the Authority observed the highest level of conformity in Kazungula, with a 100% compliance rate registered. This was a significant increase of 47% compared with the 2022-2023 inspection period. Similarly, compliance rates increased with notable margins in Francistown, Maun, and Kasane with an average increase of 20%. Selibe-Phikwe exhibited higher levels of compliance compared with previous inspection periods.

Specifically, there was a 38% increase in compliance across furniture/chain stores. Historic qualitative data indicates that the compliance levels of this segment were significantly low in 2018, as most shops did not provide any type-approval certificates during inspection. Conversely, low compliance levels were observed in Mmadinare. The Authority will continue to track and monitor these levels to ensure full conformity.

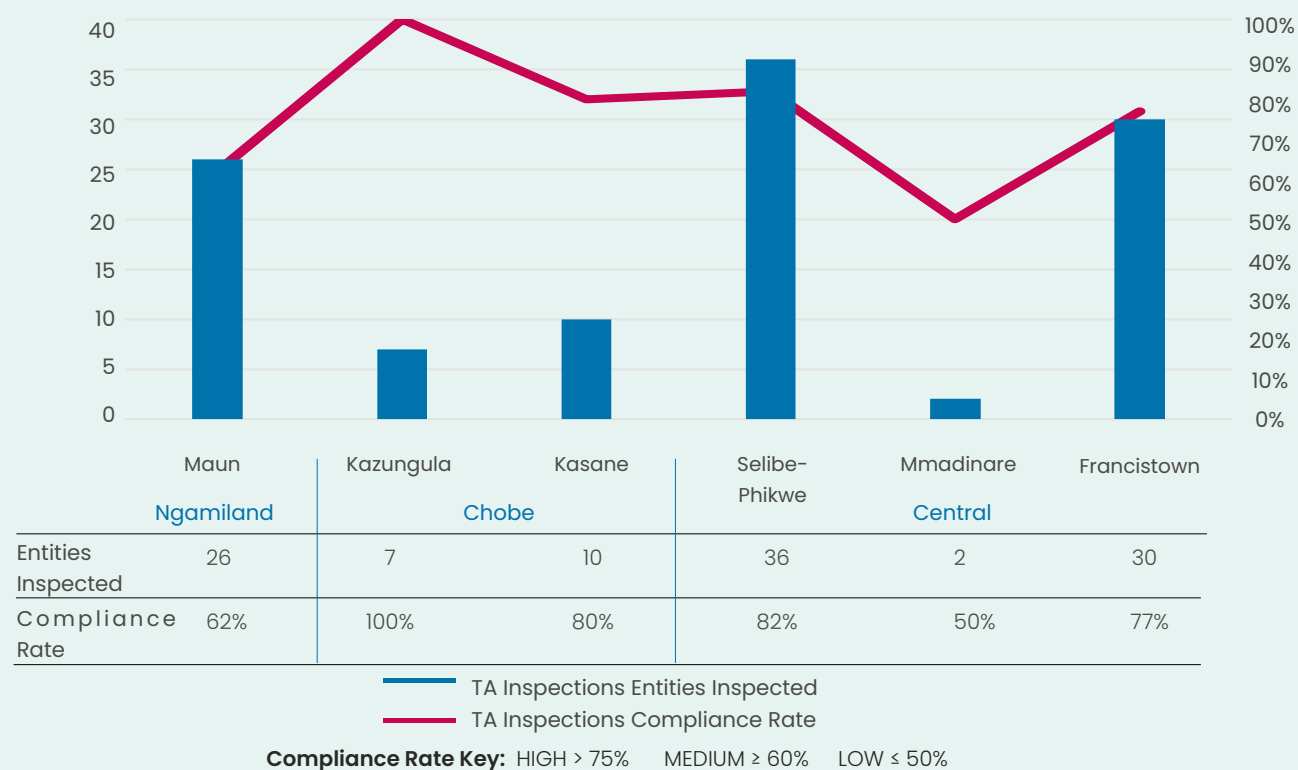


Figure 73: Type Approval Compliance Rate Comparisons. SOURCE: BOCRA

Enforcement

Empowered by the CRA Act to impose administrative sanctions and ensure the resolution of escalated non-compliance issues, BOCRA continued to enforce compliance in the regulated sectors. Enforcement activities carried out throughout the financial year encompassed the recovery of debts, licence suspensions, and revocations. Figure 74 provides an overview of the activities conducted during the period, highlighting their status.

As illustrated in Figure 74, the Authority addressed 37 regulatory non-compliance issues. The issues were escalated for enforcement action within BOCRA subject to perpetual non-compliance, in alignment with enforcement processes. By the end of the financial year, the Authority had addressed 78% (29/37) of the escalated issues, while 22% remained in progress. The Authority revoked six (6) non-compliant licences comprising two (2) NFP

licences from One Mobile Network (Pty) Ltd. and Lengau Towers (Pty) Ltd., three (3) SAP Licences from Global Broadband Solutions (Pty) Ltd., Incredible Data Expression (Pty) Ltd., and Integrated Digital Network. There was one (1) CPO licence from Zebra Hub of Excellence (Pty) Ltd. The latter was attributable to seven (7) proposed licence revocations and one (1) surrender submitted for Board approval in the upcoming financial year.

Figure 74 provides insights into the debt recovery processes conducted during the 2023–2024 financial year. As illustrated, the Authority recovered 58% of all escalated debts. The remaining cumulative debt was in the process of recovery, with debt owners making monthly instalments per their acknowledgment of debt. The recovery process was set to be completed by the end of the 2024–2025 financial year.

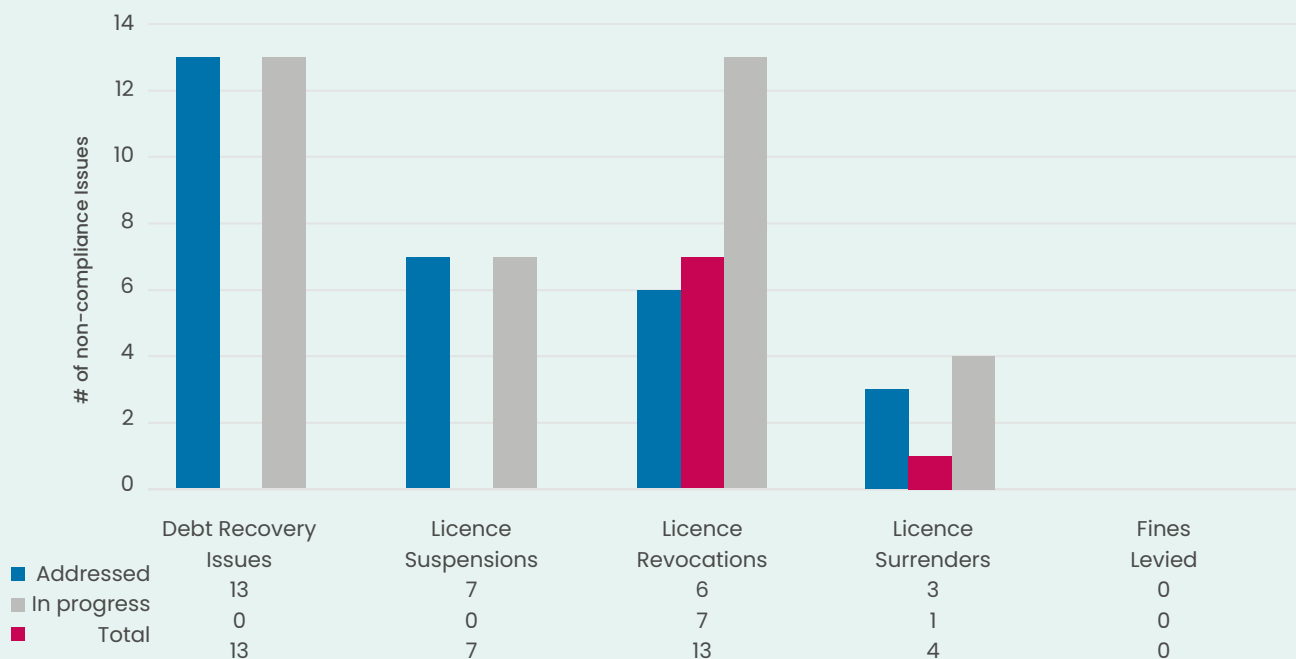


Figure 74: 2023–2024 Enforcement Activities

SIM CARD REGISTRATION PROJECT

Section 38 (3) of the CRA Act states that a licensee which uses the numbering and domain names system under subsection (1) shall submit to the Authority written customer information on all addresses and numbers, including numbers of prepaid subscribers in terms of the licence. In line with the provisions of the CRA Act, BOCRA developed SIM card Registration Guidelines to facilitate the registration of SIM cards.

Following the approval of the Guidelines, the MNOs were advised that the effective implementation of the Guidelines was 1 October 2022 and were given 18 months' transition period ending on 31 March 2024. As at 28 March 2024, only 48.46% of the subscribers were registered. The registration percentage was low due to the registration apathy of customers.

Owing to the low recorded numbers of registered SIM cards, an extension was granted to the MNOs, with a new deadline set to 30 June 2024. When granting the registration extension, the Authority set some conditions to be met by the MNOs, with Mascom and Orange required to have met 70% by the end of April, 85% by May, and 100% registration to be attained by the end of June 2024. BTC was below 50%; therefore, based on its status, the condition was to have met 50% by the end of April, 75% by May, and 100% by June 2024.

It is a requirement for all SIM cards to be registered in accordance with SIM Card Registration Guidelines for services to be provided. The regulator will continue to monitor and ensure compliance with the guidelines.



BUSINESS CONTINUITY AND DISASTER RECOVERY

BOCRA BCM

BOCRA continued its commitment to ensuring the reliability, adequacy, and effectiveness of its BCM programme, in alignment with the approved policies and framework. To validate and enhance the Authority's BCM capabilities, three (3) internal BCM audits and an organisational drill were held during the year. The primary focus of the audits and drill was on critical functions within the organisation, which have operational implications for the Authority's business processes.

Sector BCM

The Authority conducted audits to establish the compliance level of licensees to the BCM requirements in terms of the 2019 Sector Guidelines on Business Continuity and Disaster Recovery. In addition, this exercise was intended to give the Authority an appreciation of how prepared the communication sector was for unforeseen circumstances, as well as their resilience capabilities.

In line with the above, three licensees – BoFiNet, Mascom, and Orange – were audited. Based on the audit findings, the licensees have an acceptable redundancy level on their critical systems/services and have defined BCM governance frameworks; guiding procedures such as evacuation procedures were also observed. In addition, training and awareness of issues related to BCM is being conducted.

An audit report with findings and recommendations was produced and shared with licensees. Continuous follow ups were done to ensure that areas with deficiencies, such as the review of BCM processes, were performed in a timely manner and testing of developed plans to test their effectiveness were addressed. Additionally, the audited licensees conducted tests to check the effectiveness of the procedures and plans in place. Furthermore, six (6) licensees were requested to file their developed procedures and plans in place to be invoked during a crisis, to ensure that critical services were recovered within the shortest possible time.

STAKEHOLDER ENGAGEMENT AND COLLABORATIONS

In its 2019–2024 Strategic Plan, BOCRA identified Stakeholder Engagement as a strategic objective that is critical for the delivery of its mandate. Pursuant to this strategic objective, BOCRA Communications Strategy, on an annual basis, identifies key messages and targets specific audiences for engagement in a variety of areas, and the UASF mandate. BOCRA engages stakeholders in fostering awareness and dialogue around ICT policy issues with the intention of strengthening relations with stakeholders and ensuring their active participation in regulatory processes.

During the reporting period, BOCRA leveraged opportunities offered by crowd-pulling events to advance its consumer education and brand awareness objectives and achieve an enhanced understanding of regulated services. Stakeholder engagement was achieved through various platforms, including events, exhibitions, public lectures, and campaigns. The common objective of these initiatives was to sensitise the public about the BOCRA and UASF mandates.

COMMEMORATIONS

Under the direction of the Ministry of Communications, Knowledge, and Technology (MCKT) and with the participation of the ICT sector, BOCRA led in the organisation of commemorations and awareness events, namely, World Telecommunication and Information Society Day 2023, World Post Day 2023, Cybersecurity



Awareness Month 2023, and World Radio Day 2024. By participating in these commemorations, BOCRA reinforced its commitment to promoting awareness and understanding of key issues in the country.

World Telecommunication and Information Society Day 2023

The World Telecommunication and Information Society Day (WTISD) is an annual event celebrated globally on 17 May to raise awareness of the importance of information and communication technologies (ICTs) in addressing societal challenges and achieving sustainable development goals. Observed to commemorate the establishment of the International Telecommunication Union (ITU), the WTISD 2023 theme – Empowering the least developed countries through information and communication technologies – highlighted the transformative power of ICTs in Botswana. Locally, the event was hosted in Ramotswa.

Through workshops and training seminars, BOCRA and stakeholders offered ICT literacy training and cybersecurity awareness training for youth, SMMEs, pensioners, students, etc. to emphasise the role of ICTs in bridging the digital divide and promoting inclusive access to information and communication services.

As part of commemoration initiatives, BOCRA and stakeholders donated ICT equipment to the Ramotswa region, ensuring that critical offices had access to ICTs. ICT contributions aimed to bridge the digital divide and facilitate connectivity to underserved areas, aligning with BOCRA's commitment to promoting inclusive access to ICT across Botswana.

Girls in ICT Day 2023

Closely related to the WTISD, BOCRA and stakeholders also commemorated the Girls in ICT Day 2023, which is celebrated globally to encourage girls and young women to pursue careers in ICTs. BOCRA marked Girls in ICT Day by organising events and initiatives to inspire girls to explore opportunities in ICT-related fields.

Activities such as mentorship programmes, career workshops, and coding camps were conducted to empower girls with the skills and confidence to pursue Science, Technology, Engineering, Arts, and Mathematics (STEAM) education and careers in the digital age. BOCRA's participation in Girls in ICT Day aimed to create awareness that ICTs cut across all or most careers.

World Post Day 2023

World Post Day is observed annually on 9 October to mark the anniversary of the Universal Postal Union (UPU) which was established in 1874. It serves as an opportunity to celebrate the contribution of postal services to global communication and commerce. BOCRA, in collaboration with postal operators and stakeholders, commemorated World Post Day in Maokane village to promote the importance of postal services in Botswana. Activities such as public awareness campaigns, workshops, and community outreach events were organised to highlight the role of postal services in connecting people and facilitating economic growth. BotswanaPost took the opportunity to launch a new post office in Maokane village.

Cybersecurity Awareness Month 2023

Cybersecurity Awareness month is recognised globally in October to raise awareness about cybersecurity threats and promote best practices for online safety. BOCRA led in the activations for Cybersecurity Awareness Month by organising educational campaigns, workshops, and outreach activities to educate the public about cyber risks and preventive measures. Through partnerships with government agencies, industry stakeholders, and cybersecurity experts, BOCRA emphasised the importance of cybersecurity hygiene and promoted the responsible use of digital technologies to mitigate cyber threats.

World Radio Day 2023

World Radio Day is commemorated on 13 February to celebrate the role of radio as a powerful medium for information, entertainment, and cultural expression. BOCRA marked World Radio Day at Shakawe by organising events aimed at celebrating the importance of radio broadcasting in Botswana. Activities such as panel discussions, radio programming workshops, and community radio initiatives were conducted to highlight the diversity of radio content and its impact on society. BOCRA also collaborated with broadcasters and radio stations to promote access to quality radio programming and to support the development of local radio talent.

Safer Internet Day 2024

Safer Internet Day is observed annually on 6 February to promote the safe and responsible use of digital technologies, especially among children and young people. BOCRA participated in Safer Internet Day by organising awareness campaigns, workshops, and educational activities to empower individuals with the knowledge and skills to navigate the online world safely. Through partnerships with schools, parents, and community organisations, BOCRA emphasised the importance of digital literacy, online privacy, and cybersecurity awareness in building a safer internet environment for all users.



BOCRA engaged in consumer education activities, as shown in Table 20.

Table 20: Consumer Education and Brand Awareness Activities

| Activity | Type of Activity | Target Audience | Date |
|---|-----------------------------|-----------------------|-----------|
| World Telecommunication and Information Society Day | Commemoration | Stakeholders / Public | May |
| Khawa Dune Challenge | Exhibition | Public | May |
| Business Botswana Trade Fair | Exhibition | Public | May |
| Tsabong Mall Exhibition | Public Lecture | Public | June |
| Okavango/Ngamiland Campaign | Public Lecture | Public | June |
| Makgadikgadi Epic | Exhibition | Public | July |
| Gaborone Diacore Marathon | Staff Involvement | Staff | July |
| Orange Phikwe Marathon | Staff Involvement | Public | July |
| Ghanzi Agricultural Show | Exhibition | Public | July |
| Business Botswana Consumer Fair | Exhibition | Public | August |
| Kgatleng Agricultural Show | Exhibition | Public | August |
| BOCRA Wellness Week | Staff Involvement | Staff | September |
| E-waste Workshop | Workshop | Stakeholders / Public | |
| Boitekanelo College Marathon | Staff Involvement | Public | |
| World Post Day (Maokane) | Commemoration | Stakeholders / Public | October |
| Cybersecurity Awareness Month | Commemoration | Stakeholders / Public | October |
| World Radio Day | Commemoration | Stakeholders / Public | February |
| Safer Internet Day | Commemoration | Stakeholders / Public | February |
| Kazungula Bridge Marathon | Staff Involvement | Public | February |
| Roadshow | Exhibition / Public Lecture | Public | March |

WORKSHOPS/CONFERENCES

Pursuant to its stakeholder engagement objectives, BOCRA engaged various stakeholders locally,

regionally, continentally, and internationally through hosting and participating in meetings, workshops, and conferences, as depicted in Table 21.

Table 21: Stakeholder Engagement Activities

| Activity | Type | Target Audience | Date |
|--|------------|--|-----------|
| World Radiocommunication Conference Preparatory Meeting for SADC | Meeting | Regional Regulators and Industry Payers | May |
| Transformation Through Circular Economy and EPR Conference | Conference | Local, Regional, Continental and International Regulators and Industry Players | July |
| CRASA Legal and Policy Committee | Meeting | Regional Regulators | September |
| CRASA Universal Access and Service Committee | Meeting | Regional Regulators | February |
| Policy and Regulation Initiative for Digital Africa (PRIDA) | Workshop | Regional Regulators and Industry Payers | March |
| Quality of Service Stakeholder Consultation Workshop | Workshop | Industry Players and Public | March |
| CRASA Executive Committee | Meeting | Regional Regulators | March |

STRATEGIC PARTNERSHIPS

Recognising that the technical, ever evolving, and multilayered nature of communications requires a collaborative regulatory approach, BOCRA entered into a Memoranda of Understanding (MoU) with some entities it considered critical for the delivery of its mandate. In this regard, MoUs were signed with Debswana Mining Company to collaborate on various areas of mutual interest, including, but not limited to, cybersecurity, capacity building, and entrepreneurship.

BOCRA also signed MoUs with counterpart regional regulatory authorities of Lesotho Communications Authority (LCA), Eswatini Communications Commission (ESCCOM), and Instituto Nacional das Comunicações de Moçambique (INCM) to build on the spirit of regional integration and harmonisation espoused under the CRASA framework. The MoUs formalised working relations between BOCRA and the three sister regulators in the areas of spectrum

management, CSIRT, QoS, universal access and service, and tariff regulation, including roaming charges.

Furthermore, BOCRA hosted the Communications Regulatory Authority of Namibia (CRAN) on a benchmarking visit to Botswana. The visit occurred at the instigation of the parent ministries of Information and Communications Technology of the Republic of Namibia and Communications Knowledge and Technology of Botswana. The Honourable Ministers Dr. Peya Mushelenga of Namibia and Thulagano Merafe Segokgo of Botswana met and delegated their regulators, BOCRA and Communications Regulatory Authority of Namibia (CRAN), in consultation with Mobile Network Operators, to agree on a collaborative framework for reducing roaming charges between Namibia and Botswana. The Ministers issued a communique that signified their commitment to facilitating the implementation of the decision of SADC Ministers ICT in establishing a Single Digital

Market for the region by March 2024.

BOCRA and CRAN met on the side lines of the ministers' meetings and engaged on issues of Data Roaming, Quality of Service, E-Waste, Digital Literacy, and Universal Access and Service. BOCRA and CRAN subsequently signed an MoU in November 2023 in Namibia.

In addition to the preceding collaborative initiatives, the CSIRT also prioritised collaboration as a core business, signing seven MoUs with local and regional stakeholders. These memoranda aim to foster a culture of cooperation, information sharing, and collective defence against evolving cyber threats.

The CSIRT continued to strengthen its reputation as a leading authority in cybersecurity, participating in esteemed forums, and collaborating with local and regional stakeholders. One such notable collaboration was the team's induction into FIRST in June 2023, a prestigious global community of cybersecurity teams. Furthermore, the CSIRT expanded its regional presence by joining TrustedBroker Africa in January 2024, a move that demonstrates its commitment to sharing insights and best practices with other African cybersecurity teams.

PUBLICATIONS, AWARENESS, AND CAPACITY BUILDING

BOCRA utilised various media platforms to interact with the public to enhance the public's understanding of its regulatory mandate, brand awareness, and the communications sector. In this digital era, BOCRA leveraged the popularity of social media platforms to drive its public education programmes. The impact of social media posts was measured by follower reach, audience reactions, and engagement. The Authority recorded a total audience of 33,100, with 3,300 audience members identified as active audience, while 3,700 generated engagements and 933 stories were created during the period under review.

BOCRA also used television, radio, and print media to reach the public on issues such as SIM Card Registration Awareness; Licence revocations, type approval, complaint handling procedures, and cybersecurity awareness. Public education messages on BOCRA and the UASF rural schools' connectivity and computerisation projects were also carried through billboards.

CORPORATE SOCIAL INVESTMENT

Pursuant to its Corporate Social Investment (CSI) commitment, BOCRA collaborated with the Ministry of Education to facilitate the construction of computer laboratories for primary schools in the villages of Etsha 13, Molete, and Struizendam. As at the end of the financial year, the laboratories were

at various stages of completion. These laboratories are expected to facilitate the delivery of education in remote and rural schools to enable them to compete with their peers locally and globally.

Four (4) additional prefabricated computer laboratories were established for Tlokweng Primary Schools of Batlokwa National, Botsalano, Mafitlhakgosi, and Kgosisigosi.



BOCRA's CSI programme also benefited several entities, disadvantaged communities, and other deserving individuals in Botswana, as captured in Table 22.

Table 22: CSI Beneficiaries

| Beneficiary | Type of Benefit | Amount |
|---|--|------------|
| Women in Engineering | Sponsorship | 10,000.00 |
| Kgatleng Agricultural Show | Sponsorship | 30,000.00 |
| Athlone Hospital | 4 Desktops & Printer | 70,000.00 |
| University of Botswana Foundation | Sponsorship | 55,000.00 |
| Citizen Owned Businesses For IT (COBIT)/ Botswana Information Technology Society (BITS) | Sponsorship | 37,500.00 |
| Botswana Substance Abuse Network (BOSASNET) | Sponsorship | 8,800.00 |
| Albert Milton Cycling Challenge | Sponsorship | 75,000.00 |
| Bantu Film Festival | Sponsorship | 35,000.00 |
| Makgabaneng Drama Festival | Sponsorship | 20,000.00 |
| Botho University | Sponsorship | 5,000.00 |
| Botswana Security & Fire Summit | Sponsorship | 50,000.00 |
| YAMA Awards | Sponsorship | 15,000.00 |
| Orapa Half Marathon | Sponsorship | 30,000.00 |
| Tlhareseleele Kgotla | Computer & Printer | 25,000.00 |
| Molete Village Leadership | 2 Tablets | 21,312.28 |
| Barolong Kgotla | Mobile Phone | 26,196.00 |
| World Telecommunication and Information Society Day 2023 | Sponsorship | 105,666.66 |
| Gosemama Junior Secondary School | Prizes for Students | 30,000.00 |
| Mahetlwe Primary School (Mahetlwe) | Prizes for Students | 20,000.00 |
| Newton Primary School (Serowe) | Prizes for Students | 20,000.00 |
| Hatsalatladi Primary School (Hatsalatladi) | Prizes for Students | 20,000.00 |
| Motshegaletau Primary School (Motshegaletau) | Prizes for Students | 20,000.00 |
| Struizendam Primary School (Struizendam) | Prizes for Students + Boot Camp for Std 7s | 23,143.00 |
| Matlotlakgang Primary School (Kanye) | Prizes for Students | 20,000.00 |
| Vaalhoek Primary School (Vaalhoek) | Prizes for Students | 20,000.00 |



HUMAN CAPITAL MANAGEMENT

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

- **Improve performance management**
- **Improve employee engagement**

In pursuit of these strategic human capital objectives, BOCRA recorded an engagement level of 66%, which was slightly below the African Region's 69% and 67% global engagement index, respectively, as measured in 2023. To attain its human capital strategic goals, BOCRA has fostered a conducive environment aimed at attracting and retaining high-performing and engaged employees.

This is facilitated through the Human Capital Strategy, which focuses on sourcing, developing, promoting, and retaining talent. This strategy is essential for optimising the organisation's potential to achieve positive business outcomes amid rapidly evolving competitive landscapes and workforce requirements.

BOCRA enhances organisational capability and capacity through talent management and succession-planning processes which are essential for fulfilling the Authority's mandate and strategic objectives. Furthermore, BOCRA implements employee engagement initiatives to promote a high-performance culture.

Staff Complement

As at the end of March 2024, the staff complement was 105. In terms of gender distribution, there were 55 females and 50 male employees, resulting in a 11:10 female-to-male ratio.

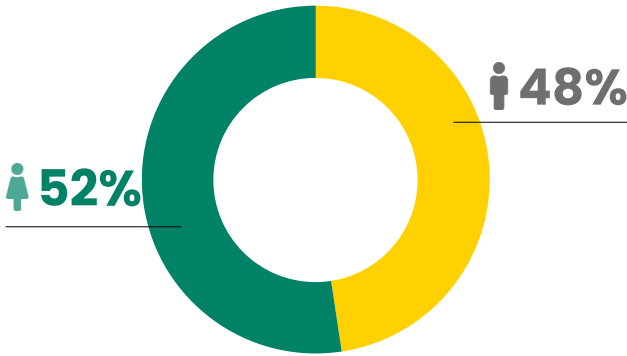


Figure 75: BOCRA staff gender distribution

Table 23: Staff Complement from April 2023–March 2024

| Staff Complement | Number |
|--------------------------------|--------|
| Staff in Post as at April 2023 | 101 |
| Staff Recruited | 4 |
| Staff Exited/Retired | 0 |
| Total as at March 2024 | 105 |

Staff Distribution by Qualifications

Table 24 indicates that BOCRA has a highly educated and trained workforce. In terms of qualifications, 77% of the employees have obtained a combination of first degree and master's degree qualifications, while

23% of the employees possess other qualifications.

Table 25 shows that BOCRA has most of its employees in the professional-specialist area in keeping with its profile as a knowledge-based organisation.

Table 24: Staff Qualification by Gender

| Qualifications | | | |
|----------------|-----------|-----------|-----------|
| Gender | Master's | Degree | Other |
| Female | 27 | 12 | 13 |
| Male | 22 | 20 | 11 |
| Total | 49 | 32 | 24 |

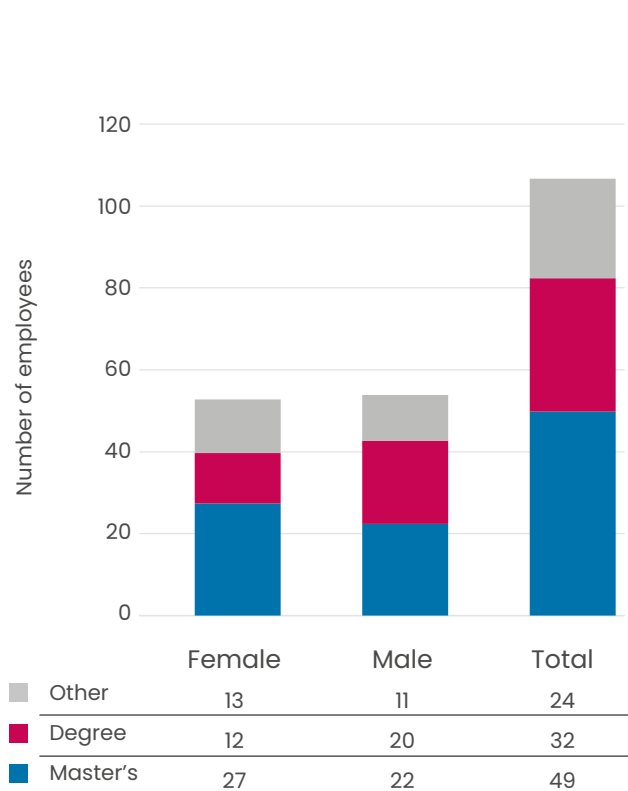


Figure 76: BOCRA staff qualifications by gender

Table 25: Staff Categories by Gender and Position

| Staff category | | | | |
|----------------|-----------|-------------------|--------------------|---------------|
| Gender | Executive | Middle Management | Snr/ Professionals | General Staff |
| Female | 5 | 9 | 29 | 9 |
| Male | 8 | 10 | 23 | 12 |
| Total | 13 | 19 | 52 | 21 |

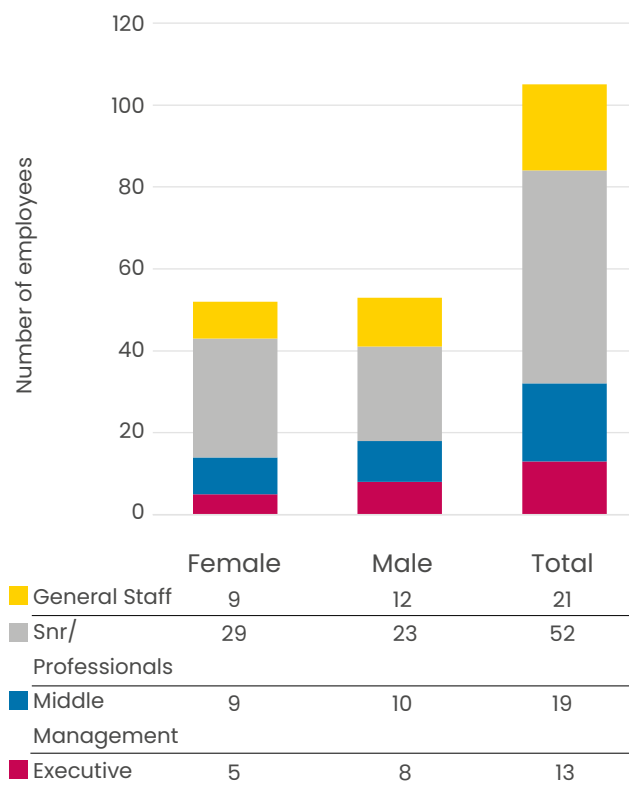


Figure 77: Staff categories by gender and qualification



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 emphasises a blended learning approach, where 70% of training is done on the job, 20% through coaching and mentorship, and learning from peers, and the remaining 10% through structured classroom learning.

This strategy provides a robust framework for a well-rounded learning-and-development approach.

The Authority also encourages staff to take responsibility for their personal development. This self-initiated learning is supported by a training cost reimbursement programme upon the successful completion of training.

During the reporting period, the following training sessions were conducted:

- Ten (10) employees attended Supervisory training
- Ten (10) employees completed Diploma in Telecommunication and Management (DTMS) Training
- Thirteen (13) employees attended Basic Excel Training
- Ten (10) employees completed Occupational Health and Safety training.
- All staff members were trained in Fire and First Aid Awareness.
- A Coaching and Mentorship workshop was conducted for all Staff Members.
- Eleven (11) employees completed training in coaching and mentoring skills.
- Fourteen (14) SHE Representatives were trained in the Advanced First Aid course.
- Eighteen (18) employees attended Retirement Planning Training.

Staff Welfare Issues

The well-being of BOCRA staff remained a priority, with various initiatives aimed at fostering a positive work environment.

Events such as the annual Christmas party, staff retreats for team building, and the Corporate Awards ceremony provided opportunities for staff to come together, celebrate achievements, and build camaraderie. Additionally, wellness programmes, including themed wellness events, were organised to address physical and mental health needs, promoting a holistic approach to staff welfare.

Safety, Health, and Environment (SHE)

BOCRA developed and implemented two key policies: the Corporate Health Policy and the Harassment Policy.

These policies are designed to foster a workplace culture that supports a healthy lifestyle among employees and in their daily lives. Additionally, the Harassment Policy aims to raise awareness about what constitutes harassment in the workplace and provides clear guidelines and procedures to effectively manage complaints arising from harassment.

Table 25: Staff Promotions for the Period 2023–2024

| NAMES | DEPARTMENT | PROMOTED FROM | PROMOTED TO |
|--------------------------|---|---|---|
| Mr. Christopher Teemane | Finance | Manager Finance | Deputy Director, Finance |
| Ms. Kenaope Pelaelo | Broadband & Universal Access & Service | Manager, Broadband and Universal Access & Service | Deputy Director, Broadband & Universal Access & Service |
| Mr. Thato Sebeso | Broadcasting & Corporate Communications | Senior Officer, Media & Content | Analyst, Media & Content |
| Ms. Maipelo Mookodi | Business Development | Senior Officer, Business Development | Analyst, Business Development |
| Ms. Keamogetse Mmokele | Licensing | Senior Officer, Licensing | Business Analyst |
| Ms. Baboloki Sella | Legal, Compliance & Board Secretary | Officer, Compliance | Senior Officer, Compliance & Monitoring |
| Mr. Realeboga Motshidisi | Finance | Officer, Accounts | Senior Officer, Accounts |
| Mr. Goemeone Pheto | Finance | Officer, Procurement | Senior Officer, Procurement |
| Mr. Mafoko Lebogang | CSIRT | Officer, CSIRT | Senior Officer, CSIRT |
| Ms. Arona Legotlwane | Finance | Assistant Officer, Accounts | Officer, Accounts |
| Mr. Nonfo Ramotsababa | Technical Services | Assistant Engineer, Network Standards | Engineer, Network Standards |
| Mr. Edwin Kooletile | Broadband and Universal Access | Assistant Officer, Broadband & Universal Access | Officer, Broadband & Universal Access |
| Ms. Amantle Nkarabang | Corporate Services | Assistant Officer, Human Resource & Admin | Officer, Human Resource & Admin |
| Mr. Boikanyo Bogatsu | Business Development | Assistant Officer, Business Development | Officer, Business Development |
| Mr. Thokozani Mlazier | Technical Services | Assistant Engineer, Network Standards | Engineer, Network Standards |
| Ms. Katlego Ncaagae Mbe | Technology Office | Assistant Officer, Information Technology | Officer, Information Technology |
| Mr. Ernest Molose | Corporate Services | Officer Assistant, Records | Senior Office Assistant, Records |
| Ms. Keamogetswe Matomela | Legal, Compliance & Board Secretary | Senior Legal Counsel | Manager, Legal |
| Ms. Ludo Tafa | Corporate Services | Principal SHE & Security Officer | Chief SHE & Security Officer |
| Mr. Thapelo Sethebetha | Technology Office | Officer Information Technology | Senior Information Technology Officer |
| Mr. Olerato Tiego | Broadband & Universal Access | Officer, Broadband & Universal Access | Senior Officer, Broadband & Universal Access |

CONSOLIDATED AND SEPARATE

Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

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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 the communications sector in Botswana comprising telecommunications, internet and information and communications technologies, radio communications, broadcasting, postal services and related matters. |
| Members of the Board | <p>Mr Tefo Modise Setlhare (Chairperson) – appointed 1 July 2023</p> <p>Ms. Kago Mmolawa – retired 31 January 2023, re-appointed 1 August 2023 (Vice Chairperson)</p> <p>Ms. Senwelo Modise – appointed 1 August 2023</p> <p>Dr. Bokamoso Basuti – appointed 1 September 2023</p> <p>Ms. Mpho Victoria Molefe – appointed 1 September 2023</p> <p>Dr. Mokaedi Monnane Monnane – appointed 1 September 2023</p> <p>Mr. Galeboe Mmelesi – retired 31 August 2023</p> <p>Dr. Gape Kaboyakgosi – retired 31 August 2023</p> <p>Ms. Tsholofelo Bogosi – retired 31 January 2023, re-appointed 1 August 2023</p> <p>Mr. Martin Mokgware – Chief Executive (ex-officio)</p> |
| Registered office | <p>Lot 50671</p> <p>Independence Avenue</p> <p>Extension 5</p> <p>Gaborone</p> <p>Botswana</p> |
| Postal address | <p>Private Bag 00495</p> <p>Gaborone</p> <p>Botswana</p> |
| Bankers and asset managers | <p>First National Bank of Botswana Limited</p> <p>Absa Bank Botswana Limited</p> <p>Standard Chartered Bank Botswana Limited</p> <p>Bank of Baroda (Botswana) Limited</p> <p>Stanbic Bank of Botswana Limited</p> <p>Vunani Fund Managers</p> |
| 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 surplus of the Group was P20,807,274 (2023: net deficit P24,297,566) and net surplus for Authority was P37,556,028 (2023: P22,723,389).

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. Kago Mmolawa – retired 31 January 2023, re-appointed 1 August 2023
Ms. Senwelo Modise – appointed 1 August 2023
Dr. Bokamoso Basuti – appointed 1 September 2023
Ms. Mpho Victoria Molefe – appointed 1 September 2023
Dr. Mokaedi Monnane Monnane – appointed 1 September 2023
Prof. Joseph Chuma – retired 31 August 2023
Mr. Galeboe Mmelesi – retired 31 August 2023
Dr. Gape Kaboyakgosi – retired 31 August 2023
Ms. Tsholofelo Bogosi – 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 IFRS® Accounting 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 IFRS Accounting 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

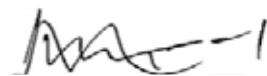
The Members are of the opinion, based on the information and explanations given by Management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial 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 94 to 132 and the supplementary information disclosed on pages 133 and 134 which have been prepared on the going concern basis, were approved and authorised for issue by Board Members on 26 September 2024 and were signed on its behalf by:



Tefo Modise Setlhare
Chairperson



Martin Mokgware
Chief Executive



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 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Botswana Communication Regulatory Authority's consolidated and separate financial statements set out on pages 94 to 132 which comprise:

- the consolidated and separate statements of financial position as at 31 March 2024;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- the notes to the financial statements, including material accounting policy information.

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 judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate 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 the 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 2024". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

PricewaterhouseCoopers, Plot 64289, Tlokweng Road, Gaborone,
P O Box 294, Gaborone, Botswana
T: (267) 370 9700, www.pwc.com/bw

Country Senior Partner: R Binedell
Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena



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 consolidated and separate financial statements, our responsibility is 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 IFRS Accounting 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 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and 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 and 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 consolidated and separate 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 and/or 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

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

- In our opinion the accounts and related records of the Authority have been properly maintained;
- The financial statements prepared by the Authority were consistent with that of the previous year.
- The Authority's audited financial statements for the year ended 31 March 2024 were not submitted to Minister within six (6) months after the Authority's financial year end as required by section 28 (1) of the Act.

PricewaterhouseCoopers

PricewaterhouseCoopers
Firm of Certified Auditors
Practicing Member: Ichu Molebatsi (CAP 0041 2024)

05 October 2024
Gaborone

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 March 2024

| | Note | GROUP | | AUTHORITY | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Assets | | P | P | P | P |
| Non-Current Assets | | | | | |
| Investment property | 3 | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |
| Property, plant and equipment | 4 | 98,178,075 | 101,576,021 | 96,354,494 | 99,708,841 |
| | | 110,318,075 | 109,916,021 | 108,494,494 | 108,048,841 |
| Current Assets | | | | | |
| Tax receivable | 11 | 899,094 | 1,728,624 | 899,094 | 1,728,624 |
| Trade and other receivables | 6 | 77,253,010 | 85,892,836 | 58,847,321 | 43,619,553 |
| Short-term investments | 7 | 247,000,000 | - | 107,000,000 | - |
| Cash and cash equivalents | 8 | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |
| | | 621,270,068 | 581,580,943 | 308,579,244 | 276,997,931 |
| Total Assets | | 731,588,143 | 691,496,964 | 417,073,738 | 385,046,772 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Accumulated surplus | | 617,657,267 | 611,682,632 | 332,228,026 | 332,228,026 |
| Universal Access and Service Fund | 10 | 37,556,028 | 22,723,389 | - | - |
| | | 655,213,295 | 634,406,021 | 332,228,026 | 332,228,026 |
| Liabilities | | | | | |
| Non-current Liabilities | | | | | |
| Deferred tax liability | 9 | 4,600,143 | 4,663,272 | 4,600,143 | 4,663,272 |
| | | 4,600,143 | 4,663,272 | 4,600,143 | 4,663,272 |
| Current Liabilities | | | | | |
| Trade and other payables | 12 | 71,774,705 | 52,427,671 | 42,689,541 | 25,432,085 |
| Universal Access and Service Fund Trust | 10 | - | - | 37,556,028 | 22,723,389 |
| | | 71,774,705 | 52,427,671 | 80,245,569 | 48,155,474 |
| Total Equity and Liabilities | | 731,588,143 | 691,496,964 | 417,073,738 | 385,046,772 |

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

| | Note | GROUP | | AUTHORITY | |
|---|------|-------------------|---------------------|-------------------|-------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | P | P | P | P |
| Revenue | 14 | 256,277,297 | 216,912,902 | 211,634,683 | 172,035,534 |
| Other income | 15 | 1,291,122 | 1,644,076 | 1,227,297 | 1,438,399 |
| Operating expenses | 16 | (257,750,331) | (259,135,370) | (181,332,254) | (151,858,843) |
| Net impairment (losses) / gain on financial assets | | (218,244) | (138,773) | 39,018 | (46,236) |
| (Deficit) / surplus for the year before finance income | | (400,156) | (40,717,165) | 31,568,744 | 21,568,854 |
| Finance income | 18 | 30,446,339 | 28,427,003 | 15,226,193 | 13,161,939 |
| Fair value adjustments | 3 | 3,800,000 | (5,760,000) | 3,800,000 | (5,760,000) |
| Surplus / (deficit) for the year before tax | | 33,846,183 | (18,050,162) | 50,594,937 | 28,970,793 |
| Taxation | 19 | (13,038,909) | (6,247,404) | (13,038,909) | (6,247,404) |
| Surplus / (deficit) for the year | | 20,807,274 | (24,297,566) | 37,556,028 | 22,723,389 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income / (loss) for the year | | 20,807,274 | (24,297,566) | 37,556,028 | 22,723,389 |

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 March 2024

| | Note | GROUP | | AUTHORITY | |
|---|----------|----------------------|----------------------|----------------------|---------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | P | P | P | P |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 21 | 47,586,348 | (258,966,744) | 50,712,110 | 46,019,058 |
| Tax paid | 11 | (12,272,508) | (7,335,161) | (12,272,508) | (7,335,161) |
| Net cash generated / (used in) from operating activities | | 35,313,840 | (266,301,905) | 38,439,602 | 38,683,897 |
| Cash flows from investing activities | | | | | |
| Interest received | | 25,858,431 | 28,427,003 | 12,787,600 | 13,161,939 |
| Purchase of property, plant and equipment | 4 | (12,036,548) | (15,913,302) | (11,343,496) | (14,110,205) |
| Sale of property, plant and equipment | 4 | 22,758 | 504,884 | 22,758 | 302,147 |
| Purchase of short-term investments | 7 | (247,000,000) | - | (107,000,000) | - |
| Net cash used in / (generated from) investing activities | | (233,155,359) | 13,018,585 | (105,533,138) | (646,119) |
| Cash flows from financing activities | | | | | |
| Amount paid to Universal Access and Service Fund Trust | | - | - | (22,723,389) | (29,327,367) |
| Net cash used in financing activities | | - | - | (22,723,389) | (29,327,367) |
| Total cash and cash equivalents movement for the year | | (197,841,519) | (253,283,320) | (89,816,925) | 8,710,411 |
| Cash and cash equivalents at beginning of the year | | 493,959,483 | 747,242,803 | 231,649,754 | 222,939,343 |
| Total cash and cash equivalents at end of year | 8 | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2024

| | Accumulated Surplus | Total Equity |
|--|---------------------|---------------------|
| | P | P |
| 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 |
| Authority | | |
| Balance at 01 April 2023 | 332,228,026 | 332,228,026 |
| Surplus for the year | 37,556,028 | 37,556,028 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 37,556,028 | 37,556,028 |
| Excess of income over expenditure allocated to the Universal Access and Service Fund Trust | (37,556,028) | (37,556,028) |
| Total transactions with owners | (37,556,028) | (37,556,028) |
| Balance as at 31 March 2024 | 332,228,026 | 332,228,026 |

| | Surplus allocated towards UASF | Total Reserves | Accumulated Surplus | Total Equity |
|---|--------------------------------|--------------------|---------------------|---------------------|
| | P | P | P | P |
| Group | | | | |
| Balance as 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 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) | 10 | | | |
| Group | | | | |
| Balance at 01 April 2023 | 22,723,389 | 22,723,389 | 611,682,632 | 634,406,021 |
| Surplus for the year | - | - | 20,807,274 | 20,807,274 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 20,807,274 | 20,807,274 |
| Excess of income over expenditure paid to the Universal Access and Service Fund Trust | (22,723,389) | (22,723,389) | 22,723,389 | - |
| Transfer from accumulated surplus | 37,556,028 | 37,556,028 | (37,556,028) | - |
| Total transactions with owners | 14,832,639 | 14,832,639 | (14,832,639) | - |
| Balance as at 31 March 2024 | 37,556,028 | 37,556,028 | 617,657,267 | 655,213,295 |
| Note(s) | 10 | | | |

ACCOUNTING POLICIES

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 activity 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 94 to 132 have been approved and authorised for issue by the Board Members on 26 September 2024.

The ultimate parent of the group is Botswana Communications Regulatory Authority.

1. Presentation of Annual Financial Statements

The Group and Authority annual financial statements have been prepared in accordance with, and in compliance with IFRS Accounting 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 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.

Valuation of investment property

The investment property is valued independently by professional valuers once every year based on open market value, forced sale value, and insurance replacement cost. The property is carried at fair value which was determined based on comparable sales. The key inputs used to determine the fair value of the property are provided in note 26.

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 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

ACCOUNTING POLICIES (continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets (continued)

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 months 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.

Note 6 to the financial statements discloses information on loss allowances estimated on 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 measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The Group applies the simplified approach and measures the loss allowance for financial instrument 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 Group 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 assesses exposure to credit risk of each of these entities. Details of the provision matrix are presented in note 6.

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.

Credit risk

Details of credit risks are included in the trade and other receivables (note 6) and risk management note (note 25).

ACCOUNTING POLICIES (continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Credit Risk (continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a financial asset is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the receivable has not increased significantly since initial recognition. The Authority regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Authority consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

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

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

ACCOUNTING POLICIES (continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Taxation (continued)

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.

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 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

ACCOUNTING POLICIES (continued)

1.4 Property, plant and equipment (continued)

- 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 |

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.

Financial assets and liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the 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

ACCOUNTING POLICIES (continued)

1.5 Financial instruments (continued)

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 shown separately in the Statement of Comprehensive Income.

Financial liabilities

- Amortised cost

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Note 6 and note 23 presents financial instruments held by the group based on their specific classification.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

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.

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.

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 amounts which are recognised at fair value and subsequently measured at amortised cost.

Short-term investments

Classification

Short-term investments (note 7) are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these fixed deposits give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on these fixed deposits.

Recognition and measurement

Short-term investments are recognised when the group becomes a party to the contractual provisions of the investments. The investments 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 investment, 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.

ACCOUNTING POLICIES (continued)

1.5 Financial instruments (continued)

Derecognition

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

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.

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 25 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.

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, affecting 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.

ACCOUNTING POLICIES (continued)

1.6 Tax (continued)

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,

ACCOUNTING POLICIES (continued)

1.9 Employee benefits (continued)

Short-term employee benefits (continued)

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 23.

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 License 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 the invoice is raised.

ACCOUNTING POLICIES (continued)

1.11 Revenue from contracts with customers (continued)

System and Services Licence Fees

System and service licence fees are fees earned from licences issued to the operators based on the terms of the contract and within the provision of the CRA Act. These licences 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 the 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 licences 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 the 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 IFRS Accounting Standards on a basis consistent with prior year.

ACCOUNTING POLICIES (continued)

2. Basis of preparation (continued)

New standards and interpretations

a) Standards, amendments and interpretations relevant to the Group and Authority and not effective for 31 March 2024 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 2023 or later periods:

Amendment to IAS 1 Non-current liabilities with covenants (effective on or after 1 January 2024).

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. Effective for annual periods beginning on or after 1 January 2024. 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 2024 year end.

The application dates for the Group were at the beginning of the financial year on 1 April 2023.

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 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. The impact of the amendment is not material on the Group's consolidated and separate financial statements.

c) Standards, amendments and interpretations not relevant to the Group and Authority and effective for the first time for 31 March 2024 year end.

The Group does not intend to adopt the following standards when they become effective.

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.

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

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. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur.

ACCOUNTING POLICIES (continued)

2. Basis of preparation (continued)

New standards and interpretations (continued)

c) Standards, amendments and interpretations not relevant to the Group and Authority and effective for the first time for 31 March 2024 year end (continued)

but over the remaining life of the contract.

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 a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition.

The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard.

Amendments to IAS 12, International Tax Reform—Pillar Two Model Rules (The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual on or after 1 January 2023)

These amendments give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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 not effective for the 31 March 2024 year end.

Amendment to IFRS 16 – Leases on sale and leaseback (effective on or after 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Amendments to Supplier Finance Arrangements (IAS 7 and IFRS 7) (effective on or after 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

Amendments to IAS 21 Lack of Exchangeability (Amendments to IAS 21) (effective on or after 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3. Investment property

| | GROUP | | AUTHORITY | |
|----------------------------|-------------------|------------------|-------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Investment property | | | | |
| Valuation | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |
| Carrying value | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |
| Investment property | | | | |
| Opening balance | 8,340,000 | 14,100,000 | 8,340,000 | 14,100,000 |
| Fair value adjustment | 3,800,000 | (5,760,000) | 3,800,000 | (5,760,000) |
| Closing balance | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |

Group and Authority

Details of valuation

A valuation of the investment properties was performed on 4 May 2024 by Mr Llyod Mulambya Bsc (Real Estate) MREIB, MREAC, of Stocker Fleetwood-Bird, an independent professional valuer with experience in valuing similar properties in Botswana. 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.

The valuation was done in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organisations with which the valuer is affiliated. Refer to note 26.

| | GROUP | | AUTHORITY | |
|--|-----------|-----------|-----------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Amounts recognised in surplus or deficit for the year | | | | |
| Rental income from investment property | 487,237 | 495,495 | 487,237 | 495,495 |
| Repairs and maintenance of the investment property | (149,597) | (277,903) | (149,597) | (277,903) |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

4. Property, Plant and Equipment

| GROUP | 2024 | | | 2023 | | |
|----------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------------|--------------------|
| | Cost | Accumulated Depreciation | Carrying Value | Cost | Accumulated Depreciation | Carrying Value |
| | P | P | P | P | P | P |
| Buildings | 62,114,573 | (16,377,731) | 45,736,842 | 62,226,597 | (15,168,528) | 47,058,069 |
| Furniture and fixtures | 16,921,444 | (14,968,345) | 1,953,099 | 16,698,321 | (14,265,739) | 2,432,582 |
| IT equipment | 26,860,967 | (16,184,394) | 10,676,573 | 23,019,806 | (13,457,601) | 9,562,205 |
| Land | 2,135,700 | - | 2,135,700 | 2,135,700 | - | 2,135,700 |
| Motor vehicles | 14,350,808 | (10,524,631) | 3,826,177 | 12,320,117 | (8,484,063) | 3,836,054 |
| Office equipment | 14,759,767 | (14,110,277) | 649,490 | 14,185,425 | (13,852,327) | 333,098 |
| Technical equipment (ASMS) | 154,363,136 | (131,670,836) | 22,692,300 | 154,347,628 | (123,409,081) | 30,938,547 |
| Capital work-in-progress | 10,507,894 | - | 10,507,894 | 5,279,766 | - | 5,279,766 |
| Total | 302,014,289 | (203,836,214) | 98,178,075 | 290,213,360 | (188,637,339) | 101,576,021 |

Reconciliation of property, plant and equipment – 2024

| GROUP | Opening Balance | Additions | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|-------------------|-----------------------|---------------------|-------------------|
| | P | P | P | P | P |
| Buildings | 47,058,069 | - | (112,024) | (1,209,203) | 45,736,842 |
| Furniture and fixtures | 2,432,582 | 223,123 | - | (702,606) | 1,953,099 |
| IT equipment | 9,562,205 | 3,963,092 | (24,539) | (2,824,185) | 10,676,573 |
| Land | 2,135,700 | - | - | - | 2,135,700 |
| Motor vehicles | 3,836,054 | 2,032,354 | - | (2,042,231) | 3,826,177 |
| Office equipment | 333,098 | 589,851 | - | (273,459) | 649,490 |
| Technical equipment (ASMS) | 30,938,547 | - | - | (8,246,247) | 22,692,300 |
| Capital work in progress | 5,279,766 | 5,228,128 | - | - | 10,507,894 |
| Total | 101,576,021 | 12,036,548 | (136,563) | (15,297,931) | 98,178,075 |

Work in progress includes amount for IT related project which was not completed. The matter is before the courts. Refer to note 23.

Reconciliation of property, plant and equipment – 2023

| GROUP | Opening Balance | Additions | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|-------------------|-----------------------|---------------------|--------------------|
| | 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 | 15,913,302 | (5,883) | (15,219,385) | 101,576,021 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

4. Property, Plant and Equipment (continued)

| AUTHORITY | 2024 | | | 2023 | | |
|----------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------------|-------------------|
| | Cost | Accumulated Depreciation | Carrying Value | Cost | Accumulated Depreciation | Carrying Value |
| | P | P | P | P | P | P |
| Buildings | 62,114,573 | (16,377,731) | 45,736,842 | 62,226,597 | (15,168,528) | 47,058,069 |
| Furniture and fixtures | 16,921,444 | (14,968,345) | 1,953,099 | 16,698,321 | (14,265,739) | 2,432,582 |
| IT equipment | 26,508,688 | (15,888,325) | 10,620,363 | 22,649,347 | (13,204,672) | 9,444,675 |
| Land | 2,135,700 | - | 2,135,700 | 2,135,700 | - | 2,135,700 |
| Motor vehicles | 10,828,491 | (8,769,685) | 2,058,806 | 9,490,852 | (7,404,448) | 2,086,404 |
| Office equipment | 14,759,767 | (14,110,277) | 649,490 | 14,185,425 | (13,852,327) | 333,098 |
| Technical equipment (ASMS) | 154,363,136 | (131,670,836) | 22,692,300 | 154,347,628 | (123,409,081) | 30,938,547 |
| Capital work-in progress | 10,507,894 | - | 10,507,894 | 5,279,766 | - | 5,279,766 |
| Total | 298,139,693 | (201,785,199) | 96,354,494 | 287,013,636 | (187,304,795) | 99,708,841 |

Reconciliation of property, plant and equipment- 2024

| AUTHORITY | Opening Balance | Additions | Disposals / Write-off | Depreciation | Total |
|----------------------------|-------------------|-------------------|-----------------------|---------------------|-------------------|
| Buildings | 47,058,069 | - | (112,024) | (1,209,203) | 45,736,842 |
| Furniture and fixtures | 2,432,582 | 223,123 | - | (702,606) | 1,953,099 |
| IT equipment | 9,444,675 | 3,963,092 | (24,539) | (2,762,865) | 10,620,363 |
| Land | 2,135,700 | - | - | - | 2,135,700 |
| Motor vehicles | 2,086,404 | 1,339,302 | - | (1,366,900) | 2,058,806 |
| Office equipment | 333,098 | 589,851 | - | (273,459) | 649,490 |
| Technical equipment (ASMS) | 30,938,547 | - | - | (8,246,247) | 22,692,300 |
| Capital work in progress | 5,279,766 | 5,228,128 | - | - | 10,507,894 |
| | 99,708,841 | 11,343,496 | (136,563) | (14,561,280) | 96,354,494 |

Work in progress includes amount for IT related project which was not completed. The matter is before the courts. Refer to note 23.

Reconciliation of property, plant and equipment- 2023

| AUTHORITY | Opening Balance | Additions | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|-------------------|-----------------------|---------------------|-------------------|
| 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 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

5. Financial assets by category

| | GROUP | | AUTHORITY | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Financial assets at amortised cost | | | | |
| Trade and other receivables | 70,376,422 | 79,976,929 | 52,339,850 | 37,985,176 |
| Short-term investments | 247,000,000 | - | 107,000,000 | - |
| Cash and cash equivalents | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |
| | 613,494,386 | 573,936,412 | 301,172,679 | 269,634,930 |

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 | |
|--------------------------------------|-----------|-------------|-------------|-------------|-------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | RATINGS | P | P | P | P |
| Trade receivables | Group 1 | - | - | - | - |
| | Group 2 | 31,615,772 | 63,652,371 | 20,705,029 | 24,662,127 |
| | Group 3 | 30,062,258 | 8,995,044 | 24,691,100 | 7,167,767 |
| Receivable from CRASA | Not rated | 1,038,144 | 2,559,715 | 1,038,144 | 2,559,715 |
| Staff debtors | Not rated | 928,667 | 662,152 | 928,667 | 662,152 |
| Cash at bank and short-term deposits | Not rated | 296,115,964 | 493,957,483 | 141,830,829 | 231,647,754 |
| Short term investments | Not rated | 247,000,000 | - | 107,000,000 | - |
| Deposits | Not rated | 54,007 | 54,007 | 54,007 | 54,007 |
| Other receivables | Not rated | 10,891,270 | 8,429,222 | 8,669,359 | 7,045,012 |

Key:

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

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

Group 3 = existing customers (more than 6 months) with history of default.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 6. Trade and other receivables | | | | |
| Financial assets: | | | | |
| Trade receivables | 61,678,030 | 72,647,415 | 45,396,129 | 31,829,894 |
| Less: Impairment | (3,285,029) | (3,239,811) | (2,817,789) | (3,029,833) |
| Trade receivables (net) | 58,393,001 | 69,407,604 | 42,578,340 | 28,800,061 |
| Other receivables | 10,891,270 | 8,429,222 | 8,669,359 | 7,045,012 |
| Less impairment on other receivables | - | (473,619) | - | (473,619) |
| Receivable from CRASA | 1,038,144 | 2,559,715 | 1,038,144 | 2,559,715 |
| Deposits | 54,007 | 54,007 | 54,007 | 54,007 |
| | 70,376,422 | 79,976,929 | 52,339,850 | 37,985,176 |
| Non-financial assets: | | | | |
| Staff debtors | 928,667 | 662,152 | 928,667 | 662,152 |
| Prepayments | 4,455,013 | 3,940,345 | 4,085,896 | 3,658,815 |
| VAT receivable | 1,492,908 | 1,313,410 | 1,492,908 | 1,313,410 |
| | 6,876,588 | 5,915,907 | 6,507,471 | 5,634,377 |
| Total receivables and other receivables (net) | 77,253,010 | 85,892,836 | 58,847,321 | 43,619,553 |

Trade debtors are unsecured and do not attract interest.

Trade receivables are due for settlement within 30 days.

| | | | | |
|--|------------|------------|------------|------------|
| Trade receivables which are fully performing | 31,615,772 | 63,652,371 | 20,705,029 | 24,662,127 |
|--|------------|------------|------------|------------|

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

6. Trade and other receivables (continued)

Exposure to credit risk (continued)

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 assesses 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. No interest is charged on outstanding trade and other receivables.

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 on page 116.

Definition of default

For purposes of internal credit management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal information or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that the default has occurred when a scheduled payment is more than 90 days past due unless there is reasonable supportable information to demonstrate that a more lagging criterion is more appropriate.

GROUP

| | 2024 | 2023 | 2024 | 2023 |
|----------------------------------|--|--|--|--|
| | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) |
| | P | P | P | P |
| Current | 29,899,309 | 54,784 | 63,603,497 | 34,497 |
| 1-30 days | 1,716,463 | 1,580 | 48,874 | 4,382 |
| Fully performing | 31,615,772 | 56,364 | 63,652,371 | 38,879 |
| 31-60 days | 4,963 | 1,455 | 3,839 | 847 |
| 61-90 days | 19,460,556 | 210,790 | 772,244 | 49,232 |
| Past due but not impaired | 19,465,519 | 212,245 | 776,083 | 50,079 |
| Over 90 days- impaired | 10,596,739 | 3,016,420 | 8,218,962 | 3,150,854 |
| Total | 61,678,030 | 3,285,029 | 72,647,415 | 3,239,811 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

6. Trade and other receivables (continued)

Definition of default (continued)

AUTHORITY

| | 2024 | 2023 | 2024 | 2023 |
|----------------------------------|--|--|--|--|
| | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) | Estimated gross carrying amount at default | Loss allowance (Lifetime expected credit loss) |
| | P | P | P | P |
| Current | 18,988,566 | 48,025 | 24,613,253 | 31,499 |
| 1-30 days | 1,716,463 | 1,580 | 48,874 | 4,382 |
| Fully performing | 20,705,029 | 49,605 | 24,662,127 | 35,881 |
| 31-60 days | 4,963 | 1,455 | 3,839 | 847 |
| 61-90 days | 14,696,185 | 140,807 | 278,124 | 6,060 |
| Past due but not impaired | 14,701,148 | 142,262 | 281,963 | 6,907 |
| Over 90 days- impaired | 9,989,952 | 2,625,922 | 6,885,804 | 2,987,045 |
| Total | 45,396,129 | 2,817,789 | 31,829,894 | 3,029,833 |

Movement in the loss allowance for trade receivables

| | Group | | Authority | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Opening impairment allowance | 3,239,811 | 3,218,477 | 3,029,833 | 2,983,597 |
| Provision for the year | 691,863 | 138,773 | 434,601 | 46,236 |
| Write off / reversal for the year | (646,645) | (117,438) | (646,645) | - |
| | 3,285,029 | 3,239,811 | 2,817,789 | 3,029,833 |

Movement in the loss allowance for other receivables

| | Group | | Authority | |
|-------------------------------------|-----------|----------------|-----------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | 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 |

Net impairment gain / (losses) on financial assets

| | Group | | Authority | |
|-------------------------------------|----------------|----------------|-----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Opening impairment allowance | 691,863 | 138,773 | 434,601 | 46,236 |
| (Reversal) / provision for the year | (473,619) | - | (473,619) | - |
| | 218,244 | 138,773 | (39,018) | 46,236 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

6. Trade and other receivables (continued)

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-23 | 6.67% | 12.37% | 18.37% | 28.55% | 100% |
| 31-Mar-24 | 11.17% | 20.21% | 32.64% | 48.74% | 100% |

The Loss Given Default used is 100% as the debtors are not secured by collateral.

7. Short-term investments

| | GROUP | | AUTHORITY | |
|--------------------|-------------|------|-------------|------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Money market funds | 247,000,000 | - | 107,000,000 | - |

The short-term deposits consist of funds placed in money market financial institutions. The maturity period is 3 months and the funds are redeemable within 48 hours.

8. Cash and cash equivalents

| | GROUP | | AUTHORITY | |
|----------------|--------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Cash on hand | 2,000 | 2,000 | 2,000 | 2,000 |
| Bank balances | 55,115,964 | 187,666,350 | 10,830,829 | 25,356,621 |
| Fixed deposits | 241,000,000 | 306,291,133 | 131,000,000 | 206,291,133 |
| | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |

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

| | | | | |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| Cash on hand | 2,000 | 2,000 | 2,000 | 2,000 |
| Bank balances | 55,115,964 | 187,666,350 | 10,830,829 | 25,356,621 |
| Short-term deposits | 241,000,000 | 306,291,133 | 131,000,000 | 206,291,133 |
| | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 9. Deferred tax | | | | |
| Deferred tax liabilities | (4,600,143) | (4,663,272) | (4,600,143) | (4,663,272) |
| | (4,600,143) | (4,663,272) | (4,600,143) | (4,663,272) |
| Movement in deferred taxation | | | | |
| Deferred taxation at beginning of year | (4,663,272) | (4,178,537) | (4,663,272) | (4,178,537) |
| Charged to the statements of comprehensive income | 63,129 | (484,735) | 63,129 | (484,735) |
| Deferred taxation at end of year | (4,600,143) | (4,663,272) | (4,600,143) | (4,663,272) |
| Broken down as: | | | | |
| Differences in tax and accounting depreciation | (5,133,374) | (5,940,255) | (5,133,374) | (5,940,255) |
| Temporary difference on investment property | 533,231 | 1,276,983 | 533,231 | 1,276,983 |
| | (4,600,143) | (4,663,272) | (4,600,143) | (4,663,272) |

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

10. Universal Access and Service Fund

| | | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| Opening balance | 22,723,389 | 29,327,367 | 22,723,389 | 29,327,367 |
| Transfer from accumulated surplus | 37,556,028 | 22,723,389 | - | - |
| Amount paid during the year to Universal Access and Service Fund Trust | (22,723,389) | (29,327,367) | (22,723,389) | (29,327,367) |
| Excess of income over expenditure allocated to the Universal Access and Service Fund Trust | - | - | 37,556,028 | 22,723,389 |
| Closing balance | 37,556,028 | 22,723,389 | 37,556,028 | 22,723,389 |

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 the Minister under section 29 (4). The object of the Fund is to among others; ensure availability of communications services in unserved and underserved areas and support universal access and service projects, research and programmes.

Universal Access and Service Fund Trust came into 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.

| | GROUP | | AUTHORITY | |
|---------------------------------|-------------------|------------------|-------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 11. Tax Paid | | | | |
| Balance beginning of the year | (1,728,624) | (156,132) | (1,728,624) | (156,132) |
| Current year charge (Note 19) | 13,102,038 | 5,762,669 | 13,102,038 | 5,762,669 |
| Balance at the end of the year | 899,094 | 1,728,624 | 899,094 | 1,728,624 |
| Tax paid during the year | 12,272,508 | 7,335,161 | 12,272,508 | 7,335,161 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 12. Trade and other payables | | | | |
| Financial liabilities: | | | | |
| Trade payables | 6,018,757 | 82,076 | 5,692,960 | - |
| Other accrued expenses | 1,017,111 | 1,717,490 | 1,017,111 | 1,717,490 |
| Deposits received | 102,054 | 102,447 | 102,054 | 102,447 |
| Accrual creditors | 20,977,758 | 7,274,755 | 8,684,236 | 7,274,755 |
| Other payables | 2,313,260 | 4,941,584 | 698,529 | 257,211 |
| Unidentified deposits | 2,390,803 | 2,275,861 | 2,390,803 | 2,275,861 |
| Payable to Botswana Government | 14,799,064 | 15,922,671 | 8,000,000 | - |
| | 47,618,807 | 32,316,884 | 26,585,693 | 11,627,764 |
| Non-financial liabilities: | | | | |
| Leave (Note 12.1) | 9,814,874 | 8,454,786 | 9,814,874 | 8,454,786 |
| Gratuity (Note 12.2) | 2,394,718 | 1,540,052 | 2,394,718 | 1,540,052 |
| Prepaid licences | 3,894,256 | 3,809,483 | 3,894,256 | 3,809,483 |
| UASF IT officers provisions | 8,052,050 | 6,306,466 | - | - |
| | 24,155,898 | 20,110,787 | 16,103,848 | 13,804,321 |
| | 71,774,705 | 52,427,671 | 42,689,541 | 25,432,085 |

Trade payables are unsecured and are normally paid within 30 days of recognition. The carrying value of trade and other payables approximate its estimated fair value.

The payable to Botswana Government comprises the amount received for the Computer Security Incident Response Team (CSIRT) operations and the school computerisation project managed by the group.

12.1 Leave

2024

| | GROUP | AUTHORITY |
|-------------------------|------------------|------------------|
| | P | P |
| Opening balance | 8,454,786 | 8,454,786 |
| During the year charge | 3,518,691 | 3,518,691 |
| Payment during the year | (2,158,603) | (2,158,603) |
| Closing balance | 9,814,874 | 9,814,874 |

2023

| | GROUP | AUTHORITY |
|-------------------------|------------------|------------------|
| | P | P |
| Opening balance | 7,692,856 | 7,692,856 |
| During the year charge | 3,864,989 | 3,864,989 |
| Payment during the year | (3,103,059) | (3,103,059) |
| Closing balance | 8,454,786 | 8,454,786 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

12. Trade and other payables (continued)

12.2 Gratuity

2024

| | GROUP | AUTHORITY |
|-------------------------|------------------|------------------|
| | P | P |
| Opening balance | 1,540,052 | 1,540,052 |
| During the year charge | 1,286,155 | 1,286,155 |
| Payment during the year | (431,489) | (431,489) |
| Closing balance | 2,394,718 | 2,394,718 |

2023

| | GROUP | AUTHORITY |
|-------------------------|------------------|------------------|
| | P | P |
| Opening balance | 486,996 | 486,996 |
| During the year charge | 1,154,054 | 1,154,054 |
| Payment during the year | (100,998) | (100,998) |
| Closing balance | 1,540,052 | 1,540,052 |

13. 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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Financial liabilities at amortised cost | P | P | P | P |
| Universal Access and Service Fund Trust | - | - | 37,556,028 | 22,723,389 |
| Trade and other payables | 47,618,807 | 32,316,884 | 26,585,693 | 11,627,764 |
| | 47,618,807 | 32,316,884 | 64,141,721 | 34,351,153 |

14. Revenue

| | | | | |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Turnover fees – Telecommunications | 64,075,072 | 94,419,652 | 64,075,072 | 94,419,652 |
| Turnover fees – Postal | 458,581 | 541,069 | 458,581 | 541,069 |
| Turnover fees – Broadcasting | 970,152 | 1,004,191 | 970,152 | 1,004,191 |
| Radio license fees | 129,493,567 | 61,456,087 | 129,493,567 | 61,456,087 |
| System license fees | 11,507,059 | 10,494,469 | 11,507,059 | 10,494,469 |
| Service license fees | 3,028,747 | 2,489,751 | 3,028,747 | 2,489,751 |
| UASF Levy | 44,642,614 | 44,877,368 | - | - |
| Domain name fees & Type approval fees | 2,101,505 | 1,630,315 | 2,101,505 | 1,630,315 |
| | 256,277,297 | 216,912,902 | 211,634,683 | 172,035,534 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | Note | GROUP | | AUTHORITY | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | P | P | P | P |
| 15. Other income | | | | | |
| (Loss) / gains on disposal of assets | | (1,781) | 499,001 | (1,781) | 296,264 |
| Licence Application fee | | 95,000 | 39,245 | 95,000 | 39,245 |
| Miscellaneous income | | 123,278 | 122,941 | 118,653 | 122,941 |
| Rental income | | 487,237 | 495,495 | 487,237 | 495,495 |
| Tender Application fee | | 136,066 | 41,813 | 76,866 | 38,873 |
| UASF Management fee | | 451,322 | 445,581 | 451,322 | 445,581 |
| | | 1,291,122 | 1,644,076 | 1,227,297 | 1,438,399 |
| 16. Operating expenses | | | | | |
| Major categories of operating expenses: | | | | | |
| Employee costs | | 78,474,343 | 66,494,789 | 78,474,343 | 66,494,789 |
| Depreciation | 17a | 15,297,931 | 15,219,385 | 14,561,280 | 14,792,259 |
| Consulting and professional fees | 4 | 13,217,324 | 9,086,096 | 9,690,014 | 5,793,403 |
| Project expenses | | 67,510,891 | 98,220,432 | - | - |
| Conference expenses | | 13,853,560 | 8,963,370 | 13,853,560 | 8,963,370 |
| Travel expenses | | 5,675,008 | 4,729,023 | 5,675,008 | 4,729,023 |
| Repairs and maintenance | | 3,136,507 | 6,093,943 | 3,136,507 | 6,093,943 |
| Security charges | | 2,341,959 | 2,066,633 | 2,341,959 | 2,066,633 |
| Training | | 9,890,667 | 7,506,242 | 9,890,667 | 7,506,242 |
| Internet charges | | 4,706,800 | 5,146,669 | 4,706,800 | 5,146,669 |
| Advertising | | 6,361,121 | 4,920,595 | 5,856,782 | 3,148,097 |
| Corporate Social Responsibility | | 7,150,837 | 2,078,003 | 7,150,837 | 2,078,003 |
| Donations | | - | 66,915 | - | 66,915 |
| Board expenses | | 4,417,960 | 3,795,260 | 2,923,325 | 2,653,249 |
| Legal expenses | | 86,416 | 110,810 | 86,416 | 110,810 |
| Computer expenses | | 9,272,252 | 8,006,271 | 9,272,252 | 8,006,271 |
| Printing & Stationary | | 686,022 | 572,955 | 438,233 | 467,979 |
| Staff welfare | | 4,809,040 | 4,018,092 | 4,809,040 | 4,018,092 |
| Subscriptions | | 725,092 | 2,242,626 | 725,092 | 2,242,626 |
| Utilities | | 1,235,381 | 1,314,650 | 1,235,381 | 1,314,650 |
| Telephone | | 1,075,703 | 1,080,115 | 1,075,703 | 1,080,115 |
| Secretariat costs | | 1,690,003 | 1,551,499 | - | - |
| Functions hosted by Authority | | 2,186,422 | 1,480,548 | 2,186,422 | 1,480,548 |
| Other expenses | | 3,949,092 | 4,370,449 | 3,242,633 | 3,605,157 |
| | | 257,750,331 | 259,135,370 | 181,332,254 | 151,858,843 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|--|-------------------|---------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 17. Surplus for the year before finance income for the year is stated after accounting for the following: | | | | |
| (Loss) / profit on sale of property, plant and equipment | (1,781) | 499,001 | (1,781) | 296,264 |
| Depreciation on property, plant and equipment | 15,297,931 | 15,219,385 | 14,561,280 | 14,792,259 |
| Project expenses | 67,510,891 | 98,220,432 | - | - |
| Consulting fees | 13,217,324 | 9,086,096 | 9,690,014 | 5,793,403 |
| Employee costs (refer note (a) below) | 78,474,343 | 66,494,789 | 78,474,343 | 66,494,789 |
| (a) Employee costs: | | | | |
| Salary and wages | 52,456,513 | 45,949,743 | 52,456,513 | 45,949,743 |
| Pension - defined contribution plan | 7,357,625 | 6,332,738 | 7,357,625 | 6,332,738 |
| Gratuity | 1,286,155 | 1,540,052 | 1,286,155 | 1,154,054 |
| Leave | 3,518,691 | 3,864,989 | 3,518,691 | 3,864,989 |
| Exit package | 3,988,637 | - | 3,988,637 | - |
| Medical expenses | 3,008,007 | 2,581,281 | 3,008,007 | 2,581,281 |
| Other employee benefits | 6,858,715 | 6,611,984 | 6,858,715 | 6,611,984 |
| | 78,474,343 | 66,494,789 | 78,474,343 | 66,494,789 |
| Average number of employees during the year | 99 | 100 | 99 | 100 |
| 18. Finance income | | | | |
| Bank | 460,793 | 284,063 | 162,892 | 47,492 |
| Income from short-term investments | 29,985,546 | 28,142,940 | 15,063,301 | 13,114,447 |
| | 30,446,339 | 28,427,003 | 15,226,193 | 13,161,939 |
| 19. Taxation | | | | |
| Current tax: | | | | |
| Basic tax at 22% (2023: 22%) | 13,102,038 | 5,762,669 | 13,102,038 | 5,762,669 |
| Deferred income tax: | | | | |
| Temporary differences | (63,129) | 484,735 | (63,129) | 484,735 |
| Income tax expense | 13,038,909 | 6,247,404 | 13,038,909 | 6,247,404 |
| The tax on Group and Authority's profit before tax equals the theoretical amount that would arise using the basic tax rate as follows: | | | | |
| Surplus before income tax | 33,846,183 | (18,050,162) | 50,594,937 | 28,970,793 |
| Tax calculated at applicable tax rates of 22% | 7,446,160 | (3,971,036) | 11,130,886 | 6,373,574 |
| Tax effects of: | | | | |
| - Expenses not deductible for tax purposes | 1,899,298 | 746,623 | 1,899,298 | 746,623 |
| - Income not chargeable for tax purposes | 3,693,451 | 9,471,817 | 8,725 | (872,793) |
| Income tax expense | 13,038,909 | 6,247,404 | 13,038,909 | 6,247,404 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|---|-------------------|----------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 20. Auditors' remuneration | | | | |
| Fees | 479,849 | 368,291 | 354,762 | 273,355 |
| 21. Cash generated from operations | | | | |
| Surplus / (deficit) for the year before tax | 33,846,183 | (18,050,162) | 50,594,937 | 28,970,793 |
| Adjustments for: | | | | |
| Depreciation | 15,297,931 | 15,219,385 | 14,561,280 | 14,792,259 |
| Net loss / (gains) on sale of assets | 1,781 | (499,001) | 1,781 | (296,264) |
| Interest received | (25,858,431) | (28,427,003) | (12,787,600) | (13,161,939) |
| Fair value adjustments | (3,800,000) | 5,760,000 | (3,800,000) | 5,760,000 |
| Property, plant and equipment write off | 112,024 | - | 112,024 | - |
| Changes in working capital: | | | | |
| Trade and other receivables | 8,639,826 | (16,501,551) | (15,227,768) | 6,727,808 |
| Trade and other payables | 19,347,034 | (216,468,412) | 17,257,456 | 3,226,401 |
| | 47,586,348 | (258,966,744) | 50,712,110 | 46,019,058 |

22. Commitments

22.1. Authorised capital expenditure for property, plant and equipment

| | | | | |
|-------------------------|---|-----------|---|-----------|
| -already contracted for | - | 6,238,034 | - | 6,238,034 |
|-------------------------|---|-----------|---|-----------|

This authorised expenditure would be financed by available cash resources and accumulated funds.

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

| | | | | |
|-------------------|---------|---------|---------|---------|
| - within one year | 254,301 | 246,043 | 254,301 | 246,043 |
|-------------------|---------|---------|---------|---------|

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.

23. Contingent Liabilities

The following matters are pending against the Authority:

| Claimant | Estimated loss amount | Reasons | Status |
|------------------------------|-----------------------|---------------------------------------|--|
| Accore Enterprises (Pty) Ltd | 997,071 | Breach of contract suit against BOCRA | BOCRA has a counter claim of P14.98 million against the plaintiff which is subject to assessment by the registrar. |

As at year end the matter was still ongoing 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 2024

24. 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 state 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 89

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. Phiase
M. Ratladi
J. Isa – Molwane
A. Nyelesi
T. Mogopa

| | GROUP | | AUTHORITY | |
|---|--------------|--------------|-------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Related party balances | P | P | P | P |
| Amounts included in Trade and other receivables / (Trade and other payables) regarding related parties as; | | | | |
| Botswana Telecommunications Corporation Limited (Government owned) | 8,022,620 | 10,523,961 | 4,987,364 | 7,518,143 |
| Botswana Post (Government owned) | 205,508 | (1,374,238) | 1,859,143 | 434,054 |
| Botswana Fibre Networks (Government owned) | 3,000,480 | 2,607,692 | 2,181,803 | 1,897,171 |
| Communications Regulators' Association of Southern Africa (CRASA) – BOCRA is CRASA Treasurer | 1,038,144 | 2,559,715 | 1,038,144 | 2,559,715 |
| Botswana Government | (14,799,064) | (15,922,671) | (8,000,000) | - |

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

| | | | | |
|--|---|---|------------|------------|
| Universal Access and Service Fund Trust (subsidiary) | - | - | 37,556,028 | 22,723,389 |
|--|---|---|------------|------------|

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 CSIRT operations and the school computerisation project managed by the Group on behalf of Government. The amount for the school computerisation will be paid once the project is completed.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

24. Related parties (continued)

The balance receivable from CRASA is the amount paid by the Group during the year on behalf of CRASA for CRASA operational expenses.

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

| | GROUP | | AUTHORITY | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Related party transactions | | | | |
| i) Board expenses | | | | |
| Sitting allowances and retainer fee | 1,281,467 | 207,450 | 637,317 | 158,850 |
| Cellphone allowances | 21,600 | 43,200 | 10,800 | 22,950 |
| Travel costs | 2,666,213 | 2,387,884 | 1,905,326 | 1,618,992 |
| Other costs | 454,868 | 1,156,726 | 376,070 | 852,457 |
| | 4,424,148 | 3,795,260 | 2,929,513 | 2,653,249 |
| ii) Sale of services rendered | | | | |
| Botswana Telecommunications Corporation Limited | 61,837,462 | 54,363,313 | 50,428,434 | 42,855,601 |
| Botswana Post | 1,001,244 | 1,399,438 | 347,770 | 520,844 |
| Botswana Fibre Networks | 5,775,523 | 7,217,155 | 3,269,146 | 4,478,046 |
| iii) Compensation to key management | | | | |
| Short-term employee benefits | 20,896,258 | 18,319,330 | 20,896,258 | 18,319,330 |
| post employment benefits | 2,966,214 | 2,644,069 | 2,966,214 | 2,644,069 |
| | 23,862,472 | 20,963,399 | 23,862,472 | 20,963,399 |
| iv) Amount received from Government for CSIRT project | 8,000,000 | - | 8,000,000 | - |

25. Risk management

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure 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 short-term investments and cash and cash equivalents disclosed in note 7 and 8, and accumulated surplus as disclosed in the statement of financial position. The Authority manages capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets.

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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

25. Risk management (continued)

Capital risk management (continued)

The capital structure of the Group at the reporting date was as follows:

| | Note | GROUP | | AUTHORITY | |
|---------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | P | P | P | P |
| Short-term investments | 7 | 247,000,000 | – | 107,000,000 | – |
| Cash and cash equivalents | 8 | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |
| | | 543,117,964 | 493,959,483 | 248,832,829 | 231,649,754 |

Financial risk management

The Group's activities expose it to a variety of financial risks: liquidity risk, market risk (including fair value interest rate risk and cash flow interest rate risk), and credit 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 is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due.

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, and effectively managing its working capital, capital expenditure and cashflows. The financing requirements are met through cash generated from operations.

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.

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

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 2024

25. Risk management (continued)

Liquidity risk (continued)

| GROUP | Less than 1 year | Between 1 and 2 years |
|---|-------------------|-----------------------|
| | P | P |
| As at 31 March 2024 | | |
| Trade and other payables | 47,618,807 | - |
| As at 31 March 2023 | | |
| Trade and other payables | 32,316,884 | - |
| AUTHORITY | | |
| | Less than 1 year | Between 1 and 2 years |
| | P | P |
| As at 31 March 2024 | | |
| Trade and other payables | 26,585,693 | - |
| Universal Access and Service Fund Trust | 37,556,028 | - |
| | 64,141,721 | - |
| As at 31 March 2023 | | |
| Trade and other payables | 11,627,764 | - |
| Universal Access and Service Fund Trust | 22,723,389 | - |
| | 34,351,153 | - |

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to 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 P449 million (2023: P493 million) and for Authority amounts to P248 million (2023: P231 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 2024

25. Risk management (continued)

Interest rate risk (continued)

Cash flow interest rate risk – 2024

| Financial Instrument | Current Interest Rate | GROUP | AUTHORITY |
|----------------------|-----------------------|---------------------------|---------------------------|
| | | Due in less than one year | Due in less than one year |
| | | P | P |
| Call accounts | 0.025% to 1% | 54,478,767 | 10,203,633 |

Cash flow interest rate risk – 2023

| | | | |
|----------------------|--------------|-------------|------------|
| Financial Instrument | | | |
| Call accounts | 0.025% to 1% | 187,103,250 | 24,800,868 |

Fair value interest rate risk – 2024

| | | | |
|-------------------------|-------|--------------------|--------------------|
| Financial Instrument | | | |
| 3 months fixed deposits | 5.50% | 38,000,000 | 38,000,000 |
| 3 months fixed deposits | 5.75% | 93,000,000 | 93,000,000 |
| 3 months fixed deposits | 5.00% | 110,000,000 | – |
| Money market funds | 7.50% | 247,000,000 | 107,000,000 |
| | | 488,000,000 | 238,000,000 |

Fair value interest rate risk – 2023

| | | | |
|-------------------------|-------|--------------------|--------------------|
| Financial Instrument | | | |
| 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 |
| | | 306,291,133 | 206,291,133 |

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

At 31 March 2024, 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: P1,752,433 (2023: P1,924,238) and for the Authority: P967,994 (2023: P901,259) higher / lower, mainly as a result of interest income on interest bearing assets.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

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.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well established financial institutions with high credit ratings.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

25. Risk management (continued)

Credit risk (continued)

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and loans commitments contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

Trade and other receivables

The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses lifetime expected loss allowance for all trade receivables. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

As at March 2024, the ECL provision for trade receivables was P3.29 million for Group (2023: P3.24 million) and P2.82 million for Authority (2023: P3.03 million)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

25. Risk management (continued)

Credit risk (continued)

Trade and other receivables (continued)

Year-end trade receivables comprise mainly of three major operators from the telecommunication sector, amounting to P55.01 million for Group (2023: P36.66 million) and P37.96 million (2023: P25.65 million) for the Authority .

The credit risk exposure on trade and other receivables is P71.43 million for Group (2023: P81.95 million) and P52.60 million for Authority (2023: P39.96 million)

Cash and cash equivalents and short-term investments

Credit risk associated with investments and cash and cash equivalents is limited as the Group only places deposits with major banks with high quality credit standing. The Group has policies in place approved by the Board to ensure that only reputable banks and financial institutions are accepted.

Credit risk from balances with banks and financial institutions is managed by the Authority's finance department in accordance with the Authority's policy.

The following table contains credit risk exposure of cash and cash equivalents and short term investments:

| | GROUP | | AUTHORITY | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Absa Bank Botswana Limited | 4,385,065 | 58,049,877 | 4,385,065 | 58,049,877 |
| Stanbic Bank Botswana Limited | 44,275,135 | 160,116,766 | - | - |
| Bank of Baroda Botswana Limited | 38,013,193 | 54,303,857 | 38,013,193 | 54,303,857 |
| First National Bank of Botswana Limited | 6,249,594 | 17,256,480 | 6,249,594 | 17,256,480 |
| Standard Chartered Bank of Botswana Limited | 203,192,977 | 204,230,503 | 93,182,977 | 102,037,540 |
| Vunani Fund Managers | 247,000,000 | - | 107,000,000 | - |
| | 543,115,964 | 493,957,483 | 248,830,829 | 231,647,754 |

There is no history of default on banks and financial institutions therefore no expected credit loss. The maximum exposure to credit risk is presented in the table below:

| | NOTE | GROUP | | AUTHORITY | |
|-----------------------------|------|--------------------|--------------------|--------------------|--------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | P | P | P | P |
| Trade and other receivables | 6 | 70,376,422 | 79,976,929 | 52,339,850 | 37,985,176 |
| Short-term deposits | 7 | 247,000,000 | - | 107,000,000 | - |
| Cash and cash equivalents | 8 | 296,117,964 | 493,959,483 | 141,832,829 | 231,649,754 |
| | | 613,494,386 | 573,936,412 | 301,172,679 | 269,634,930 |

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

25. Risk management (continued)

Foreign exchange risk

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

| | GROUP | | AUTHORITY | |
|---|------------|-----------|------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| 26. 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 | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |

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 2024.

The freehold property fair value information disclosed above is based on the independent valuers report. The independent valuation was carried out on 4 May 2024. 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 12,140,000.

The fair value of this property is estimated based on open market value calculation and the inputs used are as follows:

Open market value

| Details | Size | Rate (P) |
|---------------|------|----------|
| Site | 2109 | 1200 |
| Townhouses | 950 | 8300 |
| Patios | 170 | 3000 |
| Garage | 155 | 4000 |
| Guardhouse | 8 | 2500 |
| Paving | 850 | 400 |
| Swimming pool | 1 | 70000 |
| Boundary wall | 184 | 900 |

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2024

26. Fair value measurement (continued)

Investment property(continued)

Comparable sales

| | Size | Price | Price/per square metre | Average price/per square metre |
|--------------|------------|-----------|------------------------|--------------------------------|
| | m2 | P | P | P |
| Townhouse 1 | 121 | 1,200,000 | 9,917 | |
| Townhouse 2 | 85 | 1,150,000 | 13,529 | |
| Townhouse 3 | 383 | 3,100,000 | 8,094 | |
| Townhouse 4 | 316 | 2,860,000 | 9,051 | |
| Total | 905 | | 40,591 | 10,148 |

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

| | GROUP | | AUTHORITY | |
|--|-------------------|------------------|-------------------|------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Investment property | | | | |
| Opening balance | 8,340,000 | 14,100,000 | 8,340,000 | 14,100,000 |
| Increase / (decrease) in fair value of investment property | 3,800,000 | (5,760,000) | 3,800,000 | (5,760,000) |
| Balance at 31 March 2024 | 12,140,000 | 8,340,000 | 12,140,000 | 8,340,000 |

| Sensitivity of the inputs | | Impact on fair value | | | |
|---------------------------|----------|----------------------|--------------------------------|-----------|-------------|
| Valuation technique | Estimate | Valuation | Input | Increase | Decrease |
| Comparable sales approach | +/-10% | 12,140,000 | Average price per square metre | 1,214,000 | (1,214,000) |

27. Going concern

For the year ended 31 March 2024, the Group recorded comprehensive income before tax of P33.85 million (2023: comprehensive loss of P18.05 million). The current assets exceed current liabilities by P549.50 million (2023: P529.15 million). The Group is able to meet its financial obligations as they fall due.

28. 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 2024

| | GROUP | | AUTHORITY | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Revenue | | | | |
| Turnover fees – Telecommunications | 64,075,072 | 94,419,652 | 64,075,072 | 94,419,652 |
| Turnover fees – Postal | 458,581 | 541,069 | 458,581 | 541,069 |
| Turnover fees – Broadcasting | 970,152 | 1,004,191 | 970,152 | 1,004,191 |
| Radio license fees | 129,493,567 | 61,456,087 | 129,493,567 | 61,456,087 |
| System licence fees | 11,507,059 | 10,494,469 | 11,507,059 | 10,494,469 |
| Service license fees | 3,028,747 | 2,489,751 | 3,028,747 | 2,489,751 |
| UASF Levy | 44,642,614 | 44,877,368 | – | – |
| Domain name fees & Type approval fees | 2,101,505 | 1,630,315 | 2,101,505 | 1,630,315 |
| | 256,277,297 | 216,912,902 | 211,634,683 | 172,035,534 |
| Other income | | | | |
| (Loss) / gain on disposal of assets | (1,781) | 499,001 | (1,781) | 296,264 |
| Miscellaneous income | 805,666 | 649,580 | 741,841 | 646,640 |
| Rental income | 487,237 | 495,495 | 487,237 | 495,495 |
| | 1,291,122 | 1,644,076 | 1,227,297 | 1,438,399 |
| Interest received | 30,446,339 | 28,427,003 | 15,226,193 | 13,161,939 |
| Fair value adjustments | 3,800,000 | (5,760,000) | 3,800,000 | (5,760,000) |
| | 34,246,339 | 22,667,003 | 19,026,193 | 7,401,939 |
| Total income | 291,814,758 | 241,223,981 | 231,888,173 | 180,875,872 |
| Expenses (refer to page 51) | (257,968,575) | (259,274,145) | (181,293,235) | (151,905,079) |
| Surplus / (deficit) for the year before tax | 33,846,183 | (18,050,163) | 50,594,938 | 28,970,793 |

The detailed income statement does not form part of the audit opinion expressed on page numbers 91 to 93.

DETAILED INCOME STATEMENT (continued)

For the year ended 31 March 2024

| | GROUP | | AUTHORITY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| | P | P | P | P |
| Operating expenses | | | | |
| Advertising | (6,361,121) | (4,920,595) | (5,856,782) | (3,148,097) |
| Assessment rates and municipal charges | (63,176) | (72,683) | (63,176) | (72,683) |
| Auditors remuneration | (479,849) | (368,291) | (354,762) | (273,355) |
| Impairment reversal/(charge) on trade and other receivables | (218,244) | (138,775) | 39,018 | (46,236) |
| Bank charges | (219,208) | (218,095) | (191,567) | (195,859) |
| Board expenses | (4,417,960) | (3,795,260) | (2,923,325) | (2,653,249) |
| Contingencies | - | (658,988) | - | (658,988) |
| Cleaning | (605,297) | (573,237) | (605,297) | (573,237) |
| Computer expenses | (9,272,252) | (8,006,271) | (9,272,252) | (8,006,271) |
| Conference expenses | (13,853,560) | (8,963,370) | (13,853,560) | (8,963,370) |
| Consulting and professional fees | (13,217,324) | (9,086,096) | (9,690,014) | (5,793,403) |
| Consumables | (29,369) | (1,961) | (29,369) | (1,961) |
| Corporate Social Responsibility | (7,150,837) | (2,078,003) | (7,150,837) | (2,078,003) |
| Depreciation, amortisation and impairments | (15,297,931) | (15,219,385) | (14,561,280) | (14,792,259) |
| Donations | - | (66,915) | - | (66,915) |
| Employee costs | (78,474,343) | (66,494,789) | (78,474,343) | (66,494,789) |
| Entertainment | (76,042) | (19,032) | (76,042) | (19,032) |
| Functions hosted by Authority | (2,186,422) | (1,480,548) | (2,186,422) | (1,480,548) |
| Insurance | (1,330,626) | (845,200) | (1,136,652) | (649,669) |
| Internet expenses | (4,706,800) | (5,146,669) | (4,706,800) | (5,146,669) |
| Legal expenses | (86,416) | (110,810) | (86,416) | (110,810) |
| Magazines, books and periodicals | (89,400) | (127,181) | (89,400) | (127,181) |
| Motor vehicle expenses | (746,551) | (777,475) | (386,794) | (324,886) |
| Other costs | (5,122) | - | (5,122) | - |
| Postage | (5,695) | (61,335) | (5,695) | (61,335) |
| Printing and Stationery | (686,022) | (572,955) | (438,233) | (467,979) |
| Project expenses | (67,510,891) | (98,220,432) | - | - |
| Protective clothing | (9,360) | (1,865) | (9,360) | (1,865) |
| QoS Monitoring Costs | (90,871) | (181,284) | (90,871) | (181,284) |
| Repairs and maintenance | (3,136,507) | (6,093,943) | (3,136,507) | (6,093,943) |
| Secretariat Costs | (1,690,003) | (1,551,499) | - | - |
| Security | (2,341,959) | (2,066,633) | (2,341,959) | (2,066,633) |
| Staff welfare | (4,809,040) | (4,018,092) | (4,809,040) | (4,018,092) |
| Subscriptions | (725,092) | (2,242,626) | (725,092) | (2,242,626) |
| Telephone and fax | (1,075,703) | (1,080,115) | (1,075,703) | (1,080,115) |
| Training | (9,890,667) | (7,506,242) | (9,890,667) | (7,506,242) |
| Training levy | (198,526) | (463,822) | (198,526) | (463,822) |
| Travel | (5,675,008) | (4,729,023) | (5,675,008) | (4,729,023) |
| Utilities | (1,235,381) | (1,314,650) | (1,235,381) | (1,314,650) |
| | (257,968,575) | (259,274,145) | (181,293,235) | (151,905,079) |

The detailed income statement does not form part of the audit opinion expressed on page numbers 91 to 93.

NOTES

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