

BOCRA



Annual Report

2015



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OUR VISION IS TO HAVE A CONNECTED AND INFORMED SOCIETY.

OUR PURPOSE IS TO REGULATE THE COMMUNICATIONS SECTOR FOR THE PROMOTION OF COMPETITION, INNOVATION, CONSUMER PROTECTION AND UNIVERSAL ACCESS.

TRANSPARENCY

Our decision making will be open and informed by consultation with various stakeholders. We will embrace the diverse interests of our different stakeholders.

CONSISTENCY

We will ensure that our decisions are fair, predictable and dependable. We will be objective in our decision making and apply remedies that are proportionate.

PEOPLE CENTERED

We believe that our people are indispensable assets who drive our success through their commitment to excellence. We shall therefore harness individual skill and strengths and work as one.

INNOVATION

We will continuously explore new ways in designing proactive regulatory interventions that will respond timeously and effectively to market demands and the latest technology trends.

ACCOUNTABILITY

We are responsible for our actions and decisions, we take due care in the use of public resources and adhere to internationally acceptable governance principles.



Dr. M. A. Mpotokwane

PhD (Environmental Science)

University of Stirling, Scotland

MSc (Rural Surveys)

International Institute for Aerial Survey
and Earth Sciences, Netherlands

BA (Geography and Sociology)

University of Botswana



Chairman's Statement

The year under review has been an eventful one from a policy and strategy point of view. The year saw BOCRA launching its first five year Strategic Plan for the period 2014-2019. Through the strategy BOCRA set itself a Big Hairy Audacious Goal (BHAG) defined by two indicators: Access and Use. The Strategy sought to position Botswana among the best in Africa by reaching a score of 6 points for access to ICT and 3 points for ICT usage as assessed by the International Telecommunication Union (ITU) through the ICT Development Index (IDI).¹

The Strategy espouses a vision to have a "Connected and Informed Society" and uses Balanced Scorecard as a measurement and management system. It identifies six key result areas through which it aims to deliver consumer satisfaction. Over the five year period BOCRA will focus on universal access to communications services; protection of consumers; efficient management of scarce resources and competitiveness of the sector to deliver affordability among other key results areas.

In line with the BOCRA strategy and in pursuit of the Government of Botswana's initiative of improving the performance of public enterprises, the Board signed a

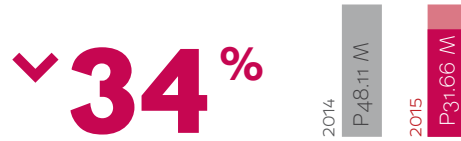
Shareholder Compact Agreement with the then Minister of Transport and Communications, Hon Nonofe E. Molefhi M.P. The Shareholder Compact is based on and subject to the provisions of the Communications Regulatory Authority Act, 2012 (CRA Act) which collectively set out the mandate, objectives and functions of BOCRA, and the powers of the Board.

The Shareholder Compact is designed to give effect to the Strategic Plan by clearly stating the parameters of the relationship between the Shareholder and BOCRA, articulating the shareholder's expectations, setting performance targets, monitoring and evaluation of



During the year under review, operating expenses increased from P96,28 million from the previous year to P108.1 million.

Operating Expenses



The decline is attributable to reduction in total operating revenue and an increase in operating expenses compared to previous year.

Total Comprehensive Income

performance and confirming the performance targets as indicated in the Strategic Plan and Business Plan. Coupled with the Strategy, BOCRA launched its dynamic forward looking corporate brand that will be the centrepiece and the rallying point in the Authority's drive to attract and retain the best available talent, develop a high performance culture and improve employee engagement.

As at the end of the reporting period, the impact of the Strategy was yet to be fully realised. It became evident that some of the objectives needed to be adjusted and that the strategy needed manpower resourcing. The Strategy has been reviewed accordingly to reflect the two constraints identified in the aforesaid.

Pursuant to Section 5 (1) c of the CRA Act, enjoining the Board to impose a universal access and services levy on identified operators for the purpose of funding universal access in the communications sector, the Board caused for the formation of the Universal Service and Access Fund (Fund) through a Deed of Trust. The Fund is run by a seven (7) Member independent Board of Trustees with BOCRA serving as the Secretariat.

The Fund seeks to ensure that all Batswana have access to a set of basic, yet essential, communications services throughout the country at affordable prices and to focus its assistance on population groups and areas which are beyond the reach of the communications market.

Ultimately, the Fund will enable consumers to develop the capacity to use communications services and take advantage of its many opportunities and benefits.

"I am confident that the inaugural Strategy and policy direction set in motion during this reporting period is adequate to enhance BOCRA's performance to ensure that consumers and the people of Botswana enjoy and benefit from reliable, safe and secure communication networks."

In order to appreciate issues at the forefront of the international communications landscape over the reporting period, different Board members attended pioneering and decision making fora including the ITU Telecom World, Global Symposium for Regulators, International Institute of Communications, GSMA Mobile World Conference. Throughout the various fora, changing ICT consumer behaviour featured prominently. The sector is calling for consumer empowerment and protection in the digital age. It is also apparent that, in this era of big data, there is

need to rethink spectrum licensing. There is a critical emerging need for new business models driven by digital communications and services. All these issues which face the communications sector, and others that have not been highlighted here, require BOCRA to move Botswana to keep up with the rest of the world. The issues are as relevant for Botswana as they are for any other part of the world.

I am confident that the inaugural Strategy and policy direction set in motion during this reporting period is adequate to enhance BOCRA's performance to ensure that consumers and the people of Botswana enjoy and benefit from reliable, safe and secure communication networks. Improved performance should lead to customer satisfaction and improve Botswana's standing on the world map thus placing the country as one of the centres of excellence for ICT and communication services. Hopefully, it will also generate sustainable employment opportunities in the economy.

Dr. M. A. Mpotokwane
Board Chairperson



BOARD PROFILES

1 **Dr. Masego A. Mpotokwane** Board Chairperson

An Environmental Scientist by training, Dr. Mpotokwane was a lecturer at the University of Botswana for 27 years before he retired. He has served as Chairman of Board of Directors of the former National Broadcasting Board (NBB) for 12 years, and was also the Deputy Chairman of the BTA Board for 7 years.

2 **Ms. Esther Norris** Deputy Board Chairperson

Esther Norris is a Communications and PR specialist with over 15 years' experience and also Executive Director for Brand Management with the Botswana Investment and Trade Centre (BITC). She has previously held positions of Director, Communication Services at the Office of the President; Head of Corporate Affairs, Barclays Bank of Botswana and Public Relations Manager & PA to Managing Director, Debswana Diamond Company Head Office.

3 **Dr. Ditshupo E. Maje** Member

Ditshupo Ecco Maje is a lecturer at the University Botswana. Dr. Maje holds a PhD in Electrical Engineering from the Missouri University of Science and Technology, USA. He also holds Msc in Radio Engineering from the Vinnitsa State Technical University in the Union of Soviet Socialist Republics. Dr. Maje has served as a Board Member in the then Botswana Telecommunications Authority (BTA).

4 **Mr. Mabalaankwe K. Rabashwa** Member

Mabalaankwe Rabashwa is a private sector lawyer and has been a Partner with Motlhala Rabashwa Ketshabile Attorneys since 2004. As Counsel, he has advised varied clientele. His areas of focus are commercial law, corporate law, labour law, divorce and drafting commercial agreements. Rabashwa's legal skills complement skills possessed by other members of the BOCRA Board of Directors.

5 Mrs. Cecilia Mamelodi-Onyadile
Member

Cecilia Mamelodi-Onyadile is Senior Programme Officer (SPO) Communications and ICT at the SADC Secretariat providing strategic oversight and coordinating implementation of telecommunications, postal and ICT programmes priority action areas and strategies within the SADC member states. She served on the Board of the Local Enterprises Authority (LEA) from 2005 - 2009, where she was also Chairperson of the HR Committee of the Board.

6 Ms. Pako Ralehika-Phiri
Board Secretary

A lawyer by training, Pako Ralehika-Phiri acquired an LL.M Degree from the University of Westminster (2010) and LL.B Degree from the University of Botswana (2006). She worked for Armstrong Attorneys and later the Administration of Justice as a Magistrate. She joined BOCRA in 2010 and was later appointed Board Secretary in 2013.

7 Mr. Thari G. Pheko
BOCRA Chief Executive & Ex-Officio Member of BOCRA Board of Directors

Thari G. Pheko is the BOCRA Chief Executive and Ex-Officio Member of the Board. He has held key positions in local, regional and international companies BMC, BHC, Builders Merchants Botswana, PPC in South Africa and Marks and Spencer in the UK. Pheko was also involved in the formulation of the National ICT Policy (Maitlamo) and was the consultant on the Information Society and ICT Development Strategy for BTA.

8 Mr. Roy Davies
Member

Roy Davies is the Head of Financial Advisory Services with AON Botswana. He manages teams of financial planners, consultants and life agents. He specialises in offshore investments, retirement planning and life insurance. Prior to joining AON he spent 17 years with PG Industries Botswana, 13 of which he was Managing Director. Davies is a member of Botswana Institute of Chartered Accountants and former Chairman of the Association of Botswana Financial Advisers.

9 Mr. Andrew O. Sesinyi
Member

Andrew Onalenna Sesinyi is the Head of Communications at the Bank of Botswana. His career spans the broadcasting and print industries within the country and regionally, as well as Foreign Service in various diplomatic functions. Mr Sesinyi has also served as Deputy Permanent Secretary (Media Relations) in the then Ministry of Communications, Science and Technology in 2005.

"I would like to extend my gratitude to my Board of Directors. Their relentless drive to ensure BOCRA is provided with appropriate levels of guidance and governance frameworks is commendable."

Dr. M. A. Mpotokwane
Board Chairperson

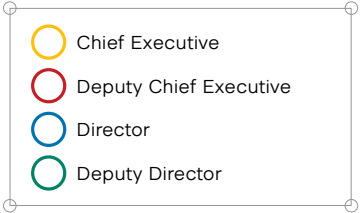
Members of the Board of BOCRA appointed by the Minister of Transport and Communications (MT&C) Hon. Nonofo Molefhi M.P. in terms of the Communications Regulatory Act, 2012.







Tebogo Monare
Director Internal Audit



Tshoganetso Kapaletswe
Deputy CE
Regulatory Affairs



Bonny Mine
Director Corporate
Support



Martin Mokgware
Director Broadband &
Universal Service



Noble Katse
Director Business
Development



Bathopi Luke
Director Technical
Services



Aaron Nyelesi
Deputy Director Corporate
Communications & Relations



Mr. Thari G. Pheko



M.Sc (Management Information Systems)

University of East Anglia, UK

B.Sc (Hons) Business Finance and Economics,

University of East Anglia, UK

Chief Executive's Report

The performance of BOCRA during the 2014/15 financial year was largely successful. The BOCRA Strategic Plan for the period 2014-2019, launched in September 2014, identified six key result areas against which performance for the reporting period should be appreciated. The key result areas relate to facilitation of Universal Access and Service in the Industry; Creation of a Competitive Communications Sector and Affordable ICT Services; Consumer Protection; Effective Management of Scarce Resources; Ensuring Organisational Efficiency and Effectiveness; as well as Contribution to and Implementation of Public Policy.

BOCRA established the Department of Broadband and Universal Service to, among other things, service the Universal Service and Access Fund. Subsequently, BOCRA levied a 1% Universal Access and Service levy on identified operators to raise money for the Fund and grow the seed funding that BOCRA had put in years ago. The Fund began its operations during the reporting period with a project to install WiFi connectivity in public places such as shopping centres and hospitals. In addition, BOCRA carried out an assessment of the state of internet services in hospitality facilities and issued guidelines to define the minimum specification for acceptable levels of internet performance

per hospitality establishment. The Universal Service and Access mandate has therefore been sufficiently addressed during this reporting period.

On the issue of competition and affordability, BOCRA engaged with operators and approved tariff reductions for essential services at both wholesale and retail level. As a result of the reductions, the number of consumers with access to the internet increased aided by the use of smartphones and other wireless technologies. During the period under review, mobile internet penetration increased from 49% in March 2014 to 59% in March 2015. Botswana

✓ 6 %



During the year under review, the turnover related fees registered a decline of P5.79 million in total representing 6% decrease from last year's amount of P97.37 million.

Turnover

remains one of the cheapest countries in the Southern African Development Community (SADC) Region.

A shift in consumer expectations has led to increased demand for consumer protection. As will be evident in this report, BOCRA carried out public education and consumer protection activities across all the regulated sectors using different forms of media from exhibitions, print media, broadcast media, public lectures etc. The demand for consumer education increased in the wake of a spate of network performance challenges largely as a result of power outages; challenges in acquiring additional land for network expansions; and theft of network equipment particularly power batteries etc. Consumer protection is a dynamic exercise that calls for collaboration between BOCRA, licensees, consumers and other stakeholders such as law enforcement agencies. This collaboration was fruitful during the year under review.

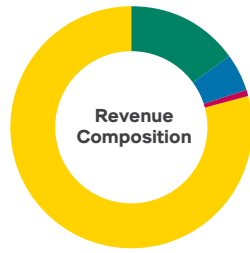
The ever changing technology and consumer expectations put a high demand on such scarce resources as spectrum and numbers. The demand for Long Term Evolution (LTE) or fourth generation services (4G) required BOCRA to make available additional spectrum. BOCRA allocated spectrum to Public Telecommunications Operators in the 1800 MHz band for the deployment of LTE consistent with the Broadband Strategy for Botswana. In order to achieve this allocation, BOCRA had to re-plan the GSM1800 band to enable continuous spectrum allocation for

the existing services (2G) and the new 4G services and to make it easier for operators to re-farm or reuse some spectrum from 2G to augment demand for the spectrum heavy 4G services. Additional numbering resources were also issued to cater for increasing demands for new services.

A licence was granted to Botswana Innovation Hub (BIH) to pilot fixed broadband using the Television White Space technology (TVWS) to deliver online health care services to regions in Botswana that have no access to broadband and adequate specialised health services using TVWS. The project was launched using a clinic in Lobatse with additional clinics in Maun and Francistown planned for 2015.

The achievement of all the foregoing required BOCRA to operate effectively and efficiently. During the reporting period, the focus of Management was to control costs and do more with less. Hence Management made a tough decision to acquire minimal manpower based on the estimates that the exigencies of the service demanded. This decision had trade-offs in that while operational costs remained under control, some of the activities that were planned to drive certain objectives were delayed. Hence the delivery of the first year of the 2014-15 Strategic Plan is not at a level that was envisaged, an observation that would require a bit more effort for the ensuing reporting period.

BOCRA has continued to contribute to the implementation of public



- Turnover Fees - Telecommunications (79%)
- Radio Licence Fees (15%)
- System Licence Fees (5%)
- Service Licence Fees (1%)

Revenue Composition

policy. In addition to facilitation of the implementation of the National Broadband Strategy noted earlier, BOCRA facilitated the implementation of the country's migration to Digital Terrestrial Television Broadcasting (DTT). Coordination of frequencies was done with all neighbouring States and minimum specifications for the required Set Top Box (STB) were developed. BOCRA continued to collaborate with other Government agencies to ensure successful transition to the digital terrestrial television broadcasting.

Overall, BOCRA's performance for the period under review has been satisfactory. Since this was the first year of the implementation of the 2014-2019 Strategic Plan, the delivery of some of the objectives has been slow. Some adjustments will be required for those objectives. With necessary adjustments, optimal resource allocation and recommitment, I am confident that delivery of objectives over the remaining years of the Strategy will be on target. The success of this year's performance is attributed to the commitment and hard work of the staff and the support received from the Board of Directors.

Mr. Thari G. Pheko
Chief Executive



Corporate Governance

The appointment of the Board of the Botswana Communications Regulatory Authority (BOCRA) is the prerogative of the Minister of Transport and Communications in terms of Section 4(1) of the CRA Act, 2012.

The Board consists of the following:

Dr. M.A Mpotokwane (**Board Chairperson**)
Ms. E. Norris (**Vice Chairperson**)
Mrs. C. Mamelodi-Onyadile
Mr. R. Davies
Mr. D. Maje
Mr. A. Sesinyi
Mr. M. Rabashwa

Refer to page 3 for profiles of the Board Members



The BOCRA Chief Executive, Mr. Thari G Pheko, is an Ex-Officio Member in accordance with Section 21(5) of the Act.

Role of the Board

The role of the Board is to define both the purpose of the organisation and the values by which the organisation will perform its daily duties. Therefore the key purpose of the Board is to ensure the organisation's prosperity by collectively directing its affairs through policy guidance and appropriate corporate governance. In doing so, the Board executes a number of core responsibilities which include the following:

- Approval of the organisational Strategic Plan;
- Approval of the annual Business Plan necessary for the efficient operation of the organisation;
- Approval of the annual budget necessary for the efficient operation of the organisation; and
- Appointment of senior officers on recommendation of the Chief Executive.

Board Committees

The Board of Directors has the following Committees:

Finance and Audit Committee;
External Tender Committee;
Human Resources Committee; and
Regulatory Committee.

All Committees have written Terms of Reference, approved by the Board, which detail their responsibilities and the extent to which they have been assigned such responsibilities.

Board Meetings Attendance

Table 1 - Schedule of BOCRA Board Members Attendance for the Period April 2014 - March 2015

Member	Ordinary Board Meeting	Special Board Meetings	Finance & Audit Committee	External Tender Committee	Human Resource Committee	Regulatory Committee
Dr. M.A Mpotokwane	4/4	15/15			1/4	
Ms. E. Norris	2/4	9/15		1/4		
Mrs. C. Mamelodi - Onyadile	4/4	11/15			3/4	2/3
Mr. R. Davies	4/4	14/15	5/5	4/4		
Dr. D. Maje	3/4	15/15	5/5			3/3
Mr. A. Sesinyi	3/4	10/15		4/4	2/4	
Mr. M. Rabashwa	4/4	15/15	5/5		4/4	3/3
Mr. Thari G. Pheko	4/4	14/14	5/5	3/4	2/4	1/3

Board Sitting Allowances

Table 2 – Schedule of Board Sitting Allowances

Member	Position	Meetings Attended	Amount
Dr. M.A Mpotokwane	Chairperson	Board and Committee meetings	P14 700.00
Ms. E. Norris	Vice Chairperson	Board and Committee meetings	P7 056.00
Mrs. C. Mamelodi - Onyadile	Member	Board and Committee meetings	P11 760.00
Mr. R. Davies	Member	Board and Committee meetings	P15 876.00
Dr. D. Maje	Member	Board and Committee meetings	P15 288.00
Mr. A. Sesinyi	Member	Board and Committee meetings	P11 172.00
Mr. M. Rabashwa	Member	Board and Committee meetings	P15 288.00
Mr. Thari G. Pheko	Ex-Officio Member	Board and Committee meetings	N/A



BOARD PARTICIPATION

International Events

Having responsibility over the technical, ever-changing and dynamic communications sector requires the Board to have sufficient understanding of trends and challenges facing the regulated sectors to be able to set direction and guide BOCRA effectively. Communications regulatory challenges tend to be common across the world, especially as communications and ICTs are by nature interconnected and trans frontier. Therefore, resources permitting, BOCRA exposed the Board to various regulatory forums that deal with sector issues for the Board to benchmark and exchange notes with other similarly placed entities and personnel.

Global Symposium for Regulators 2014

During the period under review, six Board Members attended the Global Symposium for Regulators (GSR) that took place in Manama, Bahrain in June 2014. The communications sector is continuously undergoing transformation, leading to changes in consumer demands and resulting in introduction of new services and approaches. GSR is one of the forums where Regulators, Policymakers and other ICT Stakeholders convene to discuss and exchange ideas with the focus of developing an innovative and economically vibrant ICT sector. The GSR 2014 was held under the theme of "Capitalizing on the potential of the digital world" and interrogated various thematic areas such as:

- Changing ICT consumer behaviours: consumer empowerment and protection in the digital age
- Is it time to rethink spectrum licensing?
- Big data: an opportunity or a threat?
- New business models driven by digital communications and services.

Attending the GSR 2014 did not only allow the Board to meet with other regulatory entities but also allowed the Board to appreciate first hand changes facing the regulation of the sector as well the direction communication technologies were headed.

International Institute of Communications (IIC)

The Board Chairperson attended the IIC International Regulators Forum that took place in Vienna, Austria, in October 2014. The forum deliberated on various communications issues such as regulatory harmonisation and how regulators should maintain a balance between public, social and economic good. The Board Chairperson was one of the panellists in a session that discussed "cultural protection in a converged world." The panellists exchanged views on how regulators should address the issue of social media and deliberated on the dilemma brought about by the increased need for content on the one hand and the problem of increasing piracy on the other.

ITU Telecom World 2014

Three Board Members attended the International Telecommunication Union (ITU) Telecom World 2014, which took place in Doha, Qatar, in December 2014 under the theme "Future in Focus". Alive to the need for continuous growth in demand for advanced technologies, the ITU Telecom World among other things discussed the road towards Fifth Generation mobile networks (5G). Global ICT Industry leaders also engaged in interactive debates on a number of topics which included the following:

- The Internet of Things: A force of good or evil;
- Dynamic Spectrum Access: Opportunities and Challenges;
- Disrupt or be Disrupted to Make Broadband Universal; and
- ICT for Development and Saving Lives.

The ITU Telecom World brings together Information and Communications Technologies (ICT) industry stakeholders including policy makers, regulators, equipment manufacturers and dealers to showcase the latest technology trends and collectively look ahead with a view to facilitating and encouraging innovation that can address today's life challenges.

GSMA Mobile World Congress 2015, Barcelona

One Board member also attended the Groupe Speciale Mobile Association (GSMA) Mobile World Congress 2015 held in Barcelona, in March 2015, under the theme "The Edge of Tomorrow". This Congress showcases how the mobile communications revolution is at the forefront of major technological advances. Various trends that will in future shape technological advances in the world were explored.

Thematic areas included;

- Machine-to-machine technologies;
- The future of internet governance; and
- Emerging strategies for connecting the unconnected, as well as region-specific sessions on Asia Pacific, Europe, Latin America, the Middle East and North Africa, and Sub-Saharan Africa.

INTERNAL AUDIT

Internal Audit helps BOCRA to accomplish its objectives by bringing a systematic and disciplined approach to improve the effectiveness of the risk management, control and governance processes.

During the reporting period, a number of audits were done that apprised Management on the internal controls and risk management.

Risk Management

BOCRA maintains a risk register drawn from its strategic objectives and operations that is reviewed quarterly to monitor progress in mitigating identified risks. Further, the Business Continuity Management (BCM) Plan was reviewed during the financial year 2014/15 and BOCRA successfully conducted its first disaster simulation exercise and testing of the recovery site in Phakalane in an effort to evaluate the Authority's recovery capabilities in case of a disaster.

POLICY AND LEGAL REVIEW

Communications Regulatory Authority Act, 2012 Regulations

In execution of its mandate under Section 6 (u) of CRA Act which requires BOCRA to advise the Minister for Transport and Communications (MTC) on matters relating to the regulated sectors, BOCRA developed draft regulations on Telecommunications, Broadcasting and Postal Services necessary for the better carrying out of the object and purpose of the CRA Act and submitted this to MTC.

Additional Legislative Developments

During the year under review, Parliament passed two Acts: The Electronic Records (Evidence) Act No 13 of 2014 and Electronic Communications and Transaction Act No 14 of 2014 that will improve the landscape of operations within the communications sector and beyond.

Electronic Records (Evidence) Act No 13 of 2014

The Electronic Records (Evidence) Act deals with the admissibility of documentary evidence in both criminal and civil proceedings and cases. The Act relates specifically to computer generated data or records produced by electronic systems and the authentication of such evidence. In terms of

Section 6 (2) of the Act, BOCRA has been designated as the Certifying Authority.

The Electronic Records (Evidence) Act requires BOCRA to establish an approved process for the production of electronic documents and also certify electronic records systems for purpose of integrity. The Act requires that only electronic records produced in accordance with the approved process shall be admissible as though they were original documents.

The major task for BOCRA is to come up with an "approved process" which is foolproof taking into consideration the rapid technological changes of electronic systems.

Draft regulations to the Electronic Evidence Act were submitted and considered by the Working Committee made up of BOCRA; Office of the President; Ministry of Trade and Industry; Attorney General; and Ministry of Justice and State Security. They were subsequently accepted by the Working Committee and will be finalised during the 2015/16 reporting period.

Electronic Communications and Transaction Act No 14 of 2014

The Electronic Communications and Transaction Act seeks to promote e-commerce and provide a legal framework for the creation and recognition of e-signatures (whether generated locally or externally). In terms of Section 26 of the Act, BOCRA will be responsible for the accreditation of certificate service providers and recognition of foreign certificates.

The main objective of the Electronic Communications and Transaction Act is to facilitate e-commerce. In accordance with the Act, the e-commerce supervisory role will be carried out by the Ministry of Trade and Industry while BOCRA will be responsible for the accreditation of the secure digital signature service providers and administration of the take down notices. Draft regulations were developed in the reporting period to facilitate implementation of the Electronic Communications and Transactions Act. The final draft was considered by BOCRA, Ministry of Trade and Industry, Office of the President, Attorney General and Ministry of Justice and State Security. The regulations will be finalised during the next reporting period.

BOCRA hosted stakeholder consultation workshops for the two pieces of legislation.

Legal Proceedings brought against the Authority

BOCRA was taken to court by a former employee on a claim for unlawful dismissal. The case has since been settled.



2014/15 OPERATIONAL PLAN REVIEW

Pursuant to the Government of Botswana's initiative of improving the performance of public enterprises, the Board signed a Shareholder Compact Agreement with the Minister for Transport and Communications in July 2014. The Shareholder Compact is based on and is subject to the provisions of the CRA Act, which collectively set out the mandate, objectives and functions of BOCRA, and the powers of the Board. The agreement is meant to ensure monitoring and evaluation of BOCRA Strategic objectives as aligned to Government objectives.

The CRA Act requires BOCRA to develop a detailed plan for executing its mandate of regulating the communications sector in Botswana, comprising telecommunications, Internet and Information and Communications Technologies (ICTs), radio communications, commercial broadcasting, postal services and related matters in consultation with all stakeholders. To this end BOCRA has developed a Strategic Plan for the period 2014 to 2019

The Strategic Plan focuses on six key results areas as follows:

- Universal Access and Services;
- Competitive Communications Sector and Affordable Prices;
- Consumer Protection;
- Efficient Management of Scarce Resources;
- Organisational Efficiency and Effectiveness; and
- Contribution to and Implementation of Public.

The Strategic Plan sets performance targets for BOCRA. This Shareholder Compact is designed to give effect thereto, by

clearly stating the parameters of the relationship between the Shareholder and BOCRA, articulating the Shareholder's expectations, setting performance targets, monitoring and evaluation of performance, and confirming the performance targets as indicated in the Strategic Plan and Business Plan.

The overall performance for the financial year relative to the core mandate is detailed in the performance of the regulated sectors as contained below. The areas of performance are covered under the broad topics of Telecommunications Regulation, Postal Regulation, Broadcasting Regulation and Technical Services. The activities undertaken under those topics address the core mandate issues and initiatives as contained in the Operational Plan for the reporting period.

LICENSING OF ICT SERVICE PROVIDERS

The current licensing framework for the ICT market provides for service and technology neutral licences with three categories, Public Telecommunication Operator (PTO), Value Added Network Service (VANS) and Private Telecommunications Network Licence (PTNL). The licence for PTO follows an economic needs test principle and is for a 15-year period. In comparison, the VANS licence is mainly operated by small to medium business enterprises and is fully liberalised. VANS licence is similarly for a 15-year period. PTNL is a non-commercial licence issued to private entities to build their own networks for private use only, with a licence period of five years. In addition, one player has been issued an interim one year licence to provide wholesale services.



For a long time the market has been growing steadily, in terms of number of licenses issued, with a noticeable growth in the VANS category compared to PTOs and PTNLs. Notwithstanding this, the market has been growing in terms of new products and services, improvements and increase in value-add services and technology innovations. This growth has resulted in increased interest in the number of potential market players especially in the VANS category, as well as an increase in demand by consumers. Consequently, BOCRA has reviewed the existing licensing framework in order to accommodate

these developments. The new licensing framework will be implemented in the next financial year.

Figure 1 summarises the number of licences in the telecommunication market over a period of five years including the review period.

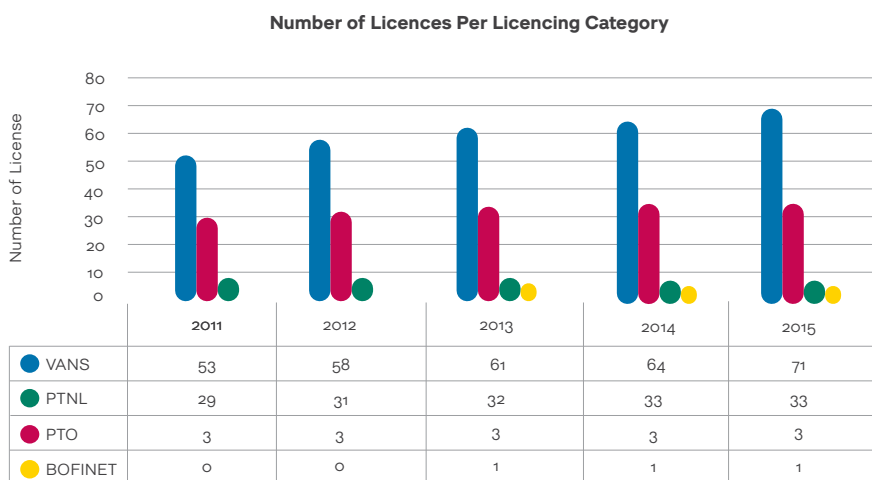


Figure 1 - Number of Licences for various categories

The number of VANS licensees has increased in the period 2014/15 from 64 in March 2014 to 71 in March 2015. Seven new licences were issued during the reporting period which is a growth rate of 11%.

There was no PTNL issued in the review period, therefore the number of PTNLs remains at 33 while the number of PTOs remains at three for the reporting period.

REVIEW OF LICENSING FRAMEWORK

The current ICT licensing framework which was introduced in 2006 is being reviewed in order to modernise it and meet demands of the emerging markets as well as create incentive for market participation by SMME players. The review began in 2013 and a new ICT Licensing Framework will be implemented in 2015/16 promoting open access, convergence of technologies, and unified product and services platforms.

The new converged or integrated licensing framework is expected to facilitate growth in the ICT market in the country and stimulate competitiveness by increasing opportunity for emerging players and easing entry by interested investors and players while at the same time creating value for consumers, the market and the entire economy.

ICT MARKET PERFORMANCE

Telecommunications Market Structure

The telecommunications market is characterised by four main players out of which three operate under PTO licences. These are Botswana Telecommunications Corporation Limited (BTCL); Mascom Wireless Botswana (Pty) Ltd (Mascom) and Orange Botswana (Pty) Ltd (Orange). The fourth player is the Botswana Fibre Networks (BoFiNet) which provides wholesale services.

Notwithstanding that the PTO licence allows all operators to offer both mobile and fixed telephony products and services, Mascom and Orange continue to offer mobile telephony services only including mobile internet and value-add services. BTCL is the only PTO that offers both fixed and mobile telephony services including data network services in addition to providing wholesale access and connectivity services.

MOBILE TELEPHONY MARKET

Access to telecommunications networks, particularly mobile networks has become an essential component in the lives of every individual. It allows people separated by distance to keep in touch and businesses to operate more efficiently. It is no longer a luxury facility but a necessity as it leads to enhanced delivery of services in all sectors of the economy. BOCRA continues to play its role of ensuring that the environment is conducive for the development of effective communications services and that the services are accessible and affordable. Botswana has seen a phenomenal growth of subscriptions exceeding 100% teledensity in mobile telephony since 2009. Previous studies have observed that the Botswana market is experiencing a unique form of competition where consumers possess multiple SIM cards belonging to different service providers. The multiple SIM cards phenomenon allows subscribers to take advantage of product and price offerings across networks. This practice also ensures that consumers have access to other networks in areas of the country where some networks are not available.

Mobile subscriptions increased from 3,204,869 in March 2014 to 3,405,887 in March 2015 representing a growth of approximately 5% compared to 4% recorded between 2013 and 2014. Teledensity grew from 158% to 168% during the year to March 2015. Over the past 10 years, mobile telephony subscriptions increased from 823,070 in March 2006 to 3,405,887 in March 2015 representing 314% increase. It is estimated that the mobile telephony networks cover at least 95% of the population with varying network capabilities of 2.5G, 3G and 4G.

The market share between prepaid and post-paid mobile telephony subscriptions remained at 98% and 2% respectively. The situation has remained unchanged for the past 10 years. Although prepaid calls are more expensive than postpaid calls, prepaid is a service of choice as it allows consumers control over their spending through pre-payment of small denominations airtime units.

Table 4 shows prepaid and post-paid subscription types for mobile telephony as at March 2014 and March 2015.

Table 3: Mobile Telephony Subscriptions from March 2006 to March 2015

Member	Number Of Mobile Telephony Subscriptions For Past 10 Years 2006 To 2015									
Year Ending	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Number of Mobile Telephony Subscriptions	823,070	1,151,761	1,485,791	1,874,101	2,363,411	2,797,056	2,953,116	3,095,894	3,204,869	3,405,887

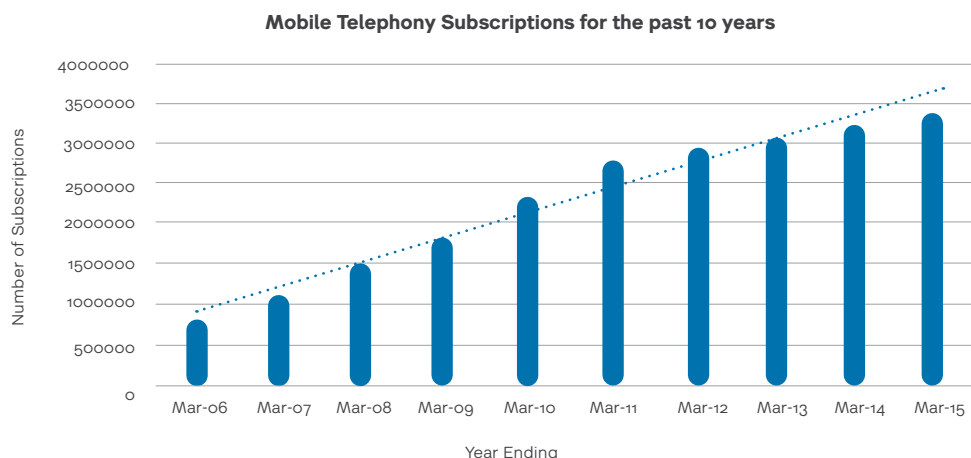
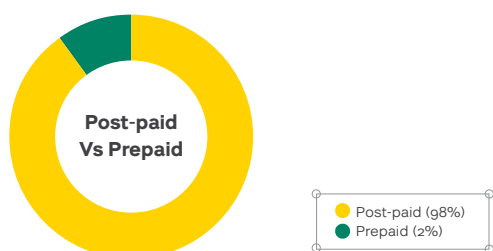


Figure 2 - Mobile Telephony Subscriptions for the Past 10 Years

Post-paid and Prepaid mobile telephony March 2014 and 2015



Post-paid and Prepaid mobile telephony March 2014 and 2015

	Prepaid	Post-paid
Mar-14	3,126,346	78,523
Mar-15	3,324,654	81,233

Figure 3 / Table 4 - Share between Post-paid and Prepaid Mobile subscriptions

FIXED MARKET SEGMENT

Fixed telephony subscriptions, which are solely offered by BTCL, have shown a constant growth over the years. However, between March 2014 and March 2015, subscriptions decreased from 174,992 to 169,474 implying a decline of approximately 3%. The decline was as a result of an audit by BTCL during which it identified inactive lines and removed them from its business systems. This occurrence differs from the past year in that, between March 2013 and March 2014, a growth rate of approximately 8% was registered. Over a 10-year period, fixed line subscriptions increased from 132,034 as recorded in March 2006 to 169,474 as recorded in March 2015, a growth rate of approximately 28%. Teledensity for fixed telephony has slightly decreased from 8.6% recorded during the previous reporting period to approximately 8.4%.

Table 5 shows total subscriptions over a 10-year period.

The market trend shows that in future, the rate for demand for fixed telephony may decline as consumers prefer the use of mobile telephony which offers convenience of mobility, capability to text, download music, graphics and motion pictures as well e-commerce on the fly. The

offerings by mobile telephony providers are popular among the so called "digital natives" market which is dominated by the youth who are estimated to constitute at least 63% of the population of Botswana. The ITU refers to digital natives as youth population who have experience of at least five years in the use of the internet.

INTERNET UPTAKE

Fixed Broadband - Asymmetric Digital Subscriber Line (ADSL)

Access to fixed broadband continues to be an essential requisite for high speed and high capacity internet access. Asymmetric Digital Subscriber Line (ADSL) is reliable and less costly internet service offering unlimited usage at all download speeds. The number of ADSL subscriptions between April 2014 and March 2015 increased by 6,595 from 20,884 subscriptions to 27,479 subscriptions. This change represents a growth rate of 32% compared to 19% recorded in the previous period. However, ADSL internet users can be estimated to be around 80 000, with the assumption that there are four users per connection at home and in the office. Apart from ADSL, large corporate entities procure dedicated and uncontended internet connections for use in their offices.

Table 5: Total Fixed Network Subscribers from March 2006 to 2015

Member	Number of Fixed Telephony Subscriptions for past 10 years 2006 to 2015									
Year Ending	Mar-06	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15
Number of Fixed Telephony Subscriptions	132,034	136,946	142,282	144,195	137,422	148,098	150,549	162,718	174,992	169,474

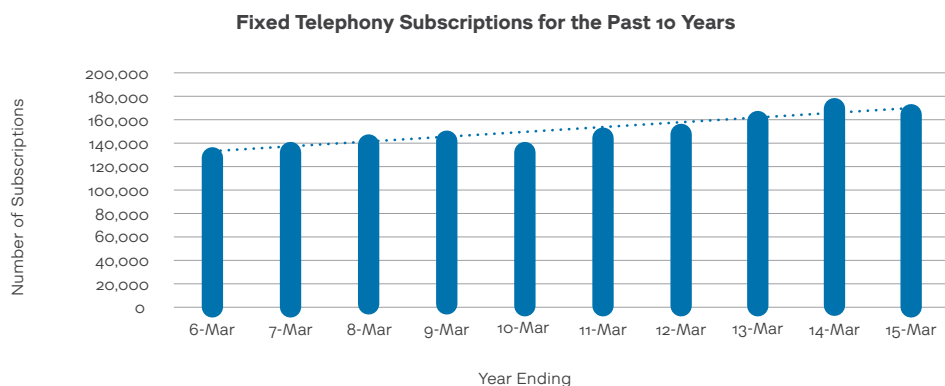


Figure 4 - Fixed Telephony Subscriptions for the Past 10 Years

Table 6 - ADSL subscriptions from April 2014 to March 2015

Member	ADSL subscription											
Month Ending	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Number of ADSL Subscriptions	20,884	21,636	22,416	23,723	24,003	24,682	25,171	25,484	25,837	26,405	26,940	27,479

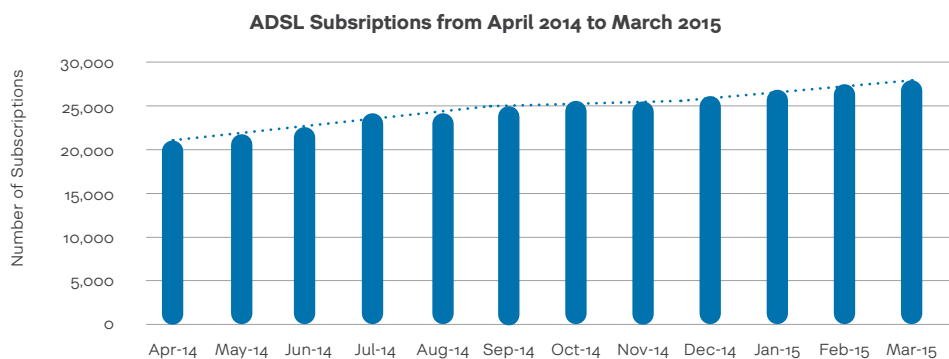


Figure 5 - Graph showing monthly ADSL subscriptions from April 2014 to March 2015

MOBILE INTERNET MARKET

Internet access through the use of smartphones and other wireless technologies has led to increased number of people with access to the internet, especially among the youth or digital native population. In addition, PTOs continue to increase coverage of mobile broadband leading to increased access to mobile broadband services. Mobile broadband technologies such as 3G and 4G are mostly available in urban areas while in rural areas subscribers access the internet through other technologies such as 2G and Enhanced Data for Global Evolution (EDGE) that are widely deployed throughout the country.

During the period under review, mobile internet penetration increased from 49% in March 2014 to 59% in March 2015. It is evident that the use of mobile technology has surpassed the fixed technology due to its convenience although it is more expensive than fixed technology.

In terms of population coverage by the three operators, Mascom, Orange and beMOBILE's coverage for the 3G broadband was at 78%, 53% and 39% respectively as at March 2015.

VALUE ADDED SERVICES

In the face of the ever evolving and competitive telecommunications market, operators are constantly forced to have a compelling product and customer value proposition. In the same vein, operators constantly upgrade

their value added services to satisfy shifting customer preferences and demands as well as to boost their margins and average revenue per user (ARPU). Operators have service offerings that include mobile banking, news alerts, music on demand, mobile money and sms-based services for promotions and competitions. Mobile Money contributes significantly to the sector compared to other value added services.

Mobile Money Services

Mobile money is evidently a driver of financial inclusion and has made financial services accessible to the unbanked market. It is available across all the three operators with Orange Botswana having the highest market share of 65% trailed by Mascom Wireless with 34% and beMOBILE at 1%. Active mobile money accounts stood at 412,126 as at March 2015 up from 283,044 in March 2014 which is a 46% increase.

Table 7 shows the aggregated number and value of transactions for the three operators.

Mobile money services show an immense improvement in usage from 2013 to 2014 bearing revenues of P498million from P206million, which is a 58.5% increase. This increase is as a result of financial inclusion of the previously unbanked bottom of pyramid population .²

2. Mascom Wireless Botswana (Pty) Ltd and Orange Botswana (Pty) Ltd financial years end in December

Table 7 - Number and value of transactions for the three operators

Year	Number of Transactions	Value of Transactions in Pula
2013	1,751,329	206,928,340
2014	2,520,869	498,998,744

Table 8 - Number of names in the .bw ccTLD registry

Zones	Number of names
.bw	289
co.bw	6560
net.bw	84
gov.bw	121
org.bw	345
ac.bw	96

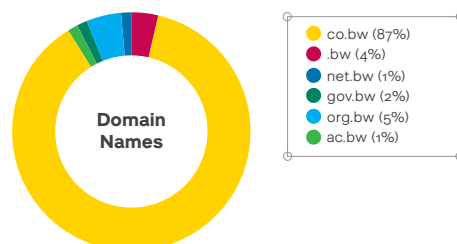


Figure 6 - Distribution of domain names per category

TECHNICAL SERVICES

Country Code Top Level Domain (ccTLD)

BOCRA continues to register new domains on second level. Second level domains are those that come directly below the top-level domain (TLD) or .bw. Example co.bw, net.bw, org.bw, ac.bw etc.

As at March 2015 the .bw registry had 7,495 names distributed as per Table 8.

The registrations show a slight increase following campaigns that have been undertaken. More campaigns and incentives for registering on .bw continue to be the key to the growth of the .bw. The incentives include free access for websites registered under .bw in public hotspots.

Domain Name Security Extensions (DNSSEC)

As at the end of the reporting period, BOCRA was still working on implementing the Domain Name Security Extensions (DNSSEC) technology. DNSSEC is a suite of Internet Engineering Task Force (IETF) specifications for securing certain kinds of information provided by the Domain Name System (DNS) as used on Internet Protocol (IP) networks. It is a set of extensions to DNS which provide to DNS clients (resolvers) origin authentication of DNS data, authenticated denial of existence, and data integrity, but not availability or confidentiality. As a way of getting ready for the implementation of DNSSEC, BOCRA designed a local test bed. The test bed consists of a server with dummy database/zone files which can be manipulated without affecting the live system. This test bed would be exposed to several attack environments to evaluate the readiness of .bw for DNSSEC with the view to implementing the DNSSEC during the next financial year.

Due to the growing number of attacks on country code Top Level domains (e.g. .bw) and Generic Top Level Domains (e.g. .com), BOCRA has taken the initiative to upgrade the security of the .bw domain name system. It was deemed necessary to consult extensively particularly with the Registrars VANS who use the system to register the users of .bw because of the distributed nature of the security system needed. BOCRA ran a three day seminar in collaboration with Internet Company for Assigned Names and Numbers (ICANN) to build capacity on the implementation of the new security measures.

Online Payment

At the initial stages of implementing ccTLD, a moratorium was made to delay charging for registrations of the .bw to a later stage. The moratorium was made to allow for development of the policy that would define the payment categories for different levels. The decision was also made deliberately to encourage the growth of the .bw. The moratorium that applied to local registrations only, excluding foreign registrations, will end in April 2015.

In preparation for the online payment of both local registration and international registrations, the policy for the payment of different domain levels in the .bw has

since been drafted. The policy will be implemented during 2015/16 financial year. BOCRA has also set up a payment portal through First National Bank Botswana (FNBB). The portal will allow customers to register and pay for domain names online. This will position the ccTLD as one of the revenue streams for the country.

Numbering Resource Management

The demand for numbering resources by operators increased as a result of more services being deployed particularly in the mobile industry as indicated by the subscriber statistics. The services that require numbers include normal telephony and data services ranging from mobile devices installed in other enhancements like wireless dongles (3G and 4G), tracking devices and Global Positioning Systems (GPSs).

The mobile services have been allocated about 70% of the 7X XXX XXX numbering range reserved for the service which translates to 6,900,000 numbers. The PTOs have subdivided the allocated numbering blocks for different purposes such as networking codes, active subscribers, recycle loop (inactive subscribers and SIM cards on the distribution channels). The issued number ranges are as follows.

Regarding fixed services where the penetration ratio is still low, BOCRA still maintains allocations on the following ranges.

2XX XXX
3XX XXX
4XX XXX
5XX XXX
6XX XXX

There are other special numbers being used in Botswana networks such as toll-free numbers and short codes in addition to other signalling/network codes that are not visible to ordinary users. Botswana is allocated, by the ITU, a total of 16 International Signalling Point Codes (ISPCs) used by international gateways where a total of 10 ISPCs are allocated between the PTOs. The National Signalling Point Codes (NSPCs) used for interconnection links is open to the PTOs for self allocation.

TYPE APPROVAL

The intensive Type Approval campaigns carried out around the country during the period under review proved to be fruitful as evidenced by the large number of enquiries and new applications for Type Approval received from communication equipment suppliers. Emphasis was placed on mobile cellular phones due to the tremendous growth in mobile communication and large access to mobile communication devices. A total of 326 devices were successfully Type Approved. Figure 7 represents the distribution of the approved devices. Some devices were not approved due to either lack of proper documentation or the device failing to conform to the set standards for Botswana.

Table 9 - Allocated Number Ranges

Range	Allocation Status	Remarks
71 XXX XXX	All Allocated	Mascom
72 XXX XXX	All Allocated	Orange
73 XXX XXX	All Allocated	BTCL
74 XXX XXX	All Allocated	All PTOs
75 XXX XXX	All Allocated	All PTOs
76 XXX XXX	All Allocated	All PTOs
77 XXX XXX	Partially Allocated	All PTOs, 10,000 numbers remaining
78 XXX XXX	No Allocation	Reserved for Future Allocation
79 XXX XXX	Partially Allocated	VoIP services (VANS), total of 34,000 numbers

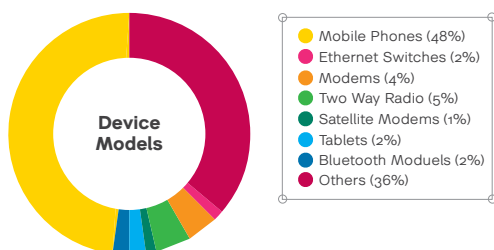


Figure 7 - Different Type Approved Device Models

SPECTRUM MANAGEMENT

Spectrum is a finite resource and the rapidly advancing technological developments and associated services result in high demand for this resource, which exceeds supply. The demand for spectrum is further driven by the convenience offered by mobile communications technologies and increased demand for communications services especially in the rural and uneconomical areas. Falling costs of wireless devices and services coupled with improved performance of devices add to increases in the demand for spectrum. In addition, consumers' demands for data is escalating as more data intensive applications like video conferencing and cloud computing are used. Cognisant of this demand, BOCRA released additional spectrum to PTOs for mobile broadband during the year under review. Meanwhile, the international community considered an Agenda item for the 2015 World Radio Conference (WRC15) to avail spectrum for mobile broadband applications over the next 10 to 15 years. The ITU studies (Report ITU-R M.2290-o) have indicated that countries will require 1340-1960 MHz for potential use for mobile by the year 2020.

Long Term Evolution (LTE)

LTE, commonly known as 4G, is a standard for wireless communication of high-speed data for mobile phones and data terminals. The LTE standard is evolving from the GSM and 3G network technologies currently deployed

in Botswana. LTE technology promises to bring very fast mobile data connectivity of up to 100Mbps in the downlink and 50Mbps in the uplink with low latencies over long distances. BOCRA offered PTOs temporary spectrum to roll out LTE services pending consultation with all relevant stakeholders. Only one operator made commercial roll out in Gaborone and Francistown during the period under review using temporarily allocated spectrum.

Following the consultation process, BOCRA allocated spectrum (2x10MHz) to PTOs (Mascom Wireless, Orange Botswana and beMOBILE) in the 1800 MHz band for the deployment of LTE. Re-planning of the GSM1800 band was done prior to the allocation of 4G spectrum to achieve continuous spectrum allocation for the existing services (2G) and new 4G services. Re-planning was also done to make it easier for operators to re-farm some spectrum from 2G to augment demands for the spectrum intensive 4G technology. Consistent with the Botswana Broadband Strategy, the three operators are expected to roll-out 4G services in urban areas and major villages in 2015 as stipulated in their roll-out obligations.

World Radiocommunication Conference 15 (WRC 15)

BOCRA, in consultation with stakeholders conducted one World Radiocommunication Conference (WRC-15) preparatory meeting in January 2015 with the aim of developing a country position. BOCRA also actively participated in regional activities for WRC-15 (i.e. SADC and African Telecommunications Union (ATU)).

WRC is key to the success of the management of spectrum globally. The Radio Regulations contain the International Table of Frequency Allocations and accompanying technical rules which are used as the basis of the National Frequency Allocation table. The WRC gives countries opportunity to contribute in ensuring that spectrum usage is harmonised to the greatest extent practicable across the globe while taking into account their specific needs.

The ITU will convene the WRC-15 in Geneva, Switzerland from the 2 - 27 November 2015. The purpose of WRC is to review, and, if necessary, revise the Radio Regulations, which is the international treaty governing the use of the

Table 10 - Number of names in the .bw ccTLD registry

Service Class	Number
Land Mobile	71
Amateur	9
Fixed Links	129
Aircraft	6
Satellite	2
Total	217

radio-frequency spectrum and the geostationary-satellite and non-geostationary-satellite orbits. Revisions take into account recommendations made by previous WRCs. WRCs have a cyclic period of 3-4 years and the last one was held in 2012.

Radio Licences

During the reporting period, BOCRA issued 217 new radio licences, compared to 143 issued the previous year, recording an increase of 74 licences or 52%. The licences included amateur licences, civil radio licences, land mobile, satellite services, fixed links, radio transmitter for alarm and aircraft licences distributed as per Table 10. The increase was due to the number of fixed links that were licensed as a result of operators' requirements to backhaul traffic to new base stations and the high demand for data services driven by 3G and 4G technologies. In addition, other operators other than PTOs were allowed to apply for fixed links.

FLSS Online Licence Application (WEB CP)

BOCRA launched the online licensing application tool in October 2014 to provide for online licence application and tracking. The tool improves turnaround times as it permits customers to make applications online at their own convenience. It also eliminates the need for customers to travel to BOCRA offices in Gaborone for submission of applications. Radio Dealers and large scale operators such as PTOs, Debswana and BPC were trained on the use of the tool. The uptake of the use of the tool has however been below BOCRA's expectations. BOCRA continues to encourage operators to engage users on the advantages of the tool in order to encourage its increased usage.

Television White Space (TVWS)

BOCRA granted a pilot study licence for fixed broadband using the Television White Space technology (TVWS). The project was a joint partnership between the Ministry of Health, Botswana Innovation Hub (BIH), the University of Botswana, the U.S. Agency for International Development (USAID), the University of Pennsylvania, Microsoft, and Global Broadband Solutions (GBS). The purpose of the project is to deliver specialised health care services online to regions in Botswana that have no access to broadband using TVWS. The project was launched in March 2015 and a clinic in Lobatse is benefiting from the pilot study. Other clinics in Maun and Francistown are planned to follow in

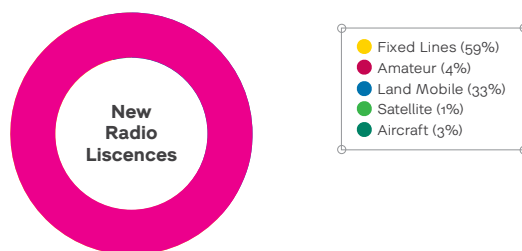


Figure 8 - Relative proportion of new radio licences

2015/16. BOCRA further submitted a paper on this project to ITU-D sharing Botswana's experience on spectrum management in accordance to Resolution g ITU-D. The purpose of Resolution g is to generate a report on technical and economic approaches to spectrum management which would be availed by ITU for information to its Members.

Spectrum Monitoring

Spectrum Monitoring is done to ensure that there is a compliant usage of spectrum in Botswana and along Botswana borders. It is intended to protect licensed and compliant spectrum users from harmful interference resulting from illegal use of spectrum. BOCRA uses an Automated Spectrum Management System which was developed in line with the ITU recommendations (ITU-R SM.1537 and ITU-R SM.1370). The regular monitoring activities carried by BOCRA included the following;

- Measurement of frequency, modulation, and bandwidth to ensure adherence to licensed technical parameters;
- Detection and locating illegal frequency usages;
- Resolution of interference;
- RF spectrum occupancy recording to determine the spectrum usage, ranges of unused frequencies which inform strategies for spectrum management; and
- Direction finding of transmission sources.

The system was used to resolve critical interference problems between the mobile operators in Botswana and South Africa at Martins Drift area which had a huge commercial bearing. It was also used to address FM spillage in Lobatse area as well as to determine the channels to be allocated for Digital Terrestrial Television during the critical migration process. Further, during the GSM 1800 re-planning exercise carried out to efficiently accommodate LTE, the system was used to monitor and inform BOCRA on the usage of mobile channels which was critical input for migration strategy.

Mobile Coverage

Operators were allocated spectrum for roll out of 2G services during their inception in 1998 and 3G in 2007 & 2008. However, no roll-out obligations were attached to the 3G spectrum as it was viewed to be a prime service.

In order to ensure roll out of broadband, PTOs have since been mandated to roll out 3G to all small towns and villages with a population between 5000 and 10000. The 3G roll-out plan is to be completed by July 2018.

The current network deployment for both 2G and 3G for the three operators is summarised in the following tables.

Table 11 – BTS deployment (Mascom)

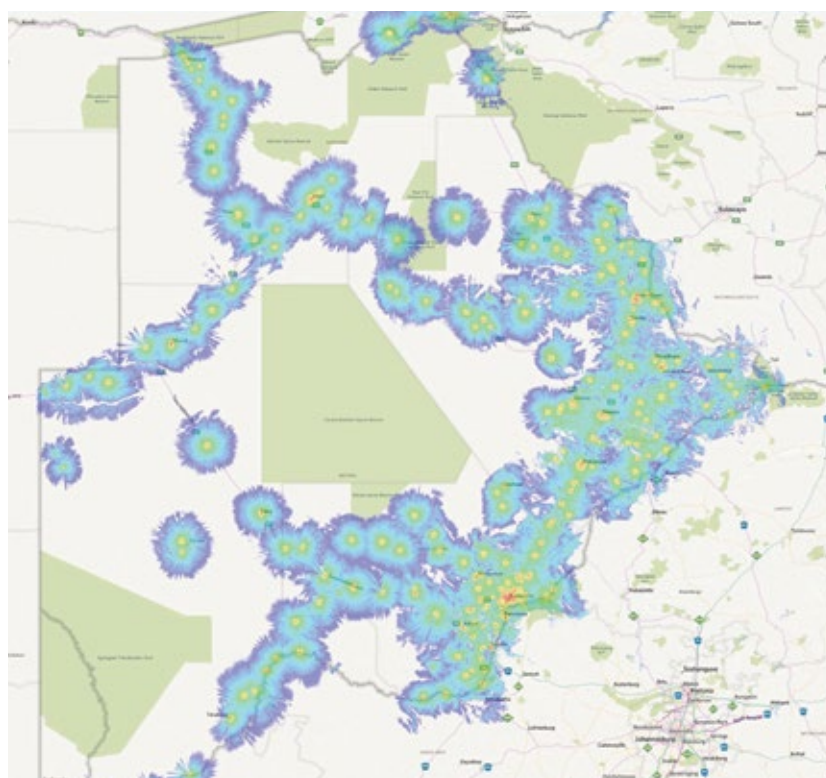
	Service Region	2G Base Stations	3G Base Stations	All Base Stations
City	Gaborone	70	70	140
	Francistown	19	19	38
Town	Orapa	3	2	5
	Jwaneng	3	3	6
	Selibe Phikwe	7	6	13
	Lobatse	6	6	12
	Sowa	2	1	3
Villages	Maun	11	11	22
	Molepolole	7	7	14
	Mogoditshane	6	7	13
	Mochudi	3	3	6
	Mahalapye	6	6	12
	Tlokweng	6	6	12
	Ramotswa	1	1	2
	Kanye	3	3	6
	Serowe	6	6	12
	Palapye	5	5	10
Others	Villages and Settlements	283	50	333
Total		447	212	659

Table 12 – BTS deployment (BTCL)

	Service Region	2G Base Stations	3G Base Stations	All Base Stations
City	Gaborone	48	31	79
	Francistown	20	9	29
Town	Orapa	2	1	3
	Jwaneng	4	1	5
	Selibe Phikwe	5	2	7
	Lobatse	5	4	9
	Sowa	1		1
Villages	Maun	10	4	14
	Molepolole	4	2	6
	Mogoditshane	7	1	8
	Mochudi	3		3
	Mahalapye	4	1	5
	Tlokweng	13	4	17
	Ramotswa	4		4
	Kanye	5		5
	Serowe	4		4
	Palapye	6	2	8
Others	Villages and Settlements	393	4	397
Total		670	66	736

Table 13 – BTS deployment (Orange)

	Service Region	2G Base Stations	3G Base Stations	All Base Stations
City	Gaborone	78	76	154
	Francistown	21	21	42
Town	Orapa	4	1	5
	Jwaneng	7	4	11
	Selibe Phikwe	9	7	16
	Lobatse	7	6	13
	Sowa	2	2	4
	Maun	11	8	19
Villages	Molepolole	6	5	11
	Mogoditshane	6	5	11
	Mochudi	3	3	6
	Mahalapye	5	6	11
	Tlokweng	10	6	16
	Ramotswa	5	4	9
	Kanye	5	4	9
	Serowe	8	6	14
	Palapye	11	9	20
Others	Villages and Settlements	277	28	305
Total		475	201	676



Graphical coverage representation for combined 2G and 3G for the respective PTOs is shown on the left.

- 37 dBuV/m - 96 dBm [Very weak]
- 44 dBuV/m - 89 dBm
- 51 dBuV/m - 82 dBm [Weak]
- 58 dBuV/m - 75 dBm
- 65 dBuV/m - 68 dBm
- 72 dBuV/m - 61 dBm [Moderate]
- 79 dBuV/m - 54 dBm
- 86 dBuV/m - 47 dBm
- 93 dBuV/m - 40 dBm
- 100 dBuV/m - 33 dBm [Strong]

Figure 9 - Mascom Mobile coverage

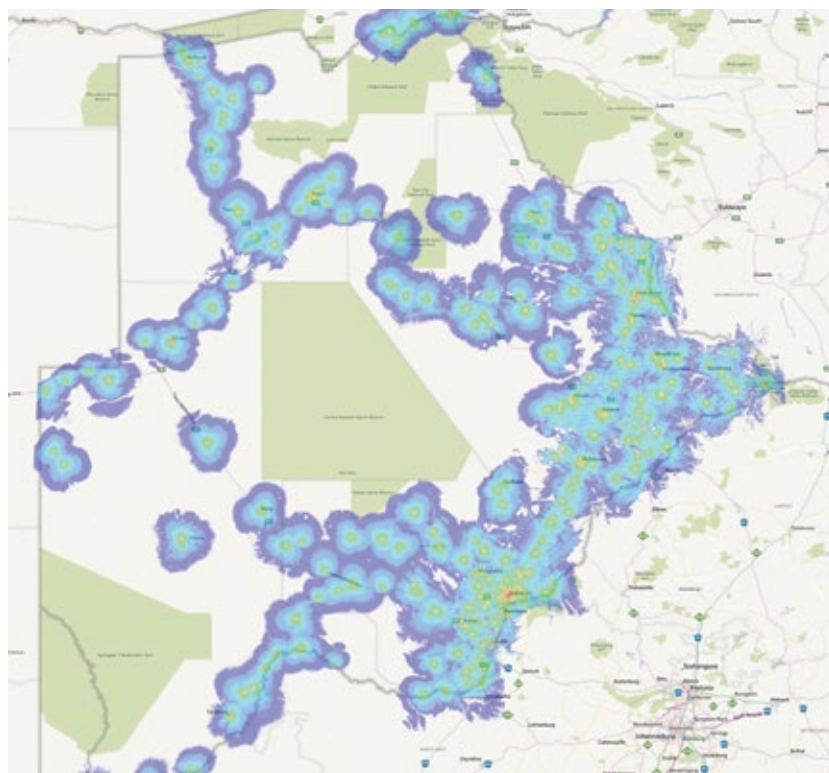


Figure 10 - Orange Mobile coverage

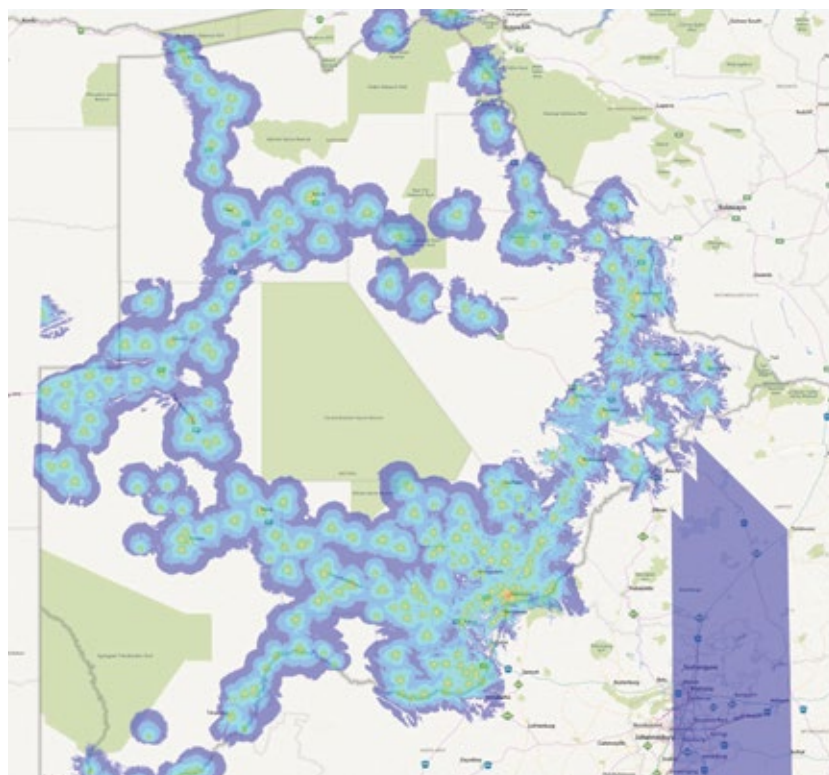


Figure 11 - BTCL/beMOBILE Network coverage

BROADCASTING REGULATION

Regulation of broadcasting, subscription management services and re-broadcasting activities in Botswana is the responsibility of BOCRA. The CRA Act mandates BOCRA to supervise these broadcasting activities except for State broadcasters who are outside the jurisdiction of regulation by BOCRA. BOCRA therefore regulates Yarona FM, Duma FM, Gabz FM and eBotswana. The framework to normalise the regulation of these broadcasters was under development and the Authority also started the Digital Terrestrial Television Licensing framework during the period under review.

Digital Migration

BOCRA is working closely with the Department of Broadcasting Services to facilitate the process of migrating from analogue to digital television broadcasting. During the period under review, BOCRA continued to provide the necessary assistance as and when required to ensure the successful digital migration project. The first phase of the implementation process, which included consultation on Set Top Box technical specifications and licensing framework has been achieved. Public education was also carried out. BOCRA developed and published the minimum specification for the Digital Terrestrial Broadcasting Set Top Box (STB) specifications to guide prospective manufacturers, importers, retailers and consumers.

Broadcasting Stations Coverage

During the period under review, BOCRA continued to engage the broadcasters to improve their service coverage. Through their Kemonokeng transmission joint venture, commercial radio broadcasters had set themselves a five year roll-out plan projecting that they would cover 10 districts of Gaborone, Lobatse, Jwaneng, Mahalapye, Palapye, Serowe, Selebi Phikwe, Francistown, Maun, Orapa/Lethakane by end of the year 2014. As at March 2015, nine out of 10 districts had signal coverage, an achievement of 90% rollout progress. Due to financial challenges, Jwaneng was yet to have commercial broadcasting network coverage. In addition, Gabz FM was allocated temporary frequencies to provide live radio coverage for constituency Parliamentary debates in the areas not covered by their transmission network.

Commercial Television

e-Botswana is the only television station that is regulated by BOCRA. e-Botswana could not commence broadcasting via satellite during the year under review as it had intended due to delays in concluding agreements with suppliers. As at end March 2015, the station was still in negotiations with other carriers and suppliers including Btv. eBotswana plans to commence satellite broadcasting service during the 2015/16 reporting period.

Network Performance

During the period under review the three commercial radio stations registered service availability rate of 88.59% to 99% against a benchmark of at least 99% in Gaborone,

Mahalapye, Serowe, Francistown and surrounding areas. This was a regression from the previous year network performance which ranged from 95% to 99%. The lowest service availability rates of 7% - 50% were recorded at Selibe-Phikwe, Maun, Orapa and surrounding areas. The low service availability rates were attributed to power outages and diminished transmission output due to low power.

Promotion of Local Content

The broadcaster's licence conditions state that a licensee shall ensure that a minimum of 40% local content is attained by radio stations, while television stations are required to broadcast a minimum of 20% of local content. In addition, BOCRA further requires broadcast stations to promote local music especially of upcoming artists. Broadcasters also provide updates on the promotion of music tracks by new artists.

BOCRA continued with its responsibility to ensure monitoring for compliance with the local content broadcasting quota. The 2014/2015 analysis indicates that all broadcasters did not meet the minimum quota requirements. Yarona FM reported 36%, Duma FM 39% and Gabz FM 8.4%. All the stations did not meet the minimum threshold of 40% of local content indicating lack of suitable local content that is in line with the stations' programming formats. eBotswana reported 6.58% against the minimum threshold of 20% for local content in television. BOCRA continued to engage with all relevant stakeholders to address the issue of lack of enough suitable local content that broadcasters quote as the main obstacle hindering them from achieving minimum local content thresholds.

Table 14: Broadcasters performance on Local Content

	Local Content	Local Content Quota
Duma FM	39%	40%
Yarona FM	36%	40%
Gabz FM	8.4%	40%
eBotswana	6.58%	20%

Publication of Broadcasters tariffs

During the reporting period, BOCRA published prevailing advertising tariffs for all Commercial Broadcasters in the print media as well as the BOCRA Website in the month of March 2015. The purpose of publishing the information was to enable consumers to compare and make choices on rates of adverts of the broadcasters.

Compliance and Investigations

BOCRA continued with its mandate of facilitating resolution of complaints from consumers concerning the service provided by broadcasters. During the period under review, a total of 78 complaints were recorded from all the broadcast stations and 43 were resolved by the stations while 35 were still pending as at 31 March 2015. The complaints included station outages, transmission interference and complaints for demand of service in areas where stations have no presence. The consumers



Board signs Shareholder Compact Agreement with Hon Nonofo E Molefhi MP, Minister of Transport and Communications (right)

have to exhaust the stations' complaints procedures before escalating their complaints to BOCRA. No complaint was escalated to BOCRA during this reporting period.

POSTAL SECTOR REGULATION

The CRA Act, 2012 mandates BOCRA to regulate the provision of postal services in Botswana. Section 57 of the CRA Act, 2012 prohibits any person to provide postal services without a valid licence issued by the Authority. It is in this respect that BOCRA regulates BotswanaPost as the defacto Public Postal Operator and courier service provider. BOCRA as the regulator continues to ensure the provision of safe, reliable, efficient and affordable postal services throughout Botswana.

Designation of a Public Postal Operator

Following the recommendation by BOCRA to the Minister for Transport and Communications to designate BotswanaPost as a Public Postal Operator in terms of Section 67 of the Act, the process was still underway at the Ministry during the reporting period. As a designated Public Postal Operator, BotswanaPost will be formally mandated to provide universal postal service. Provision of universal postal services will ensure that postal

services reach all inhabitants of Botswana including those in localities that would otherwise not attract investment given the high cost of providing services. These would mainly include far flung areas and sparsely populated localities.

The designation in terms of the Act will afford the Post exclusivity in the provision of reserved services including but not limited to the placing of street letter boxes for mail collection; delivery of judicial documents; and the issuing of stamps bearing the word "Botswana" or imprinted with the effigy of the Head of State of Botswana. These services, among others, are reserved for exclusive provision by the Public Postal Operator in order to allow the operator to boost its revenues in compensation for losses incurred in the provision of universal postal services.

Provision of Universal Postal Services

BotswanaPost continues to provide universal service as a statutory legacy of the exclusive postal services monopoly. BotswanaPost therefore has a vast physical network covering a wider populace with 124 post offices spread across the country, 87 postal agencies, and 12 Post Agents and 378 Mobile Post Offices.

Table 15 - Distribution of broadcasting complaints per broadcaster

Station	Complaints Received	Resolved	Outstanding	Nature of Complaint
Yarona FM	10	10	N/A	
Duma FM	3	N/A	3	Inaccurate reporting about BOMU
Gabz FM	7	6	1	Transmission
eBotswana	58	27	31	Coverage outside the unlicensed area

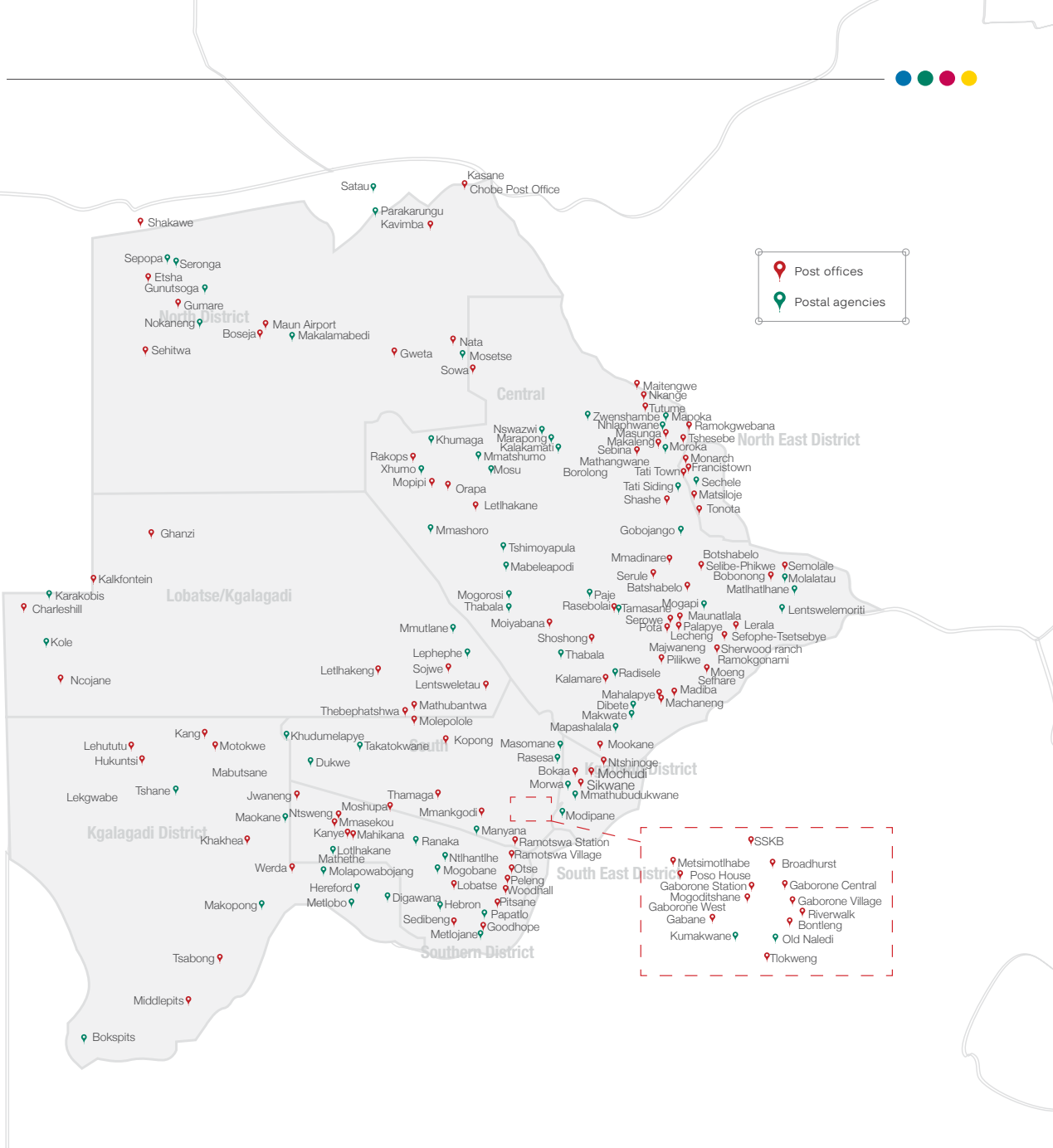


Figure 12 - Geographical Coverage of BotswanaPost Network
Source: BotswanaPost, 2014

The postal network is segmented into four regions being Southern, Northern, Central and the Lobatse/Kgalagadi. The geographical spread of Post Offices and postal agencies is as illustrated in Figure 12.

The mandate to provide service throughout Botswana does not come without challenges as BotswanaPost has to serve far flung areas including localities that are not commercially viable. It is worth mentioning that BotswanaPost is not only required to provide service in these areas but also has to meet the set quality of service standards in terms of mail delivery and collection.

BotswanaPost has been making financial losses for the past six years, which they mainly attribute to their mandate of providing universal service access. [See Table 16.](#)

BOCRA is engaging BotswanaPost on an accounting separation exercise which will assist in identifying the actual cost of providing universal service and ascertaining the extent to which provision of universal postal service is impacting on the institution's lack of profitability.

Table 16: BotswanaPost Financial Performance

Financial Year ending March	2014	2013	2012	2011	2010	2009
Losses for the Year	(33,847,37)	(76,294,162)	(3,570,471)	(6,985,695)	(11,090,604)	(10,444,967)

During the year under review, BotswanaPost concluded an internal costing project that was aimed at determining the actual costs incurred in providing universal service. This paved way for BotswanaPost to engage further with the Government for financial assistance. On the basis of the aforementioned, the Government secured funding to the tune of P40million as a way of cushioning BotswanaPost for carrying out Universal Service Obligations, in respect to the 2014/15 financial year.

Licensing of Courier Companies

The Authority continues to promote competition and ensure participation of the private sector through licensing of courier services. The market shows growth with the licensing of both multi-national and domestic courier companies. During the period under review, BOCRA granted new Courier Service Licences to five companies namely, First Connections (Pty) Ltd, KTU Express (Pty) Ltd, HMN Courier Services (Pty) Ltd, Aramex Botswana and DHL Botswana. There has also been a transfer of courier services licence from Supaswift Botswana to FedEx Express Botswana (Pty) Ltd following FedEx Corporation's acquisition of 100% issued share capital of Supaswift Botswana. This brings the total number of licensed courier companies to eleven from the six that were licensed the previous financial year. Of the eleven licensed courier companies, four companies are new entrants to the market, that is to say, the companies came to operate after the enactment of the CRA Act. The remaining companies were in existence before the Act. The courier companies have been granted two year interim licences pending the formulation of a comprehensive licensing framework for the postal sector which will be finalised during the 2015/16 financial year in full consultation with industry stakeholders.

Tariff Filing by BotswanaPost

During the period under review, BotswanaPost submitted a proposal to review tariffs for their regulated products and services. The tariff filing was made in terms of Section 68(3) of the CRA Act which states that a Public Postal Operator shall provide Universal Postal Services on a cost based plus tariff. The cost based plus model allows the service provider to recoup the cost of providing the services and as a result such tariffs often reflect the underlying cost of providing the service. This is to ensure sustainability of the business.

The usage of an Activity Based Costing Model indicated that most of the services provided by BotswanaPost were priced below cost. A case in point is a postage stamp which costs about P39.00 to produce and sells for about P2.00. The price of a stamp is supposed to cover the cost of transmitting the letter from the sender to its destination.

The stamp prices fall far short of their cost of production and the BotswanaPost has to find ways and means of recouping such costs. BOCRA advised the BotswanaPost to explore avenues within the postal value chain where such costs could be recovered.

BotswanaPost made tariff adjustment of their various services where the proposed increases were largely around 15%. The Authority approved the proposed tariffs in March 2015 and they came into effect on 1 April 2015.

Complaints Handling and Dispute Resolution

Section 65 of the CRA Act mandates postal operators to develop frameworks for addressing complaints that may be raised by consumers concerning the service provided. The complaints handling framework should state available remedies and redress in case of dissatisfaction with the response received. The framework ensures a harmonised working relationship between consumers and the service providers. Furthermore as mandated by Section 78 of the CRA Act, BOCRA resolves any unresolved complaint and/ or any dispute that is referred to it. In line with this mandate, BOCRA received one complaint from a postal consumer during the period under review and resolved it.

Market Study and Licensing Framework for the Postal Sector

During the year under review, BOCRA commenced a process to develop a market study and the development of licensing framework for the postal sector. The project is expected to be completed during the financial year 2015/16. The initiative is expected to facilitate the transformation and development of the postal sector in accordance with the provisions of the CRA Act and taking into account best international practice.

REGULATORY INITIATIVES

ICT Needs Assessment

BOCRA carried out a communication needs assessment survey of Community Access Centres including schools, post offices, libraries and Kitsong centres in the Kgalagadi, Ghanzi and Southern Districts. The purpose of the survey was to determine the baselines in terms of diffusion and usage of communication services. This is in line with the BOCRA five year Strategic Plan whose vision is to have a 'Connected and Informed Society' and is also focused on increasing 'Access and Usage' of communication services. The survey covered forty schools comprising Primary, Junior and Senior schools and 24 Community Access Centres (post offices, Kitsong centres). The findings included poor and lack of Internet connectivity, lack of trained ICT personnel, obsolete ICT equipment, and

poor maintenance and support in most of the Community Access Centres.

Universal Access and Service Fund

The Universal Access and Service Fund was established in April 2014 and commenced operations in August of the same year following the appointment of the Board of Trustees. The Board consists of the following members who are appointed on a two year term:

- Mr. Thapelo Kalake- Board Chairman
- Dr. Ditshupo Ecco Maje (Retired June 2015)
- Dr. Thulaganyo Mogobe
- Mr. Nigel Mangoye
- Mr. Ephraim Balebetse
- Mr. Ephraim Kentse (Appointed April 2015)
- Mr. Thari Pheko

Activities for the Fund

The Fund has thus far awarded a tender for the provision of Wi-Fi hotspots in key strategic areas such as hospitals, malls and bus stations in Gaborone, Francistown, Mahalapye, Palapye, Serowe, Kasane, and Maun. The project is intended to increase access and usage of Broadband services as well as promoting the usage of the .bw domain. The project is underway and expected to be completed by December 2015.

COMPLIANCE AND MONITORING

BOCRA is tasked with among others, ensuring that licensed operators are compliant with regulatory requirements. This is done through desk top reviews of operator files which are checked to ensure that regular submissions and other information requested by the Authority have been duly submitted. There is also continuous interaction with operators through meetings and written correspondence regarding issues that are of concern or that require regulatory/operator intervention. Site visits/inspections also assist in corroborating information received from operators.

BOCRA is empowered to request from licensees any information as may be deemed necessary to carry out its mandate. Further, there are regular submissions that have to be submitted by operators at specified intervals. These include among others, network performance reports, net turnover statistics, annual reports, quarterly progress reports and updates on any subject that the Authority may require from time to time.

INVESTIGATIONS

During the year under review, planned and ad hoc investigations were undertaken in Selibe Phikwe, Serowe, Mahalapye, Palapye, Lerala, Tuli block, Francistown and surrounding areas and Gaborone.

The objectives of the investigations were:

- To investigate infractions of the CRA Act and related statutory instruments. In case of any violation of the Act, the Authority facilitates prosecution. The Authority is also empowered to impose administrative fines in cases of non-compliance;
- To encourage compliance and improve the quality of communication services in Botswana;
- Previous year to ensure those operations have been normalised and there is compliance with the regulatory requirements.
- To investigate the status of licensed communications operators, equipment and the services;
- To make consumers and operators aware of the emerging regulatory requirements; and
- To follow up on investigations done in the previous year to ensure those operations have been normalised and there is compliance with the regulatory requirements.

Table 17 indicates that 40 out of 72 commercial outlets visited were not compliant with the Type Approval requirements. BOCRA confiscated equipment that was not type approved and referred the cases to the Police for



prosecution in terms of Section 84 of the Act. It is evident that there is need for BOCRA to continue educating consumers to purchase telecommunication equipment that has a Type Approval certificate issued by BOCRA. Consumers have a right to request the retailer for the certificate.

NETWORK PERFORMANCE

BOCRA requires PTOs to submit regular reports for purposes of monitoring to ensure compliance with Quality of Service parameters and targets as agreed between the PTOs and BOCRA. The reports are submitted monthly, quarterly and annually. Where PTOs fail to meet the prescribed quality of

service standards, they are expected to give a reasonable explanation and provide measures for resolving the situation.

The parameters that PTOs are reporting on as key performance indicators are as follows:

Congestion Rate (CR) – 2%

Congestion Rate (CR) refers to the percentage failure to access a traffic channel during call set up.

beMOBILE experienced a higher congestion rate with an improvement noted for the months of January to March 2015. Orange and Mascom performed within the set target of 2%.

Table 17 - Places and Outcomes of Investigations Undertaken During 2014/15.

Area	Dates	Number of shops visited	Compliant	Non-compliant	Action taken
Gaborone and surrounding Areas	12 - 26 June 2014	13	4	9	Advised and taught about consequences of non-compliance
Bobonong, Phikwe and Mmadinare	7 - 11 July 2014	21	7	14	Phones were confiscated at Bobonong and the matter was handed to the police.
Paje, Serowe, Palapye, Lerala, Sherwood and Mahalapye	19 - 24 August 2014	24	11	13	Phones were confiscated and the matter has been reported to the police.
Tuli Block	23 - 26 September 2014	8	6	2	Advised to regularise their operations.
Francistown and surrounding areas	24 - 28 November 2014	6	4	2	Advised to regularise their operations.
Totals		72	32	40	

Table 18 - Mobile Operators Congestion Rate (%) 2014/15

Month	Mascom	Orange	beMOBILE	Targeted Congestion
APR 2014	0.71	0.24	8.07	2.00
MAY 2014	0.70	0.18	7.43	2.00
JUNE 2014	0.70	0.22	8.08	2.00
JULY 2014	0.66	0.35	7.13	2.00
AUG 2014	0.75	0.46	7.85	2.00
SEP 2014	0.71	0.29	7.58	2.00
OCT 2014	0.62	0.49	6.93	2.00
NOV 2014	0.95	0.57	13.18	2.00
DEC 2014	1.86	0.97	12.03	2.00
JAN 2015	1.07	0.55	1.84	2.00
FEB 2015	0.99	0.46	1.86	2.00
MAR 2015	0.98	0.59	1.86	2.00

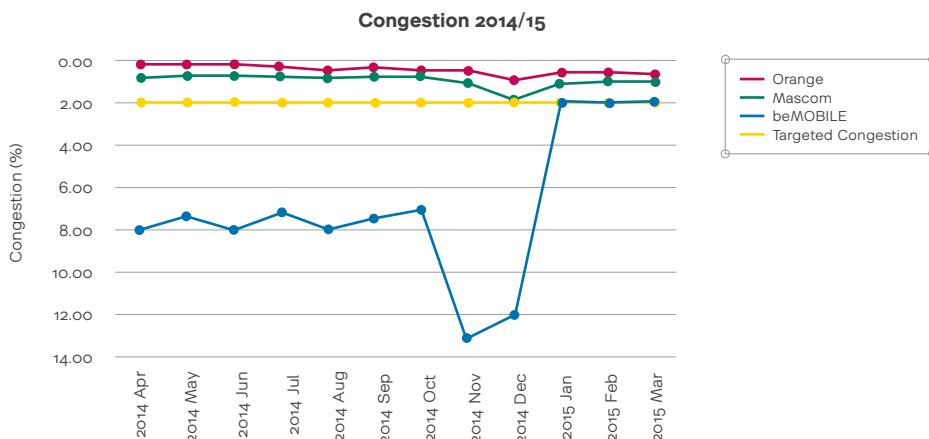


Figure 13 - Mobile Operators Congestion Rate (%) 2014/15

Table 19 - Mobile Operators Dropped Call Rate (%) 2014/15

Month	Mascom	Orange	beMOBILE	Targeted DCR
APR 2014	0.95	0.63	0.92	2.00
MAY 2014	0.91	0.70	0.80	2.00
JUNE 2014	0.87	0.72	0.73	2.00
JULY 2014	0.80	0.72	0.70	2.00
AUG 2014	0.80	0.66	0.70	2.00
SEP 2014	0.79	0.62	0.70	2.00
OCT 2014	0.55	0.55	0.70	2.00
NOV 2014	0.71	0.71	0.65	2.00
DEC 2014	1.10	1.10	0.73	2.00
JAN 2015	0.97	0.63	0.72	2.00
FEB 2015	0.93	0.68	0.78	2.00
MAR 2015	0.84	0.65	0.78	2.00

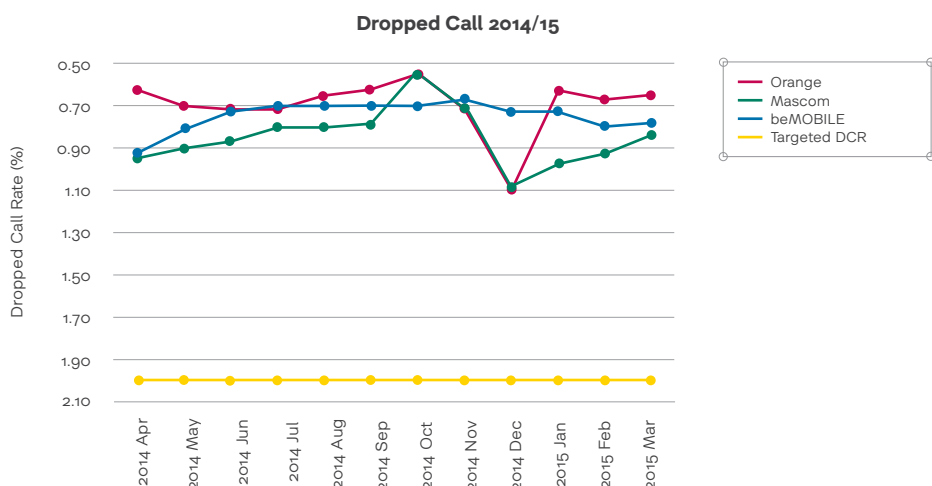


Figure 14 - Mobile Operators Dropped Call Rate (%) 2014/15

Dropped Call Rate (DCR)

Dropped Call Rate (DCR) refers to a percentage of the calls that were cut before the speaking parties had finished their conversation.

All the PTOs performed within the 2% set target.

Call Setup Success Rate (CSSR) – 98%

Call set-up Success Rate (CSSR) refers to the percentage of originating calls that were successfully established by the customer.

Mascom did not meet the target on CSSR for the month of December 2014 and this failure was attributed to increase in traffic during end of year holidays.

Orange met the target during Q1 and Q2 respectively but failed to meet the target during Q3 and Q4. Failure to meet the target was attributed to power outages and back up batteries depletion and theft.

beMOBILE failed to meet the target throughout the year (April 2014 to March 2015). Failure to meet target was also attributed to power failure and battery depletion. beMOBILE also submitted that the radio site migration project they undertook during the reporting period also affected the CSSR rates as the site had to be switched off to enable completion of the migration.

Table 20 - Call Set Up Success Rate (%) 2014/15

Month	Mascom	Orange	beMOBILE	Targeted CSSR
APR 2014	98.00	98.28	93.14	98.00
MAY 2014	98.00	98.34	93.63	98.00
JUNE 2014	98.00	98.01	93.23	98.00
JULY 2014	98.00	98.16	94.10	98.00
AUG 2014	98.00	98.19	93.73	98.00
SEP 2014	98.00	98.32	93.45	98.00
OCT 2014	97.38	97.38	94.53	98.00
NOV 2014	97.50	97.50	93.70	98.00
DEC 2014	97.00	97.00	93.23	98.00
JAN 2015	98.00	97.81	93.48	98.00
FEB 2015	99.00	97.89	93.03	98.00
MAR 2015	99.00	97.66	93.03	98.00

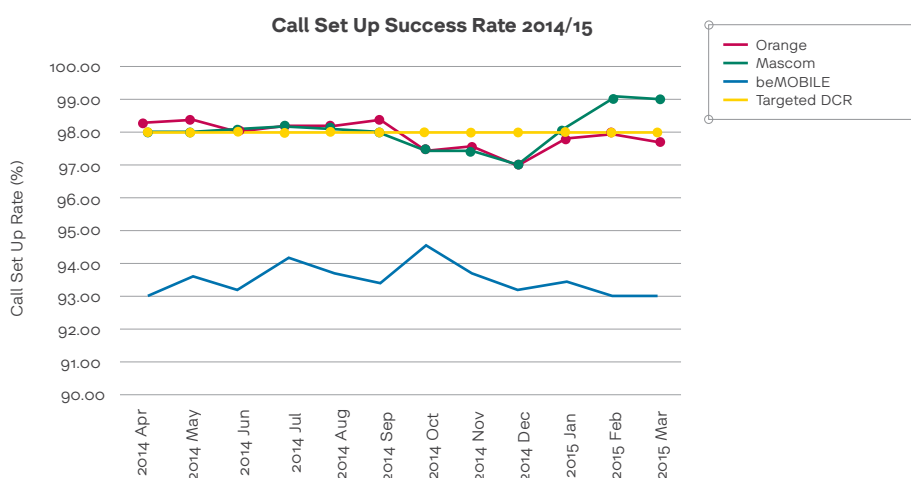


Figure 15 - Mobile Operators Call Set Up Success Rate (%)

Network Availability (NA) – 99%

Network Availability (NA) refers to the percentage availability of the network.

Mascom failed to meet the set target of 99% for Q1 and Q3 but met the target for Q2 and Q4. The poor performance for Q1 and Q3 was attributed to power outages and back up batteries depletion.

Orange met target during Q1 and Q2 but failed to reach target for Q3 and Q4 due to power outages and back up batteries depletion.

beMOBILE met target for the whole year on this parameter.

Table 21 - Mobile Operators Network Availability Rate (%) 2014/15

Month	Mascom	Orange	beMOBILE	Targeted DCR
APR 2014	98.77	99.18	99.57	99.00
MAY 2014	98.81	99.61	99.80	99.00
JUNE 2014	98.99	99.48	99.80	99.00
JULY 2014	99.00	99.51	99.89	99.00
AUG 2014	99.00	99.52	99.82	99.00
SEP 2014	99.00	99.64	99.85	99.00
OCT 2014	98.96	98.96	99.83	99.00
NOV 2014	98.41	98.41	99.63	99.00
DEC 2014	98.59	98.59	99.63	99.00
JAN 2015	99.00	98.85	99.63	99.00
FEB 2015	99.00	98.81	99.65	99.00
MAR 2015	99.00	99.03	99.66	99.00

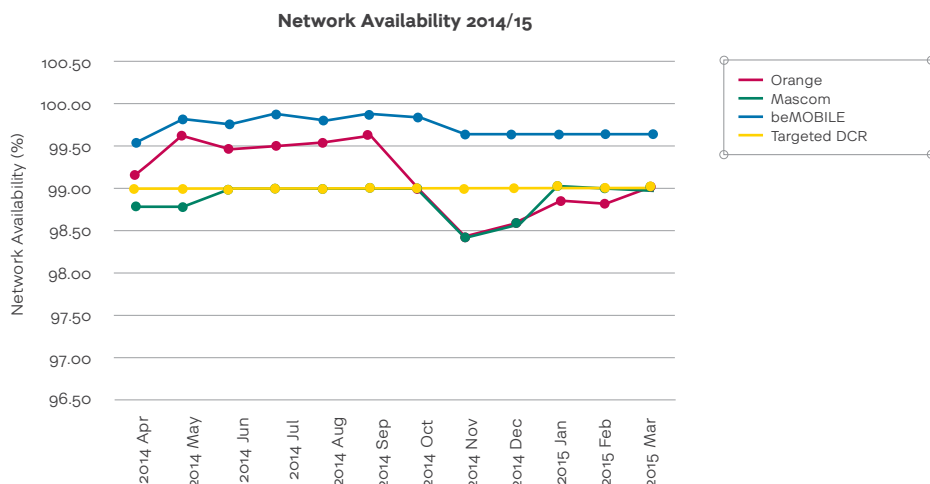


Figure 16 - Mobile Operators Network Availability Rate (%) 2014/15

Handover Success Rate (HSR) – 95%

Handover success rate (HSR) refers to the percentage of transferred on going calls from one channel to another.

All the three PTOs reached the set target of 95%.

Table 22 - Mobile Operators Handover Success Rate (%) 2014/15

Month	Mascom	Orange	beMobile	Targeted DCR
APR 2014	97.00	98.04	96.40	95.00
MAY 2014	97.00	98.07	96.55	95.00
JUNE 2014	97.00	98.20	96.90	95.00
JULY 2014	97.00	98.28	97.03	95.00
AUG 2014	97.00	97.38	97.00	95.00
SEP 2014	96.00	97.81	97.25	95.00
OCT 2014	98.29	98.29	97.20	95.00
NOV 2014	98.30	98.30	96.78	95.00
DEC 2014	98.31	98.31	96.80	95.00
JAN 2015	96.00	98.26	97.30	95.00
FEB 2015	97.00	97.72	97.37	95.00
MAR 2015	97.00	97.30	97.37	95.00

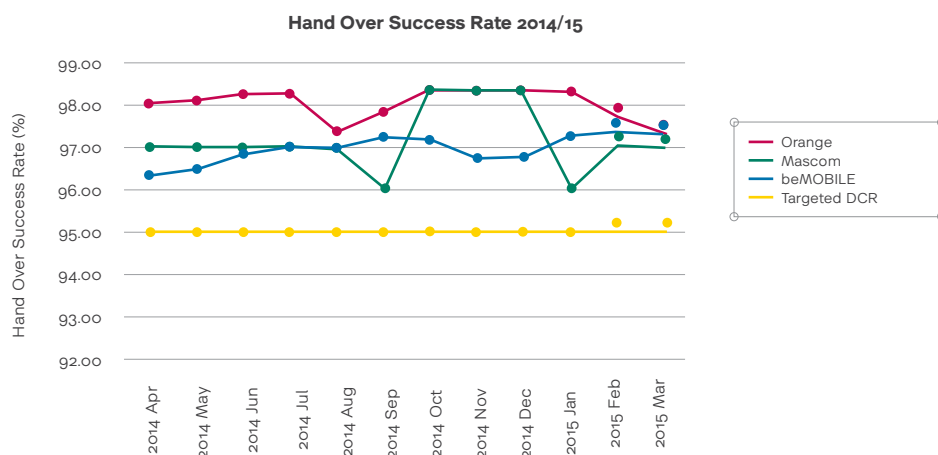


Figure 17 - Mobile Operators Handover Success Rate (%) 2014/15

The quality of service experienced by consumers is affected by many factors, not all of which are under the control of the operators. Device type, application and propagation environment are examples of factors that may affect the QoS. The above notwithstanding, operators view QoS and Customer Experience as critical aspects of service in a competitive market. They are also cognisant of the implications of poor QoS as it leads to deprived brand image, customer dissatisfaction, loss of loyalty and loss of business.

The reasons adduced by PTOs on their failure to meet set targets in some KPIs have been attributed to general quality of service challenges (radio capacity, power outages, transmission network challenges, and green field land acquisition challenges). BOCRA has and continues to engage the PTOs with regards to the challenges outlined to enable them to come up with initiatives and efforts to resolve them. The interactions are done through operational meetings and targeted Quality of Service discussion meetings.

CONSUMER PROTECTION

Consumer protection is core to the communications regulatory framework and thus BOCRA continues to ensure protection of consumers in the communication sector, through advocacy and public awareness programmes as well as complaints resolution.

Consumer Complaints

During the year under review, BOCRA received 35 complaints which is an increase of 9.1% in the number of complaints received compared to 32 received in the previous year. The complaints were escalated after the consumers felt that they had not received appropriate assistance from their service providers. In addressing complaints received, it is critical to ensure that the operator complaints management process is exhausted.

All the complaints escalated to BOCRA were resolved by the end of the financial year.

Table 22 – Distribution of Escalated Complaints by Thematic Area

Nature of complaints	BTCL	beMOBILE	Mascom	Orange	VANS	Total	Resolved
Roaming bill/bill shock			3	2		5	5
Billing	2		2	1		5	5
Poor Internet speed	3				2	5	5
Multiple repeated SMS		1				1	1
Network failure				1		1	1
Anti-competition	1					1	1
Orange money				3		3	3
Prepaid electricity				3		3	3
Product compatibility				1		1	1
Airtime -missing			1			1	1
SIM card register / swapping				3		3	3
Malicious SMS				1		1	1
Stolen phone		1				1	1
Unsolicited SMS			1			1	1
Poor service	1					1	1
Extended warranty			1			1	1
Hacking	1					1	1
Freebies			1				
Total	8	2	8	15	2	35	35

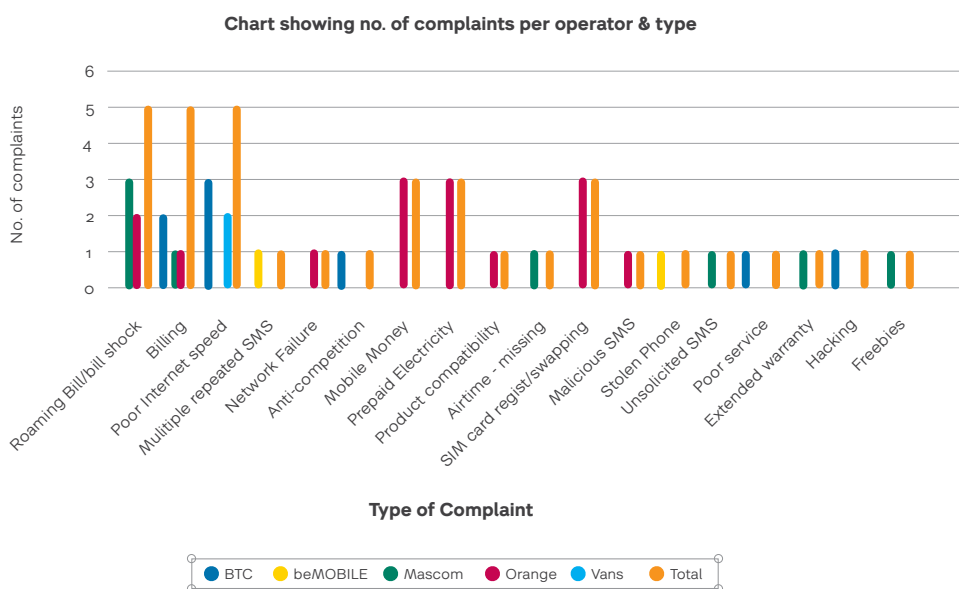


Figure 18 - Number and type of complaint per operator



STAKEHOLDER ENGAGEMENTS

Consumer Awareness and Education

BOCRA endeavours to promote the interests of consumers or users of the regulated communications sector by enhancing public knowledge, creating awareness and understanding of the regulated sectors by conducting consumer education through presentations to various institutions, the media and other platforms.

The purpose of the education campaigns is not only to educate but to also learn from the audiences through their concerns and questions how they view the industry and the services rendered to them.

During the period under review, the education campaigns covered new topics such as digital migration, postal services, type approval, infrastructure sharing, broadband, Cyber Security & Online Child Protection, Facebook usage, Universal Access and Service and electronic waste as emerging issues in the converged regulation.

On 28 March 2015, BOCRA participated in a two-hour Saturday morning phone-in radio programme on Radio Botswana's 'A re Bueng' to sensitise the audience on the topic: "Facebook (Internet) and its impact on the youth." Other participants to the discussion included representatives from Botswana Police Service, BTCL and two practising attorneys from the private sector. Listeners

were grateful that the topic was discussed, particularly in light of the prevailing media discourse of the time and urged that more discussions of the same nature be organised.

BOCRA further participated in two radio broadcasts on Duma FM morning show of 6 February 2015 and Radio Botswana's 'Masa a Sele' on 24 March 2015 subsequent to the workshop on e-Waste Management to further elaborate

on the workshop purpose and outcome. Listeners to the programme expressed gratitude that the topic had been broadcast for their information and education.

BOCRA took a deliberate decision to explore different platforms for information dissemination. While the use of Junior and Senior Secondary Schools and agricultural shows continued, tertiary institutions, fairs, radio and workshops were also explored.

Table 23 - Outreach activities (Education Campaigns) for the Period under review

No.	Place	Category	Attendance	Dates
1	Liswaane (Okavango)	Junior Secondary School	366 students 58 staff	22/4/2014
2	Chobe	Junior Secondary School	886 students 87 staff	23/4/2014
3	BOTHO University	Tertiary institution		12/7/2014
4	Serowe	District Trade Fair	155 visitors	25-27/7/ 2014
5	Moeding College	Senior Secondary School	1610 students 208 staff	4/9/2014
6	Selibe Phikwe	World Telecom Information Society Day		17/05/2014
7	Gaborone	Agriculture Show	500+ people	21-31/8/2014
8	Francistown	BOCCIM Northern Trade Fair	300 + people	21-25/5/2014
9	Kasane	HATAB Annual Conference		24-25/4/2014
10	Ghanzi	Agriculture show	400+ people	7-13/7/2014
11	Sepopa (Popagano)	Junior Secondary School	560 students 59 staff	13/8/2014
12	Etsha 6	Junior Secondary School	896 students 87 staff	12/8/2014
13	Okavango	Junior Secondary School	1040 students 99 staff	11/8/2014
14	Shakawe	Junior Secondary School	594 students 68 staff	14/8/2014
15	Otse	Botswana Police College	5 Police officials	10/9/2014
16	Marakanelo (Ncojane)	Junior Secondary School	326 students 56 staff	15/9/2014
17	Rethuseng (Charleshill)	Junior Secondary School	527 students 82 staff	16/9/2014
18	Tshimologo (Kalkfontein)	Junior Secondary School	352 students 55 staff	17/9/2014
19	Ghanzi	Senior Secondary School	1300 students 165 staff	18/9/2014
20	Itekeng	Junior Secondary School	987 students 90 staff	19/9/2014
21	Gaborone	Gaborone	Senior Police Officers Conference	15/01/2015
22	Gaborone	Gaborone	e-Waste Management consultative workshop	5/03/2015
23	Duma FM	Radio	e-Waste Consultative workshop- follow-up Discussion	06/03/2015
24	Radio Botswana	Radio	E-waste Management Consultative workshop - follow-up Discussion	24/03/2015



Contribution to ITU Spectrum Management Handbook

BOCRA submitted its contribution for the review of the ITU Spectrum Management Handbook and it has been accepted by the ITU Working Party. The Handbook is a reference document for Administrations and Member States of ITU on key elements of spectrum management.

Vision 2016 Forum Workshop

BOCRA addressed the Vision 2016 Forum Workshop in March 2015 under the theme Transformation Towards Prosperity for All. BOCRA's presentation addressed the topic: An Informed Nation which sustains prosperity for all and highlighted progress made in the communications sector thus far. The presentation highlighted that the communications sector has made tremendous progress in line with the Vision aspirations but equally highlighted that a lot remained to be done to achieve the desired state of an Informed Nation through Information and Communications Technologies (ICTs).

BDF Spectrum Training

BOCRA provided an introductory training on its regulatory functions to Botswana Defence Force (BDF) trainees in November 2014. The training, which involved practical demonstrations, focused on Spectrum Management, with particular emphasis on spectrum monitoring. BDF is one of the major users of spectrum in Botswana, a scarce resource that BOCRA is entrusted with its management. Therefore, the training helped BOCRA to highlight the importance of optimising the use of the resource.

Botswana Police Service Senior Officers Annual Conference

BOCRA Addressed the 43rd Annual Conference of the Botswana Police Service Senior Officers held in February 2015. BOCRA's presentation highlighted areas of possible collaboration with the Police Service. BOCRA further highlighted the provisions of the CRA Act in relation to issues of confidentiality of transmitted messages; improper use of public telecommunications system; wilful interference with erection of telecommunications and broadcasting equipment; type approval; SIM card registration; and Internet regulation among other possible areas of collaboration.

World Telecommunication and Information Society Day (WTISD) 2014

BOCRA coordinated the commemoration of the World Telecommunication and Information Society Day (WTISD) held in Selibe Phikwe on 17 May 2014. Held under the theme Broadband for Sustainable Development, the WTISD is an international event that marks the anniversary of the signing of the first International Telegraph Convention, and the creation of the International Telecommunication Union (ITU). The ITU is in effect responsible for setting standards and radio regulations that govern the development of international telecommunications.

Participating ICT stakeholders donated ICT equipment and other services that included among others upgrading of Internet bandwidth, personal computers, laptops, printers and data projectors. Beneficiaries included among others Selebi Phikwe Technical College, Matshekge Hill School in Bobonong, Selibe Phikwe Senior Secondary School, Mmadinare Senior Secondary Schools and St Peters School for the disabled in Mmadinare. BOCRA donated 20 personal computers (PCs), five network printers, two data projectors and two interactive boards at a cost of P221,161.00.

ICT Pitso

BOCRA took part in the ICT Pitso held in September 2014. The ICT Pitso was held under the theme Unleashing the Power of Broadband. It addressed several areas including Facilitating Seamless Access to Health Services; Removing Operational Barriers Through Policy Intervention; Leveraging Broadband to Boost Evolution of SMEs; Leveraging Broadband to Improve Operational Efficiency of the Tourism Sector; Enriching Communities Through Broadband; and Fostering Technological Innovation Through Private and Public Sector Partnership.

BOCRA made a presentation on the critical analysis of the national broadband status highlighting several advantages of Broadband such as e-education, e-health, e-Commerce, e-Government, Public Safety and Security, Culture & Entertainment, Economic Diversification and Growth as well as Research and Innovation.

ICT Pitso is an annual gathering of the ICT sector held under the auspices of the Ministry of Transport and Communications to discuss and propose solutions aimed at enhancing the performance of the sector.

e-Waste Management Workshop

BOCRA hosted a half day workshop for its stakeholders and the general public in Gaborone in March 2015. This was a sensitisation workshop to appreciate the factual management practices and policies of regulated sectors and Government's approach to e-Waste Management in Botswana.

The outcome of the workshop was a consensus that there was need for a holistic e-Waste Management strategy or approach for Botswana to anchor first in policy and legal framework. The Department of Waste Management confirmed that it had begun the process to address this challenge. Other stakeholders affirmed their commitment to reassess their e-waste management practices and procedures to ensure that they take advantage of prevailing and possible alternatives in the absence of a holistic law and policy to specifically deal with e-waste. Such practices include arrangements to repatriate e-waste and equipment that has reached its end of life to manufacturers, distributors and sellers for a more controlled management of end of life equipment.

Local Authorities

BOCRA addressed the Tutume Sub-District Full Council Meeting in September 2014. The address covered the general BOCRA mandate and focused on the Guidelines for Minimum Internet Connectivity Requirements for the Hospitality Facilities that the Authority had issued. Honourable Councillors appreciated the objectives of the Guidelines and expressed their appreciation for BOCRA at improving Internet usage.

BOCRA BRAND AND STRATEGY LAUNCH



BOCRA launched its brand and unveiled its Five Year Strategic Plan for the period 2014 to 2019 to the public in September 2014. Over the five year period BOCRA will focus on universal access to communications services; competitiveness of the sector with a bid to deliver affordability; protection of consumers; and efficient management of scarce resources among other key results areas.

MEDIA RELATIONS

BOCRA addressed several print media enquiries on the regulation of the Internet; mobile banking regulation; pricing of communications services; broadcasting regulations of 2015 as well as Digital Terrestrial Television Broadcasting migration.

Topical among the issues addressed was the proposed Regulation 29 of the Communications Regulations 2015 concerning restrictions on dealing with foreign governments.

The Regulation provides that "A licensee shall not acquire any licence, right, privilege or concession from a foreign Government, or enter into any agreement with such Government, without the approval of the Authority". The media felt that it was a new regulation intended to curtail media freedom. BOCRA explained that the regulation had always been in existence and is in line with international best practice as evidenced by the UNESCO Guidelines on Broadcasting.

In addition, BOCRA published tariffs for various broadcasting services offered by licensees.

REGIONAL ENGAGEMENTS

CRASA Executive Committee Meeting

BOCRA hosted the Communications Regulators Association of Southern Africa (CRASA) Executive Committee Meeting in Kasane in February 2015. The CRASA Executive Committee comprises Lesotho as Chairman, Malawi as 1st Vice Chairman, Mozambique as 2nd Vice Chairman and Botswana as Treasurer. All the positions of the Executive Committee are held by Member States on a rotational basis save for Treasurer that is held by Botswana as the seat of the Association.

The Executive Committee met to consider, finalise and recommend documents for approval by the 2015 AGM. Among others, the Committee considered CRASA Executive Secretary's report, CRASA Operational Plan for 2015/16 as well as reports from the Human Resources Sub-Committee, the Finance and Audit Sub-Committee and the Legal and Policy Sub-Committee. The Executive Committee met again in March 2015 in Vilankulo, Mozambique, in final preparation for the AGM.

CRASA Annual General Meeting (AGM)

BOCRA took part in the CRASA AGM held in Vilankulo, Mozambique, in March 2015. Among its many resolutions, the AGM directed the Secretariat to submit monthly progress reports to all CRASA members regarding the second phase of the SADC Home and Away Roaming (SHAR) project. The AGM approved 2014/15 CRASA Annual Membership Contribution of US\$46,000. The AGM further approved the following projects: Market Study on Postal Goods; Guidelines on Infrastructure Sharing; Postal Financial Inclusion Guidelines and Open Access Guidelines.

In addition, the AGM approved the CRASA Operations Plan, Budget, and Calendar of Events for the year 2015/16 as well as Strategic Plan for the period 2014/19.

INTERNATIONAL ENGAGEMENTS

Mobile World Congress 2015

The annual Mobile World Congress 2015 was held in March 2015 in Barcelona, Spain. The Botswana delegation to the Congress was led by the Minister for Transport and Communications, Hon. Tshenolo Mabeo M.P., and included Senior Government Officials, BOCRA Board Chairman, and Senior BOCRA Officials. The delegation participated in the Ministerial Programme of the GSMA World Mobile Congress 2015. The theme of the Mobile World Congress 2015 was "The edge of Innovation".

The totality of issues discussed focused on assessing barriers, enablers and opportunities for innovation by all stakeholders within the context of the Ministerial Programme theme of "Stimulating Innovation for the Fully Connected Society."

The Botswana delegation had the opportunity to view the exhibition stalls that explored how human lives can be improved by a connected society (smart cities, smart machines and innovative strategies and new offerings in the market). The exhibitions provide a sample of what industry is exploring by way of innovation.

The Botswana delegation also had opportunity to meet with various industry players and stakeholders such as CISCO, Commonwealth Telecommunications Organisation (CTO) and some of the GSMA (Africa) team. The objectives of the meetings were to assess continued collaboration with such associations or agencies with the view to soliciting their support to improve key concerns for Botswana such as access, broadband penetration and capacity building to have a connected Botswana.

World Telecommunication Development Conference (WTDC)

BOCRA took part in the Sixth World Telecommunication Development Conference (WTDC) of the ITU held in Dubai, United Arab Emirates in April 2014 under the theme "Broadband for Sustainable Development".

The WTDC is a quadrennial forum under the ITU's Development Sector through which Member States, Sector Members and Development partners hold free discussions aimed at setting the agenda and the guidelines for the ensuing four years of the Telecommunication Development Bureau (BDT) strategic plan cycle.

The Conference developed the Dubai Action Plan that identifies global strategic direction against which Botswana can validate the Maitlamo Policy and progress in the implementation of the World Summit on the information Society action lines.

Specifically, issues of development of broadband access, management of spectrum and transition to digital broadcasting, as well as building confidence and security in the development of ICTs identified by the African Region, resonate with the BOCRA strategic plan. In particular, the outcomes and the KPIs identified in the action plan will be useful for the implementation of BOCRA's strategic plan.

Global Symposium for Regulators (GSR)

BOCRA took part in the 14th Global Symposium for Regulators (GSR) that took place in Manama, Bahrain in June 2014. The GSR is an annual gathering of communications regulators from the entire membership of the ITU that provides for sharing of information and exchange of knowledge on the subject of regulation.

The 2014 GSR was convened under the theme of "Capitalising on the potential of the digital world". The Forum debated an array of issues including consumer protection in the online world; why competition matters and how to foster it in the dynamic ICT sector; new frontiers in spectrum licensing;

using regulatory impact analysis to improve decision-making in the ICT sector; and monitoring the implementation of the broadband plans and strategies.

BOCRA seized the opportunity to share with the GSR its experiences, challenges and solutions on its transition from a telecommunications regulator to a converged communications sector regulator. Contributing to the topic: Taking the Regulatory Model to the Next Level, BOCRA highlighted the experiences and challenges it faced when transitioning from operating as a sector specific telecommunications regulator to the current converged environment that includes telecommunications, broadcasting, postal, Internet and related services.

ITU Plenipotentiary Conference

BOCRA took part in the 19th ITU Plenipotentiary Conference (PP14) held in Busan, Republic of Korea in November 2014. The Plenipotentiary Conference is the world's largest meeting of international policy makers from the Information and Communications Technology (ICT) sector to develop policies and recommendations that address the evolving needs of the ITU members. The Plenipotentiary Conference is a full international treaty-making forum due to the power accorded the heads of participating government delegations. Held every four years, the Conference sets the Union's general policies; adopts four-year strategic and financial plans; and elects the senior management team of the organisation, the members of Council, and the members of the Radio Regulations Board.

PP14 agenda included digital inclusion and broadband rollout, broader international cooperation on ICT development, and new strategies to encourage membership and strengthen multi-stakeholder participation. The Conference reached a total of 71 resolutions comprising 51 revised resolutions and 21 new resolutions. Notable among the resolutions was the international agreement on establishment of new global ICT development goals and targets under a new framework called 'Connect 2020' that has four complementary goals and related targets to be achieved by 2020. The goals address Growth, Inclusiveness, Sustainability, as well as Innovation and Partnership with a view to driving broadband uptake and usage at consumer and household level.

The final output of the Conference is captured in the Final Acts that define the detail of opportunities, expectations and matters to be done by different stakeholders (Member States, ITU sectors and sub-sectors). The Final Acts thus are instructive in guiding action(s) of member States like Botswana on various issues as expressed in the key resolutions noted above.



CORPORATE SOCIAL INVESTMENT

BOCRA continued its Corporate Social Investment (CSI) efforts to reach out to the less privileged members of the community in line with the Vision 2016 Pillar of a Compassionate and Caring Nation. In recognition of its role as a key player in the ICT sector in Botswana, BOCRA continued to give back to beneficiaries and deserving causes.

Table 24 depicts donations that BOCRA made to various causes

Table 24 - Donations from April 2014 – March 2015

Beneficiary	Amount (BWP)
ICTs for various beneficiaries	306,079
National Commemorations	205,782
Conferences Sponsorships	160,000
Support to Government (Sponsorships)	200,800
Organisations for People with Disabilities	118,310
Non-Governmental Organisations	177,500
National Commemorations	205,782
Schools	261,965

HUMAN CAPITAL MANAGEMENT

BOCRA is committed to the development of human capital, continuous improvement of human resources processes, standards and policies. During the period under review the General Conditions of Service and Collective Labour Agreement were finalised with stakeholders. Joint Negotiations and Consultative structure on Performance Management structure and other People Management platforms were put

in place to facilitate systematic, efficient and effective running of the Human Resources function.

As a way to facilitate a performance-driven culture, the Performance Management System was resuscitated and it is up and running. In order to ensure that there is a conducive employee relations' environment, regular engagement with the Union and staff took place on issues affecting them.

Training and Development

The capability and commitment of our people continues to be central to our ability to fulfil our mandate as an organisation. The Authority continues to train staff in areas of communications regulation on both short and long term basis. There are currently four (4) employees on long term training pursuing the following academic level programmes:

Masters Degree	x1
Degree	x1
Certificate	x2
Total:	4

Staff Complement

At the end of March 2015, the staff complement stood at 83, an increase of 7 from the March 2014 figure as per the following movements

BOCRA recruited additional staff in the reporting period to cope with the additional responsibilities espoused by the CRA Act, 2012. The recruitment will continue to address anticipated demands in relation to evolving and expanding regulatory mandate.

Efforts are being made by the regulator to strike a balance on gender based staff development and talent management without compromising on the quality of service provided by the Authority. The Authority has an almost equal distribution of gender at the Supervisory, Professional and Ancillary cadres..



Staff Wellness, Health and Safety

BOCRA has a workplace wellness programme which seeks to foster healthy minds and healthy bodies. A wellness week amongst other various interventions was held in February 2015. The wellness week incorporated a wellness day. 70% of the employees surveyed found the programme to be satisfactory and meeting their needs, including personal needs.

Table 25 – Staff Complement

Staff Complement	Number
Staff in Post as at March 2015	76
Staff Recruited	8
Staff Leaving	(1)
Total as at March 2015	83

Table 26 - Staff Distribution

Gender	Qualification			Total
	Postgraduate	Graduate	Other	
Female	11	20	8	39
Male	20	12	12	44
Total	31	32	20	83



Table 26 - Staff Distribution

Gender	Staff Category			
	Executive	Management/Supervisory	Snr/Professional	Ancillary
Female ●	3	9	17	9
Male ●	13	8	14	10
Total	16	17	31	19

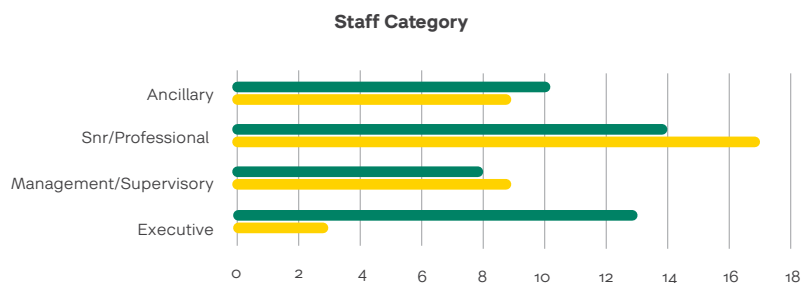


Figure 19 - Percentage of staff by gender and position



Board Members attended the Global Symposium for Regulators (GSR) that took place in Manama, Bahrain in June 2014



Financial Review

Financial Results Overview

The Group has recorded a total comprehensive income of P109.75 million. Total comprehensive income for Authority was P31.66 million representing a decline of 34% from the previous year's figure of P48.11 million. The decline is attributable to reduction in total operating revenue and an increase in operating expenses compared to previous year.

Revenue

Revenue for the Group is comprised of turnover related fees, radio licence fees, type approval fees, system and service licence fees, domain name registration fees and Universal Service Fund (USF) Levy. The turnover related fees are charged at 3% of the net turnover for Public Telecommunications Operators (PTO's); 0.9% of net turnover for Botswana Post and at 1% of the net turnover for Broadcasters. The USF levy is charged at 3% of gross revenue for the operators. During the year under review, the turnover related fees registered a decline of P5.79 million in total representing 6% decrease from last year's amount of P97.37 million. The decrease was mainly due to prior year's turnover fee adjustments which were done in the year under review. This included adjustments to Botswana Telecommunications Corporation Limited (BTCL), Orange Botswana and the Botswana Post. BTCL and Orange Botswana fees were adjusted following their submission of audited turnover certificates. BotswanaPost turnover related licence

fee was revised downwards during the year from 3% to 0.9% as informed by the benchmark carried out with some SADC regulators. The revised licence fee applied retrospectively from 2013.

However, Radio license fees, System licence fees and Service licence fees all rose by 11%, 9% and 34% respectively compared to last year figures.

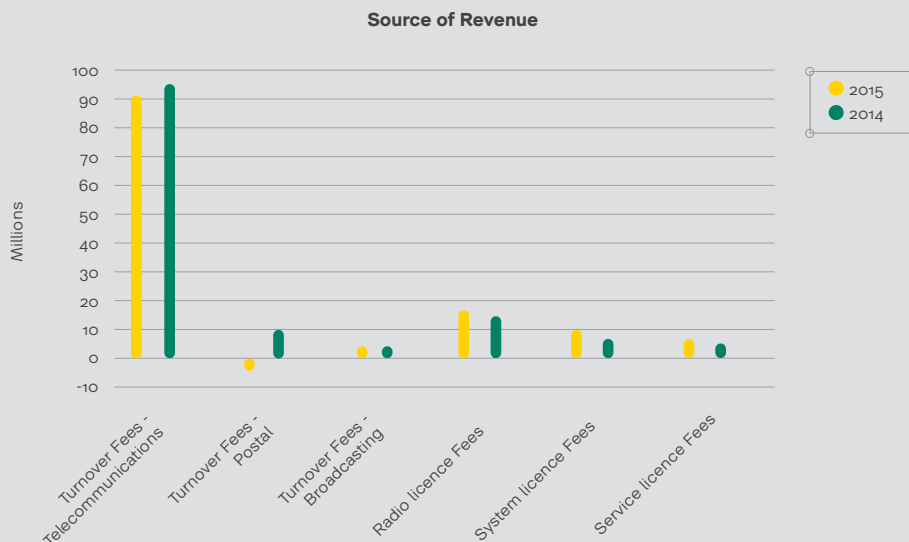


Figure 20 - Source of Revenue

During the year under review, the Authority's major source of revenue being turnover fees from PTO's represented 79% of the total revenue. The second major source of revenue was radio licence fees at 15% while revenue from other sources accounted for the remaining 6% of the total revenue reported.

Other Income

The Group's other income includes the Authority's contributions to Universal Service Fund accumulated over the years. Other income recorded by the Authority for the year under review went down by 24.8% from P15.9 million to P11.96 million. This reduction is attributable to the fact that prior year's figure included proceeds from disposals of office furniture, motor vehicles, computer and other office equipment made in the prior year. Significant amount recorded under this item was the amount accounted for the buyback option of the old Automated Spectrum Monitoring System (ASMS) equipment following the upgrade of the system.

Finance income experienced a sterling growth of 9.8%, moving from P8.56 million last year to P9.40 million for the period under review. This is largely attributable to good interest rates negotiated with financial institutions on fixed deposits and money market products. This remarkable performance was achieved amid falling interest rates in the market.

Operating Expenses

Operating expenses recorded by the Group was P108.15 million. The expenses for the Authority grew by 12.3% from P96.3 million in the previous year to P108.1 million for the period under review. Major expenses that contributed to this growth were as follows;

- Benchmarking and consultancies on implementation

of Electronic Communications and Transactions Act and the Electronic Records (Evidence) Act

- Litigation expenses on termination of contract for the national sim-card registration project.
- Increase in other operating and administration costs such as utilities, advertising, security, Board costs, depreciation, amortisation and impairment.
- Increased social investment in the form of donations of ICT equipment to deserving organisations. The Authority also written off expenses towards the Youth ICT project which in the previous year was recognised as a receivable.

Capital Expenditure

The total additions for property, plant and equipment for the Group was P49.33 million. The Authority's capital expenditure for the year under review was P49.30 million compared to P54.97 spent in the previous period showing a decrease of 10.3%. During the year, the Authority invested P19.53 million for phase 2 upgrade of its spectrum monitoring system across the country to address new challenges on its ever changing business environment. The Authority also refurbished its head office and procured office furniture and fixtures for the refurbished office. Cash generated from operations during the year and reserves were used to finance these projects.

Investments

The Group invested P175.95 million into fixed deposits and money market products with financial institutions offering better interest rates. The Authority invested a total amount of P136.9 million and generated interest income of P9.40 million compared to P8.56 million last year, registering an increase of 9.8%.

The Authority has also invested in properties, being town houses situated at plot number 4965 Village Gaborone. The

value of these properties increased by P1 million from P8 million in the previous year to P9 million during the period under review. The townhouses continued to generate rental income to augment the Authority's cashflow.

Financing and Financial Position

The Authority's cash generated from operating activities decreased from P28.50 million last year to P20.93 million during this year. This reduction was due to prior year's turnover adjustments which were made in the year under review.

Liquidity

The Authority's total cash movement for the year totalled P70.76 million compared to P10.44 million last year. The increased cash outflow is attributable to transfer of the Authority's contribution of funds to Universal Access and Service Fund Trust. The contribution amounted to P37.35 million and there was also an additional payment of P16.08 million to the Fund being excess income over expenditure for 2013/2014. The amount was paid to the Fund Trust as per provisions of the Act.

Total cash reported at the end of the year for the Authority was P143.24 million down from P214.00 million in the previous year. The lower cash balance at the end of the year was primarily a result of transfers made to the Universal Access and Service Fund Trust.

The Group's total cash at the end of the year was P227.21 million and includes UASF bank and deposits balances amounting P83.97 million.

The Group believes that it has adequate resources to finance its operating activities and the anticipated capital expenditure for the financial year ahead.

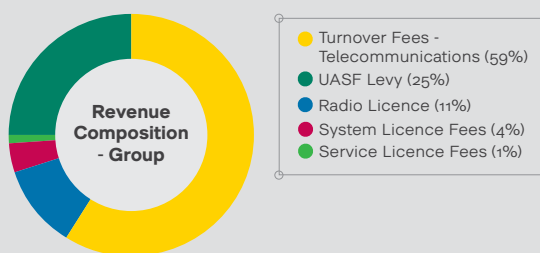


Figure 21 - Group Revenue Composition

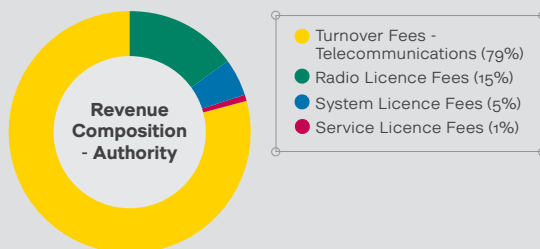
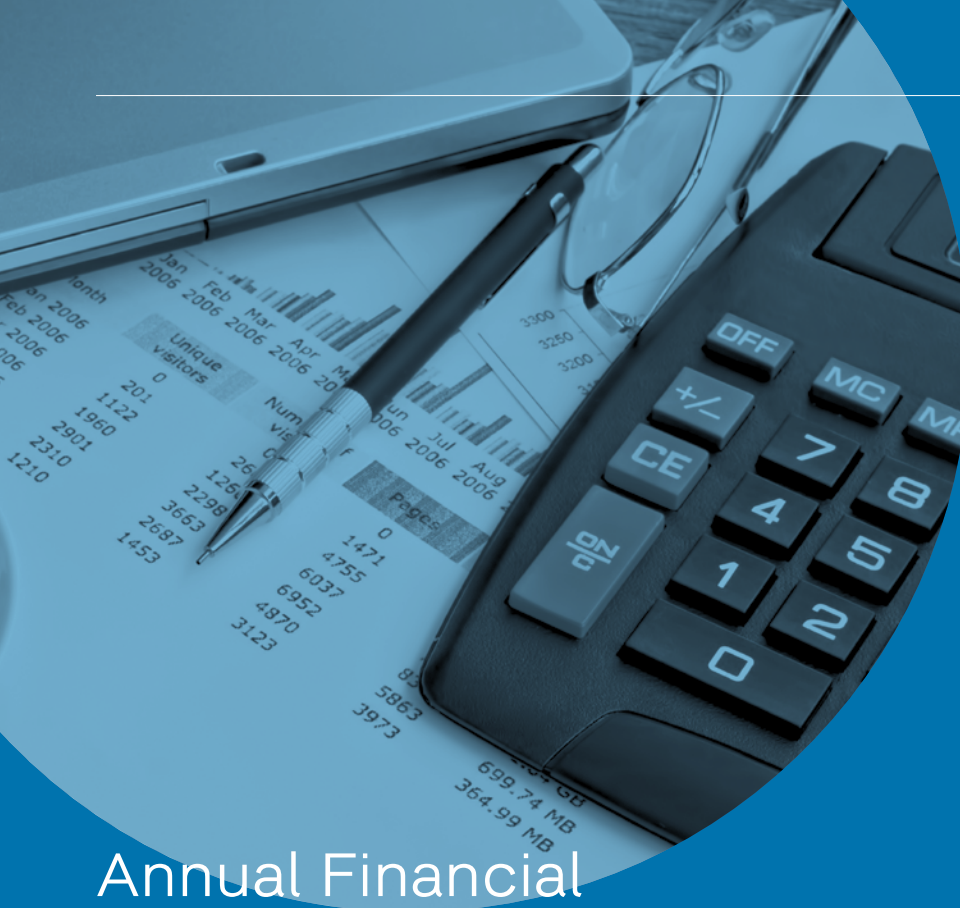


Figure 22 - Authority Revenue Composition

Table 27 - Cash Movement

(Figures in millions BWP)	Group 2015	Authority 2015	Authority 2014
Cash flows from operating activities	86.35	20.93	28.50
Cash flows from investing activities	(23.76)	(26.23)	(30.92)
Cash flows from financing activities	(49.38)	(65.46)	(8.02)
Total cash movement for the year	13.21	(70.76)	(10.44)
Cash at the beginning of the year	214.00	214.00	224.44
Total cash at end of the year	227.21	143.24	214.00



Annual Financial Statements

The reports and statements set out below comprise the Annual Financial Statements presented to the members:

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Country of incorporation and domicile	Botswana
Nature of business and principal activities	The Authority is a body corporate, established under the Communications Regulatory Act, 2012 for the regulation of communications sector in Botswana comprising telecommunications, Internet and information and communications technologies, radio communications, broadcasting, postal services and related matters.
Members of the Board	Mr. Peter McClean Van Riet-Lowe (Chairperson) Mr. Thapelo Kalake Mr. Monametsi Kalayamotho Major General Bakwena Oitsile (Retired) Mr. Joseph M. Matome Mr. Onkagetse Pusoentsi Mrs. Welhemina T. Makwinja Mr. Thari G. Pheko - Chief Executive (ex-officio)
Registered office	Lot 50671 Independence Avenue Extension 5 Gaborone Botswana
Postal address	Private Bag 00495 Gaborone Botswana
Bankers	First National Bank of Botswana Limited Barclays Bank of Botswana Limited Standard Chartered Bank Botswana Limited Bank of Baroda (Botswana) Limited Stanbic Bank Botswana Limited
Auditors	PricewaterhouseCoopers, Chartered Accountants
Secretary	Ms. Pako Ralehika-Phiri
Chief Executive	Mr. Thari G Pheko
Functional Currency	Botswana Pula ('P') and is rounded to the nearest Pula



The Members of the Board have pleasure in submitting their Report, which forms part of the financial statements for the Authority for the year ended 31 March 2015.

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 P 109,745,152 and for Authority was P 31,656,305 (2014: P 48,113,070).

2. Accounting policies

The accounting policies of the Group and Authority are consistent with the previous year except for the adoption of new standards or interpretations or amendments in the International Financial Reporting Standards.

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:

Dr. Masego Mpotokwane (Chairperson)

(Retired on 4 June 2015)

Ms. Esther Norris (Vice Chairperson)

(Retired on 4 June 2015)

Dr. Ditshupo Maje

(Retired on 4 June 2015)

Mr. Andrew Sesinyi

(Retired on 4 June 2015)

Mr. Mabalaankwe Rabashwa

(Retired on 4 June 2015)

Mr. Roy Davies

(Retired on 4 June 2015)

Mrs. Cecilia Mamelodi-Onyadile

(Retired on 4 June 2015)

Mr. Thari G Pheko

Mr. Peter McClean Van Riet-Lowe (Chairperson)

(Appointed on 1 July 2015)

Mr. Thapelo Kalake (Member)

(Appointed on 1 July 2015)

Mr. Monametsi Kalayamotho (Member)

(Appointed on 1 July 2015)

Major General Bakwena Oitsile (Member)

(Appointed on 1 July 2015)

Mr. Joseph M. Matome – (Member)

(Appointed on 1 July 2015)

Mr. Onkagetse Pusoentsi (Member)

(Appointed on 1 July 2015)

Mrs. Welhemina T. Makwinja (Member)

(Appointed on 1 July 2015)

Mr. Thari G. Pheko - Chief Executive (ex-officio)

5. Secretary

The secretary of the Authority is Ms. Pako Ralehika-Phiri.

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 annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements which show a true and fair view of the state of affairs of the Group and Authority as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 2016 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 52 to 76 and the supplementary information disclosed on pages 77 and 78 which have been prepared on the going concern basis, were approved by the board on the 28th September 2015 and were signed on its behalf by:



Peter McClean van Riet-Lowe
Chairperson



Thari G. Pheko
Chief Executive

Gaborone



To the members of Botswana Communications Regulatory Authority

Report on the Financial Statements

We have audited the Group annual financial statements of Botswana Communications Regulatory Authority, which comprise the consolidated and separate statements of financial position as at 31 March 2015, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 76.

Members' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual financial statements.

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

Opinion

In our opinion, the consolidated and separate annual financial statements give a true and fair view of, the consolidated and separate financial position of Botswana Communications Regulatory Authority as at 31 March 2015, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Communications Regulatory Authority Act, 2012.

Report on Other Legal and Regulatory Requirements

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

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

PricewaterhouseCoopers

Individual practicing member: Sheyan Edirisinghe

Membership number: 20030048

Gaborone

Date: 29 September 2015

STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

(Figures in BWP)	Notes	Group 2015	Authority 2015	Authority 2014	Authority 2013
Assets					
Non Current Assets					
Investment property	3	9,000,000	9,000,000	8,000,000	8,000,000
Property, plant and equipment	4	148,192,164	148,160,646	116,097,424	75,950,998
		157,192,164	157,160,646	124,097,424	83,950,998
Current Assets					
Trade and other receivables	6	39,185,057	29,017,384	37,102,290	34,209,380
Cash and cash equivalents	7	227,210,562	143,236,104	213,998,438	224,441,192
		266,395,619	172,253,488	251,100,728	258,650,572
Total Assets		423,587,783	329,414,134	375,198,152	342,601,570
Equity and Liabilities					
Equity					
Accumulated surplus		378,161,576	283,987,927	263,987,927	263,987,927
Universal Access and Service Fund	9	23,742,229	-	36,084,802	-
		401,903,805	283,987,927	300,072,729	263,987,927
Liabilities					
Current Liabilities					
Trade and other payables	11	13,769,902	13,769,902	25,744,421	33,237,751
Dividend payable	8	7,914,076	7,914,076	12,028,268	10,143,881
Botswana Government - Universal Service Fund	10	-	-	37,352,734	35,232,011
Universal Access and Service Fund	9	-	23,742,229	-	-
		21,683,978	45,426,207	75,125,423	78,613,643
Total Equity and Liabilities		423,587,783	329,414,134	375,198,152	342,601,570

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

(Figures in BWP)	Notes	Group 2015	Authority 2015	Authority 2014
Revenue	13	155,879,792	117,364,737	119,940,332
Other income		49,110,232	11,960,079	15,901,300
Operating expenses	14	(108,149,095)	(108,067,120)	(96,284,098)
Surplus for the year before finance income and fair value adjustments		96,840,929	21,257,696	39,557,534
Finance income	15	11,904,223	9,398,609	8,555,536
Fair value adjustments	17	1,000,000	1,000,000	-
Surplus for the year		109,745,152	31,656,305	48,113,070
Other comprehensive income		-	-	-
Total comprehensive income for the year		109,745,152	31,656,305	48,113,070

STATEMENT OF CASH FLOWS

For the year ended 31 March 2015

(Figures in BWP)	Notes	Group 2015	Authority 2015	Authority 2014
Cash flows from operating activities				
Cash generated from operations	19	86,348,754	20,931,824	28,500,481
Net cash generated from operating activities		86,348,754	20,931,824	28,500,481
Cash flows from investing activities				
Finance income		11,904,223	9,398,609	8,555,536
Purchase of property, plant and equipment	4	(49,330,049)	(49,297,161)	(54,974,255)
Proceeds from sale of property, plant and equipment	4	13,670,198	13,670,198	15,498,642
Net cash used in investing activities		(23,755,628)	(26,228,354)	(30,920,077)
Cash flows from financing activities				
Movement in the Botswana Government - Universal Service Fund		(37,352,734)	(37,352,734)	2,120,723
Excess of income over expenditure transferred to Universal Access and Service Fund		-	(16,084,802)	-
Dividends paid to Botswana Government		(12,028,268)	(12,028,268)	(10,143,881)
Net cash used in financing activities		(49,381,002)	(65,465,804)	(8,023,158)
Total cash and cash equivalents movement for the year		13,212,124	(70,762,334)	(10,442,754)
Cash and cash equivalents at beginning of the year		213,998,438	213,998,438	224,441,192
Total cash and cash equivalents at end of year	7	227,210,562	143,236,104	213,998,438

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2015

	Surplus allocated towards UASF	Total Reserves	Accumulated Surplus	Total Equity
<i>(Figures in BWP)</i>				
Group				
Balance at 01 April 2014	36,084,802	36,084,802	263,987,927	300,072,729
Surplus for the year	-	-	109,745,152	109,745,152
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	109,745,152	109,745,152
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(16,084,802)	(16,084,802)	16,084,802	-
Funds transferred to accumulated surplus for development activities	(20,000,000)	(20,000,000)	20,000,000	-
Dividend payable to Botswana Government	-	-	(7,914,076)	(7,914,076)
Transfer from accumulated surplus	23,742,229	23,742,229	(23,742,229)	-
Total transactions with owners	(12,342,573)	(12,342,573)	4,428,497	(7,914,076)
Balance as at 31 March 2015	23,742,229	23,742,229	378,161,576	401,903,805

Note(s)

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Authority

Balance at 01 April 2013	-	-	263,987,927	263,987,927
Surplus for the year	-	-	48,113,070	48,113,070
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	48,113,070	48,113,070
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	36,084,802	36,084,802	(36,084,802)	-
Dividend payable to Botswana Government	-	-	(12,028,268)	(12,028,268)
Total transactions with owners	36,084,802	36,084,802	(48,113,070)	(12,028,268)
Balance as at 31 March 2014	36,084,802	36,084,802	263,987,927	300,072,729

Balance at 01 April 2014	36,084,802	36,084,802	263,987,927	300,072,729
Surplus for the year	-	-	31,656,305	31,656,305
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	31,656,305	31,656,305
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(16,084,802)	(16,084,802)	-	(16,084,802)
Funds transferred to accumulated surplus for development activities	(20,000,000)	(20,000,000)	20,000,000	-
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	-	-	(23,742,229)	(23,742,229)
Dividend payable to Botswana Government	-	-	(7,914,076)	(7,914,076)
Total transactions with owners	(36,084,802)	(36,084,802)	(11,656,305)	(47,741,107)
Balance as at 31 March 2015	-	-	283,987,927	283,987,927

Note(s)

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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 Lot 50671, Independence Avenue, Extension 5, Gaborone, Botswana. The main activities of the Authority is to regulate the communications sector in Botswana comprising telecommunications, internet and information and communications technologies, radio communications, broadcasting, postal services and related matters.

The consolidated Group and Separate annual financial statements set out on pages 52 to 78 have been approved by the board on 28 September 2015.

1. Presentation of Annual Financial Statements

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

1.1 Significant judgements and sources of estimation uncertainty

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

Trade receivables

The Group reviews its debtors to assess impairment on a continuous basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is measurable decrease in estimated cash flows from debtors. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Fair values of investment properties are determined by a professional external valuer using market related assumptions including yield capitalisation method, discounted future cash flows of rental income etc. based on the type of property and area. Market conditions include transactions that have been carried out at a date as close as possible to the valuation dates. Where external valuers are not involved, management estimates fair value based on similar workings.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption by management may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with economic factors such as exchange rates, inflation and interest.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Contingent liabilities

Management applies its judgement to facts and advice it receives from its attorneys, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the



ACCOUNTING POLICIES (Continued)

obligation is recognised as a liability or disclosed as a contingent liability.

Residual value of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in property, plant and equipment policy on the annual financial statements. These rates and residual lives of the assets are reviewed annually taking cognisance of the forecasted commercial and economic realities and through benchmarking of accounting treatments in the Country.

1.2 Consolidation

a) 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 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 IAS 39 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 profit or loss for the period in which it arises.

1.4 Property, plant and equipment

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

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

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.

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.

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

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Loans and receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is reassessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

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

Impairment of financial assets

At each reporting date the Group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in the profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in statement of comprehensive income within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are included as other income in the statement of comprehensive income.



ACCOUNTING POLICIES (Continued)

1.5 Financial instruments (Continued)

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in statement of comprehensive income when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in statement of comprehensive income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in statement of comprehensive income.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

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

1.6 Tax

Tax expenses

No provision for taxation is required as the Authority is exempt from taxation in terms of the Second Schedule, Part 1 of the Income Tax Act (Cap 52:01)

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

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 revenue in the statement of comprehensive income.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease liability. This liability is not discounted.

1.8 Impairment of assets

The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group 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 profit or loss.

The Group assesses at each reporting date whether there is any indication that an impairment loss

1.8 Impairment of assets (Continued)

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 profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

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

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

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

1.10 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

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

1.11 Revenue

Revenue includes amounts charged to the telecommunications, broadcasting and postal service operators of Botswana as turnover fees. These fees are based on a fixed percentage of the monthly turnover of the operators initially as certified by them and subsequently certified by their auditors on an annual basis.

Revenue also includes revenue from services such as system licence fees, service licence fees and radio licence fees.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.



ACCOUNTING POLICIES (Continued)

1.12 Borrowing costs (Continued)

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.13 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.

1.14 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 financial statements have been prepared in accordance with International Financial Reporting

Standards (IFRS). 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.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed under critical estimates and judgements under note 1.1.

The Authority assumed control over the Universal Access and Service Fund Trust from April 2014, therefore there are no comparative information presented.

(a) Standards, amendments and interpretations not yet effective, but early adopted by the Group and Authority.

In 2015, the Group and Authority did not early adopt any new or revised standard or interpretation.

(b) Standards, amendments, improvements and interpretations effective first time in the current year and relevant for the Group and Authority.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2014 that had a material impact on the consolidated and separate financial statements.

Amendments to IAS 32 – 'Financial Instruments: Presentation', on financial instruments asset and liability offsetting (effective 1 January 2014)

The IASB has issued amendments to the application guidance in IAS 32, 'Financial instruments: Presentation', that clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. However, the clarified offsetting requirements for amounts presented in the statement of financial position continue to be different from US GAAP.

IASB issues narrow-scope amendments to IAS 36, 'Impairment of assets' on recoverable amount disclosures (effective 1 January 2014)

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less cost of disposal.

IFRIC 21, 'Levies' (effective 1 January 2014)

IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date. The IASB has issued IFRIC 21, 'Levies', an interpretation on the accounting for levies imposed by governments. IFRIC 21 is an interpretation of IAS 37, 'Provisions, contingent liabilities and contingent assets'. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Management has assessed the impact of the application of these new standards, amendments and interpretations on the consolidated and separate financial statements in the period of initial application, and have determined there to have been no significant impact on the current financial statements.

Amendments to IFRS 10, 'Consolidated financial statements', IFRS 12 and IAS 27 for investment entities (effective 1 January 2014)

The amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead they will measure them at fair value through profit or loss. The amendments give an exception to entities that meet an 'investment entity' definition and which display particular characteristics.

Changes have also been made in IFRS 12 to introduce disclosures that an investment entity needs to make.

(c) Standards, amendments, improvements and interpretations effective first time in the current year but not relevant for the Group and Authority.**Amendment to IAS 39 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting. (effective 1 January 2014)**

The IASB has amended IAS 39 to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a CCP meets specified criteria. Similar relief will be included in IFRS 9, 'Financial Instruments'.

(d) New standards, amendments, improvements and interpretations issued but not effective for the financial year 31 March 2015 and not yet adopted by the Group and Authority**Amendment to IAS 19, 'Employee benefits', on defined benefit plans (effective 1 July 2014)**

These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets (effective 1 January 2016)

The IASB has issued this amendment to eliminate the inconsistency between IFRS 10 and IAS 28. If the non-monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation. (effective 1 January 2016)

This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

IFRS 14 – Regulatory deferral accounts (effective 1 January 2016)

The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.

Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative (effective 1 January 2016)

In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.



ACCOUNTING POLICIES (Continued)

Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation. (effective 1 January 2016)

In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Amendments to IAS 27, 'Separate financial statements' on equity accounting (effective 1 January 2016)

In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

IFRS 15 – Revenue from contracts with customers (effective 1 January 2017)

The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

IFRS 9 – Financial Instruments (2009 & 2010) - (effective 1 January 2018)

This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss.

Amendment to IFRS 9 - 'Financial instruments', on general hedge accounting (effective 1 January 2018)

The IASB has amended IFRS 9 to align hedge accounting more closely with an entity's risk management. The revised standard also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

Early adoption of the above requirements has specific transitional rules that need to be followed. Entities can elect to apply IFRS 9 for any of the following:

- The own credit risk requirements for financial liabilities.
- Classification and measurement (C&M) requirements for financial assets.
- C&M requirements for financial assets and financial liabilities.
- The full current version of IFRS 9 (that is, C&M requirements for financial assets and financial liabilities and hedge accounting).

The transitional provisions described above are likely to change once the IASB completes all phases of IFRS 9.

3. INVESTMENT PROPERTY

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Investment property			
Valuation	9,000,000	9,000,000	8,000,000
Carrying value	9,000,000	9,000,000	8,000,000
Reconciliation of investment property			
Investment property			
Opening balance	8,000,000	8,000,000	8,000,000
Fairvalue adjustment	1,000,000	1,000,000	-
Closing balance	9,000,000	9,000,000	8,000,000

Details of valuation

The effective date of the revaluations was 15 May 2015. Revaluations were performed by an independent valuer, Ms Bonolo K. Moeletsi [Bsc. Property Studies (UCT) MREIB, MREAC], of Stocker Fleetwood Bird. Stocker Fleetwood Bird are not connected to the Group and have experience in location and category of the investment property being valued.

The investment property was valued at P 9,000,000 by Stocker Fleetwood Bird, professional property valuers on 15 May 2015. The fair value of this property is estimated using an income approach which capitalises the estimated rental income stream, using a discount rate derived from market yields implied by recent transactions in similar properties. Management have recorded the appreciation in the investment property based on this valuation in the financial statements as they are of the opinion that there has been no material change in the economic scenario in the country between the valuation date and the reporting date.

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Amounts recognised in profit or loss for the year			
Rental income from investment property	380,462	380,462	409,910
Repairs and maintenance of the investment property	(110,800)	(110,800)	(20,102)

4. PROPERTY, PLANT AND EQUIPMENT

<i>(Figures in BWP)</i>	Cost	Accumulated Depreciation 2015	Carrying Value 2014
Group			
Buildings	48,966,688	(6,655,329)	42,311,359
Furniture and fixtures	11,452,537	(4,398,256)	7,054,281
IT equipment	10,872,720	(8,304,284)	2,568,436
Land	2,135,700	-	2,135,700
Motor vehicles	3,630,169	(2,071,108)	1,559,061
Office equipment	7,830,689	(5,901,843)	1,928,846
Technical equipment (ASMS)	141,161,987	(50,701,218)	90,460,769
Capital work-in-progress	173,712	-	173,712
Total	226,224,202	(78,032,038)	148,192,164



4. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment - 2015

(Figures in BWP)	Opening Balance	Additions	Transfers	Disposals /Write-off	Depreciation	Total
Group						
Buildings	26,931,023	-	16,429,403	(32,585)	(1,016,482)	42,311,359
Furniture and fixtures	1,285,242	1,024,405	5,779,969	(29,487)	(1,005,848)	7,054,281
IT equipment	1,618,563	1,363,794	1,391,016	(3)	(1,804,934)	2,568,436
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	1,567,744	958,220	-	-	(966,903)	1,559,061
Office equipment	601,817	192,695	1,548,695	(8,001)	(406,360)	1,928,846
Technical equipment (ASMS)	65,396,553	10,132,006	26,896,916	(2,583,266)	(9,381,440)	90,460,769
Capital work in progress	16,560,782	35,658,929	(52,045,999)	-	-	173,712
	116,097,424	49,330,049	-	(2,653,342)	(14,581,967)	148,192,164

(Figures in BWP)	2015 Cost	2015 Accumulated Depreciation	Carrying Value	2014 Cost	2014 Accumulated Depreciation	Carrying Value
Authority						
Buildings	48,966,688	(6,655,329)	42,311,359	32,503,605	(5,572,582)	26,931,023
Furniture and fixtures	11,452,537	(4,398,256)	7,054,281	6,054,166	(4,768,924)	1,285,242
IT equipment	10,839,832	(8,302,914)	2,536,918	8,573,781	(6,955,218)	1,618,563
Land	2,135,700	-	2,135,700	2,135,700	-	2,135,700
Motor vehicles	3,630,169	(2,071,108)	1,559,061	2,782,189	(1,214,445)	1,567,744
Office equipment	7,830,689	(5,901,843)	1,928,846	6,248,651	(5,646,834)	601,817
Technical equipment (ASMS)	141,161,987	(50,701,218)	90,460,769	117,797,146	(52,400,593)	65,396,553
Capital work-in-progress	173,712	-	173,712	16,560,782	-	16,560,782
Total	226,191,314	(78,030,668)	148,160,646	192,656,020	(76,558,596)	116,097,424

Reconciliation of property, plant and equipment 2015

(Figures in BWP)	Opening Balance	Additions	Transfers	Disposals /Write-off	Depreciation	Total
Authority						
Buildings	26,931,023	-	16,429,403	(32,585)	(1,016,482)	42,311,359
Furniture and fixtures	1,285,242	1,024,405	5,779,969	(29,487)	(1,005,848)	7,054,281
IT equipment	1,618,563	1,330,906	1,391,016	(3)	(1,803,564)	2,536,918
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	1,567,744	958,220	-	-	(966,903)	1,559,061
Office equipment	601,817	192,695	1,548,695	(8,001)	(406,360)	1,928,846
Technical equipment (ASMS)	65,396,553	10,132,006	26,896,916	(2,583,266)	(9,381,440)	90,460,769
Capital work in progress	16,560,782	35,658,929	(52,045,999)	-	-	173,712
	116,097,424	49,297,161	-	(2,653,342)	(14,580,597)	148,160,646

Reconciliation of property, plant and equipment 2014

(Figures in BWP)	Opening Balance	Additions	Transfers	Disposals /Write-off	Depreciation	Total
Authority						
Buildings	27,581,096	-	-	-	(650,073)	26,931,023
Furniture and fixtures	1,894,872	23,222	-	(21,872)	(610,980)	1,285,242
IT equipment	1,765,724	1,339,085	-	(1,547)	(1,484,699)	1,618,563
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	2,466,101	1,094,888	-	(1,347,708)	(645,537)	1,567,744
Office equipment	578,575	375,373	-	-	(352,131)	601,817
Technical equipment (ASMS)	38,152,528	36,957,307	-	(2,011,577)	(7,701,705)	65,396,553
Capital work in progress	1,376,402	15,184,380	-	-	-	16,560,782
	75,950,998	54,974,255	-	(3,382,704)	(11,445,125)	116,097,424

5. FINANCIAL ASSETS BY CATEGORY*(Figures in BWP)*

	Group 2015	Authority 2015	Authority 2014
Loans and receivables			
Trade and other receivable	37,832,895	27,665,222	36,223,808
Cash and cash equivalents	227,210,562	143,236,104	213,998,438
	265,043,457	170,901,326	250,222,246

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 has been renegotiated during the year.

	Ratings			
Trade receivables	Group 1	10,974,295	895,080	940,886
	Group 2	21,001,099	21,001,099	27,629,711
Receivable from CRASA	Not rated	1,201,415	1,201,415	1,140,180
Staff debtors	Not rated	151,230	151,230	189,985
Cash at bank and Short-term deposits	Not rated	227,210,062	143,235,604	213,997,938

Key:

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

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

6. TRADE AND OTHER RECEIVABLES*(Figures in BWP)*

	Group 2015	Authority 2015	Authority 2014
Trade receivables	35,913,023	25,745,350	30,340,299
Less: Impairment	(1,476,624)	(1,476,624)	(1,540,186)
Trade receivables (net)	34,436,399	24,268,726	28,800,113
Other receivables	2,043,851	2,043,851	6,093,530
Deposits	52,480	52,480	38,359
Staff debtors	151,230	151,230	189,985
Receivable from CRASA	1,201,415	1,201,415	1,140,180
VAT receivable	541,487	541,487	-
Prepayments	758,195	758,195	840,123
	39,185,057	29,017,384	37,102,290

Fair value of trade and other receivables

Trade and other receivables	39,185,057	29,017,384	37,102,290
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The carrying amount of trade and other receivables are denominated in Botswana Pula and approximates the fair value due to their short-term nature. Trade debtors are unsecured and do not attract interest.

Trade receivables which are fully performing	31,975,394	21,896,179	28,570,597
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6. TRADE AND OTHER RECEIVABLES (Continued)

(Figures in BWP)

Trade and other receivables past due but not impaired

Trade receivables past due are not considered to be impaired. Past due is when an invoice remains outstanding beyond 60 days.

The ageing of amounts past due but not impaired is as follows:

	Group 2015	Authority 2015	Authority 2014
0-3 months	873,901	785,442	-
more than 3 months	1,587,105	1,587,105	229,516
	2,461,006	2,372,547	229,516

Trade receivables impaired

As of 31 March 2015, trade and other receivables of P1,476,624 (2014: P1,540,186) were impaired and provided for.

The ageing of these receivables is as follows:

	Group 2015	Authority 2015	Authority 2014
0-3 months	178,695	178,695	13,457
more than 3 months	1,297,929	1,297,929	1,526,729
	1,476,624	1,476,624	1,540,186

Reconciliation of provision for impairment of trade and other receivables

	Group 2015	Authority 2015	Authority 2014
Opening balance	1,540,186	1,540,186	1,179,913
Provision for impairment	428,744	428,744	469,038
Amounts recovered	(492,306)	(492,306)	(108,765)
	1,476,624	1,476,624	1,540,186

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of comprehensive income.

Amounts charged to the allowance account are generally written-off when there is no expectation of recovering additional cash.

7. CASH AND CASH EQUIVALENTS

(Figures in BWP)

	Group 2015	Authority 2015	Authority 2014
Cash on hand	500	500	500
Bank balances	51,263,448	6,258,855	50,871,508
Short-term deposits	175,946,614	136,976,749	163,126,430
	227,210,562	143,236,104	213,998,438

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

	Group 2015	Authority 2015	Authority 2014
Cash on hand	500	500	500
Bank balances	51,263,448	6,258,855	50,871,508
Short-term deposits	175,946,614	136,976,749	163,126,430
	227,210,562	143,236,104	213,998,438

8. DIVIDENDS PAYABLE

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
In compliance with the saving gram notification by the Government of Botswana, the Authority approves the distribution of 25% of the Authority's annual surplus for the year as dividend to the Government of Botswana.			
Accordingly, the Authority has apportioned from its Accumulated Surplus as dividend payable.	7,914,076	7,914,076	12,028,268

9. UNIVERSAL ACCESS AND SERVICE FUND

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Opening balance	-	36,084,802	-
Transferred to accumulated surplus for utilisation in operation activities as approved by the Minister under section 29 (4)	-	(20,000,000)	-
Transfer from accumulated surplus	23,742,229	-	-
Amount Transferred to the trust account	-	(16,084,802)	-
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	-	23,742,229	36,084,802
Closing balance	23,742,229	23,742,229	36,084,802

The Fund was maintained in accordance with the requirements of Section 29(3) of the Communications Regulatory Act, 2012. This Fund is not distributable and can only be utilised by obtaining an approval from Minister under section 29 (4).

Universal Access and Service Fund Trust came in to existence in April 2014 and therefore the current year surplus less dividend payable to Botswana Government has been classified as a liability for Authority and classified as reserve for the Group.

10. BOTSWANA GOVERNMENT - UNIVERSAL ACCESS AND SERVICE FUND

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Opening balance	-	37,352,734	27,500,000
Interest earned on deposit	-	-	9,852,734
Transferred to UASF account	-	(37,352,734)	-
	-	-	37,352,734

This account represents accumulated balance payable to Botswana Government. In the current year this balance has been paid in full in to the account of Universal Access and Service Fund Trust.



11. TRADE AND OTHER PAYABLES

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Trade payables	1,833,132	1,833,132	2,283,353
VAT payable	-	-	1,449,864
Employee cost accruals	8,115,667	8,115,667	19,043,847
Other accrued expenses	1,504,603	1,504,603	1,236,826
Deposits received	51,409	51,409	35,679
Other payables	2,265,091	2,265,091	1,694,852
	13,769,902	13,769,902	25,744,421

The carrying value of trade and other payables approximate the fair value due to their short-term nature.

12. FINANCIAL LIABILITIES BY CATEGORY

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
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:			
Financial liabilities at amortised cost			
Universal Access and Service Fund Trust	-	23,742,229	37,352,734
Trade and other payables	5,654,234	5,654,234	5,250,710
Dividends payable	7,914,076	7,914,076	12,028,268
	13,568,310	37,310,539	54,631,712

13. REVENUE

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Turnover fees - Telecommunications	91,472,335	91,472,335	93,703,609
Turnover fees - Postal	(191,988)	(191,988)	3,352,876
Turnover fees -Broadcasting	304,104	304,104	315,616
Radio license fees	17,128,208	17,128,208	15,487,967
System license fees	5,926,270	5,926,270	5,430,279
Service license fees	1,411,202	1,411,202	1,050,810
UASF Levy	38,515,055	-	-
Others	1,314,606	1,314,606	599,175
	155,879,792	117,364,737	119,940,332

14. OPERATING EXPENSES

	Group 2015	Authority 2015	Authority 2014
<i>(Figures in BWP)</i>			
Major categories of operating expenses:			
Employee costs	50,277,708	50,277,708	47,632,056
Depreciation, amortisation and impairments	14,581,967	14,580,597	11,445,125
Impairments	428,744	428,744	469,038
Consulting and professional fees	1,109,978	1,109,978	9,146,740
Conference expenses	3,439,095	3,439,095	4,700,332
Travel expenses	4,265,940	4,265,940	4,458,824
Repairs and maintenance	2,920,458	2,920,458	3,557,110
Security charges	2,219,778	2,219,778	1,456,492
Training	1,677,822	1,677,822	875,769
Internet charges	1,800,707	1,800,707	1,334,034
Advertising	3,213,358	3,213,358	1,693,571
Donations	3,631,507	3,631,507	720,830
Board expenses	2,118,518	2,039,063	1,788,710
Legal expenses	5,111,275	5,111,275	112,220
Digital Migration	1,121,204	1,121,204	-
Other expenses	10,231,036	10,229,886	6,893,247
	108,149,095	108,067,120	96,284,098

15. SURPLUS FOR THE YEAR BEFORE FINANCE INCOME FOR THE YEAR IS STATED AFTER ACCOUNTING FOR THE FOLLOWING:

Profit on sale of property, plant and equipment	11,016,856	11,016,856	12,115,938
Depreciation on property, plant and equipment	14,581,967	14,580,597	11,445,125
Employee costs (refer note (a) below)	50,277,708	50,277,708	47,632,056
(a) Employee costs:			
Salary and wages	38,315,340	38,315,340	31,280,400
Pension - defined contribution plan	1,723,178	1,723,178	1,622,507
Other employee benefits	10,239,190	10,239,190	14,729,149
	50,277,708	50,277,708	47,632,056

Average number of employees	83	83	76
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Impairment of financial assets per class

Loans and receivables	428,744	428,744	469,038
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16. FINANCE INCOME

Bank	203,733	97,437	285,230
Income from short-term investments	11,700,490	9,301,172	8,270,306
	11,904,223	9,398,609	8,555,536

17. FAIR VALUE ADJUSTMENTS

Investment property (Fair value model)	1,000,000	1,000,000	-
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18. AUDITORS' REMUNERATION

Fees	216,540	216,540	172,162
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19. CASH GENERATED FROM OPERATIONS

(Figures in BWP)	Group 2015	Authority 2015	Authority 2014
Surplus for the year	109,745,152	31,656,305	48,113,070
Adjustments for:			
Depreciation, amortisation and impairment	14,581,967	14,580,597	11,445,125
Profit on sale of assets	(11,016,856)	(11,016,856)	(12,115,938)
Interest received	(11,904,223)	(9,398,609)	(8,555,536)
Fair value adjustments	(1,000,000)	(1,000,000)	-
Changes in working capital:			
Trade and other receivables	(2,082,767)	8,084,906	(2,892,910)
Trade and other payables	(11,974,519)	(11,974,519)	(7,493,330)
	86,348,754	20,931,824	28,500,481

20. COMMITMENTS

(Figures in BWP)	Group 2015	Authority 2015	Authority 2014
Authorised capital expenditure			
Already contracted for but not provided for:			
Property, plant and equipment	-	-	4,091,812
ASMS Technical equipment	-	-	3,143,211
	-	-	7,235,023
This committed expenditure relates to property, plant and equipment and will be financed by available bank resources.			
Approved but not yet contracted for:			
Property, plant and equipment	1,477,598	1,477,598	-
Operating leases – as lessor (income) lease payments due within one year	396,432	396,432	460,000

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

21. CONTINGENCIES

Guarantee issued by the Authority in favour of First National Bank of Botswana Limited towards the employees' housing loan, wherein the Authority has guaranteed upto 100% of the outstanding balance. The balance outstanding at the reporting date under housing loan amounts to P 24,681,559 (2014: P 19,474,208).

Guarantee issued by the Authority in favour of Barclays Bank of Botswana Limited towards guarantee for employees' car loan, with a maximum facility of P 5,000,000, wherein the Authority has guaranteed upto 100% of the outstanding balance. The balance outstanding at the reporting date under this guarantee amounts to P Nil (2014: P 146,402).

Guarantee issued by the Authority in favour of Bank of Baroda (Botswana) Limited towards the employees' personal loans, wherein the Authority has guaranteed up to 50% of the outstanding balance. The balance outstanding at the reporting date under this guarantee amounts to P1,618,282 (2014: P 2,039,379).

Guarantee issued by the Authority in favour of WesBank (a division of First National Bank of Botswana Limited) towards guarantee for employees' car loan, with a maximum facility of P 5,000,000, wherein the Authority has guaranteed up to 50% of the outstanding balance. The balance outstanding at the balance sheet date under this guarantee amounts to P2,656,386 (2014: P 3,205,725).

22. RELATED PARTIES

Related parties

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

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

Members of the Board - Refer to Page 48

Members of key management

T G Pheko (Chief Executive), M O Tamasiga, T Kapaletswe, B Mine, N Katse, M Mokgware, B Luke, G O Radijeng, Z Kebonang, C Moletsane, M Setshwane, T Monare

(Figures in BWP)	Group 2015	Authority 2015	Authority 2014
Related party balances			
Amounts included in Trade and other receivables/ (Trade and other Payables) regarding related parties as:			
Botswana Telecommunications Corporation	7,955,586	4,896,067	9,887,700
Botswana Post	590,960	(191,987)	1,691,649
Botswana Fibre Network	2,392,279	1,923,640	1,939,689
Communications Regulators' Association of Southern Africa	1,201,415	1,201,415	1,140,180
Other balances owing (to)/ from related parties at year-end were:			
Universal Access and Service Fund Trust	-	(23,742,229)	-
Botswana Government - Universal Service Fund	-	-	(37,352,734)
Dividend payable to Botswana Government	(7,914,076)	(7,914,076)	(12,028,268)
Related party transactions during the year			
i) Board expenses			
Sitting allowances	99,078	89,229	33,075
Travelling allowances	1,869,321	1,816,993	1,225,082
Cellphone allowances	53,550	37,800	280,749
Conferences expenses	96,569	95,041	249,804
	2,118,518	2,039,063	1,788,710
ii) Sale of services rendered			
Botswana Telecommunications Corporation	49,747,238	37,126,131	39,352,721
Botswana Post	590,958	(191,988)	3,352,876
Botswana Fibre Network	2,622,393	1,626,054	588,000
iii) Contribution received (Botswana Government - Universal Service Fund)	37,352,734	-	-
iv) Compensation to key management			
Remuneration paid	12,509,093	12,509,093	10,871,274
Other long-term employee benefits	2,254,627	2,254,627	3,242,517
	14,763,720	14,763,720	14,113,791



23. RISK MANAGEMENT

Capital risk management

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

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

There are no externally imposed capital requirements.

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

Financial risk management

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

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

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

Liquidity risk

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

The 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.

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.

<i>(Figures in BWP)</i>	Less than 1 year	Between 1 and 2 years
Group		
As at 31 March 2015		
Trade and other payables	5,654,234	-
Dividends payable	7,914,076	-
Authority		
As at 31 March 2015		
Trade and other payables	5,654,234	-
Universal Access and Service Fund Trust	23,742,229	-
Dividends payable	7,914,076	-
As at 31 March 2014		
Trade and other payables	5,250,710	-
Botswana Government -Universal Access and Service Fund	-	37,352,734
Dividends payable	12,028,268	-

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 fixed deposits for the Group amounts to P 175.94 million and for Authority amounts to P 136.97 million (2014: P 163.12 million). These fixed 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.

Cash flow interest rate risk

<i>(Figures in BWP)</i>	Current Interest Rate	Group Due in less than one year (maturity values)	Authority Due in less than one year (maturity values)
Financial Instrument			
3 months fixed deposits	10.00%	50,338,634	50,338,634
3 months fixed deposits	10.60%	34,336,120	34,336,120
3 months fixed deposits	10.70%	41,067,068	41,067,068
3 months fixed deposits	9.75%	39,917,152	-
Stanbic money market fund	7.84%	12,963,408	12,963,408

Credit risk

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

Trade receivables comprise mainly of three major operators from the telecommunications sector, amounting to P 33.25 million for Group and P 23.43 million (2014: P 26.42 million) at year-end for the Authority.

The maximum credit exposure on trade receivables and other receivables is limited to P37.83 million for Group and P 27.66 million (2014: P 36.23 million) for Authority.

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.

Financial assets exposed to credit risk at year end were as follows:

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Trade and other receivables	36,631,480	26,463,807	35,083,628
Receivable from CRASA	1,201,415	1,201,415	1,140,180
Barclays Bank Botswana Limited	4,167,121	4,167,121	2,552,842
Stanbic Bank Botswana Limited	83,630,936	-	37,980,311
Bank of Baroda Botswana Limited	50,762,413	50,762,413	47,651,037
First National Bank of Botswana Limited	442,507	442,507	28,686,616
Standard Chartered Bank of Botswana Limited	74,900,155	74,900,155	32,461,568
Investment in Stanbic Money Market Fund	12,963,408	12,963,408	64,665,564

The Authority has also provided guarantees to banks for various employee loans sanctioned by the banks. This guarantee exposes the Authority to credit risk. Refer to note 21 for additional details.



Foreign exchange risk

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

24. FAIR VALUE MEASUREMENT

(Figures in BWP)	Group 2015	Authority 2015	Authority 2014
Investment property			
Level 3			
Plot 4965, Extension 15, Village, Gaborone	9,000,000	9,000,000	8,000,000

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 2015.

The freehold property fair value information disclosed above is based on the independent valuers report.

The independent valuation was carried out on 15 May 2015. Refer to details under note 3.

The investment property comprises of Plot 4965, Gaborone. The fairvalue of this property determined by independent valuers is P9 000 000.

The fair value of this property is estimated using an income approach which capitalises the estimated rental income stream, using a discount rate derived from market yields implied by recent transactions in similar properties.

The estimated market rental per unit used by the valuer in the projected cash flows are within the range of future contractual rent that the Authority has entered into with various tenants.

The most significant inputs, all of which are unobservable, are the discount rate, occupancy rate, floor area and market rental per month.

The estimated fair value increases if the estimated rental increases and reversionary discount rate declines the overall valuations are sensitive to all these assumptions. The inputs used in the valuations:

Assumptions	Investment Property
Capitalisation rate	7.5%
Average occupancy rate	97.0%
Each unit is measured at	190sqm
Market rental per month per unit	P12,500

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

(Figures in BWP)	Group 2015	Authority 2015	Authority 2014
Investment property			
Opening balance	8,000,000	8,000,000	8,000,000
increase in fair value of investment property	1,000,000	1,000,000	-
Balance at 31 March	9,000,000	9,000,000	8,000,000

25. RECLASSIFICATION OF PROPOSED DIVIDEND

<i>(Figures in BWP)</i>	Authority 2014	Authority 2013
During the current year, the Authority has reclassified proposed dividend from other reserves in equity to liability. The reclassification was done to better present the nature of the payable more accurately.		
Effects on the Statement of financial position:		
Increase in dividends payable	12,028,268	10,143,881
Current liabilities	12,028,268	10,143,881
Decrease in other reserves	12,028,268	10,143,881
Equity	12,028,268	10,143,881

A third set of financial position is presented as this reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period.

DETAILED INCOME STATEMENT

For the Year ended 31 March 2015

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Revenue			
Turnover fees - Telecommunications	91,472,335	91,472,335	93,703,609
Turnover fees - Postal	(191,988)	(191,988)	3,352,876
Turnover fees - Broadcasting	304,104	304,104	315,616
Radio license fees	17,128,208	17,128,208	15,487,967
System licence fees	5,926,270	5,926,270	5,430,279
Service license fees	1,411,202	1,411,202	1,050,810
UASF Levy	38,515,055	-	-
Others	1,314,606	1,314,606	599,175
	155,879,792	117,364,737	119,940,332
Other income			
Gains on disposal of assets	11,016,856	11,016,856	12,115,938
Other income	70,455	70,455	3,266,687
Bad debts recovered	492,306	492,306	108,765
Rental income	380,462	380,462	409,910
Contributions received (Botswana Government - Universal Service Fund)	37,150,153	-	-
	49,110,232	11,960,079	15,901,300
Interest received	11,904,223	9,398,609	8,555,536
Fair value adjustments	1,000,000	1,000,000	-
	12,904,223	10,398,609	8,555,536
Total income	217,894,247	139,723,425	144,397,168
Expenses (refer to page 78)	(108,149,095)	(108,067,120)	(96,284,098)
Total comprehensive income for the year	109,745,152	31,656,305	48,113,070

The detailed income statement does not form part of the audit opinion expressed on page number 51.

DETAILED INCOME STATEMENT (CONTINUED)

For the Year ended 31 March 2015

<i>(Figures in BWP)</i>	Group 2015	Authority 2015	Authority 2014
Operating expenses			
Advertising	(3,213,358)	(3,213,358)	(1,693,571)
Assessment rates and municipal charges	(160,507)	(160,507)	(12,565)
Auditors remuneration	(216,540)	(216,540)	(172,162)
Bad debts	(428,744)	(428,744)	(469,038)
Bank charges	(104,906)	(103,756)	(590,194)
Board expenses	(2,118,518)	(2,039,063)	(1,788,710)
Cleaning	(187,843)	(187,843)	(143,572)
Computer expenses	(637,491)	(637,491)	(173,869)
Conference expenses	(3,439,095)	(3,439,095)	(4,700,332)
Consulting and professional fees	(1,109,978)	(1,109,978)	(9,146,740)
Consumables	(14,304)	(4,304)	(37,573)
Depreciation, amortisation and impairments	(14,581,967)	(14,580,597)	(11,445,125)
Digital Migration	(1,121,204)	(1,121,204)	-
Donations	(3,631,507)	(3,631,507)	(720,830)
Electronic Communications and Transactions Act and the Electronic Records (Evidence) Act	(1,748,664)	(1,748,664)	-
Employee costs	(50,277,708)	(50,277,708)	(47,632,056)
Entertainment	(92,624)	(92,624)	(27,363)
Fines and penalties	-	-	(8,469)
Functions hosted by Authority	(1,351,648)	(1,351,648)	(772,359)
Insurance	(401,150)	(401,150)	(408,411)
Internet expenses	(1,800,707)	(1,800,707)	(1,334,034)
Legal expenses	(5,111,275)	(5,111,275)	(112,220)
Magazines, books and periodicals	(128,492)	(128,492)	(129,389)
Motor vehicle expenses	(145,525)	(145,525)	(244,635)
Postage	(41,327)	(41,327)	(120,529)
Printing and stationery	(1,014,589)	(1,014,589)	(1,266,589)
Protective clothing	-	-	(18,467)
Repairs and maintenance	(2,920,458)	(2,920,458)	(3,557,110)
Security	(2,219,778)	(2,219,778)	(1,456,492)
Staff Recruitment expenses	(242,416)	(242,416)	(7,062)
Staff welfare	(1,319,594)	(1,319,594)	(1,029,219)
Subscriptions	(900,167)	(900,167)	(516,952)
Telephone and fax	(355,209)	(355,209)	(444,199)
Training	(1,677,822)	(1,677,822)	(875,769)
Training levy	(287,967)	(287,967)	(249,218)
Travel	(4,265,940)	(4,265,940)	(4,458,824)
Utilities	(880,073)	(880,073)	(520,451)
	(108,149,095)	(108,067,120)	(96,284,098)

The detailed income statement income does not form part of the audit opinion expressed on page number 51.



LIST OF ABBREVIATIONS

ADSL	– Asymmetric Digital Subscriber Line	ISBDT	– Integrated Services Digital Broadcasting- Terrestrial
ASMS	– Automated Spectrum Monitoring System	ITU	– International Telecommunication Union
ATU	– African Telecommunication Union	FWA	– Fixed Wireless Access
BOCCIM	– Botswana Confederation of Commerce Industry and Manpower	HSR	– Hand Over Success Rate
BOMU	– Botswana Musicians Union	LTE	– Long Term Evolution
BURS	– Botswana Unified Revenue Services	NAR	– Network Availability Rate
ccTLD	– Country Code Top Level Domain Name	NBS	– National Broadband Strategy
CRA Act	– Communications Regulatory Authority Act, 2012	PPO	– Public Postal Operator
CRASA	– Communications Regulators Association of Southern Africa	PTO	– Public Telecommunication Operator
COSBOTS	– Copyright Society of Botswana	PTNL	– Private Telecommunication Network Licence
CSSR	– Call Set Up Success Rate	SADC	– Southern African Development Community
CTO	– Commonwealth Telecommunications Organisation	SAPOA	– Southern African Postal Operators Association
BDSF	– Digital Broadcasting Switchover Forum	SMS	– Short Messaging Service
DCR	– Dropped Call Rate	TAC	– Technical Advisory Committee
DI	– Dual Illumination	TDOA	– Time Difference of Arrival
EASSy	– East Africa Sub Marine System	TVWS	– Television White Space
EMR/EMF	– Electromagnetic Radiation/ Electromagnetic Fields	UPU	– Universal Postal Union
HATAB	– Hospitality and Tourism Association of Botswana	UHF	– Ultra High Frequency
ICANN	– International Corporation for Assigned Names and Numbers	USF	– Universal Service Fund
ICTs	– Information and Communications Technologies	VANS	– Value Added Network Service
ICNIRP	– International Commission of Non-Ionizing Radiation Protection	VHS	– Very High Frequency
IPLC	– International Private Leased Circuits	WACS	– West Africa Cable System
IPv6	– Internet Protocol Version Six	WIFI	– Wireless Fidelity
ICDL	– International Computer Driving Licence	WiMAX	– Worldwide Interoperability for Microwave Access
		WTISD	– World Telecommunication and Information Society Day



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