

BOCRA



**A CONVERGED AUTHORITY FOR
GROWING THE COMMUNICATIONS INDUSTRY**
2020 ANNUAL REPORT

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Icons used in this report



Printed Section
The printed version of the integrated annual report aims to provide concise, relevant and reliable information addressing the Corporation's objectives and activities



Online Section
The online version is made available to provide convenience of accessibility. The integrated annual report aims to provide concise, relevant and reliable information addressing the Authority's objectives and activities <https://www.bocra.org.bw/>

Botswana Communications Regulatory Authority Report 2020

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“BOCRA entered into a Memorandum of Agreement with the Companies and Intellectual Propriety Authority (CIPA) to formalise working relations, with a specific focus on facilitating development and consumption of local content for the broadcast sector.”

03

07

“The reporting period saw the increased deployment of **FTTx or Fibre to the cabinet, business or home**, as the case may be.”

Commercial radio broadcasting also witnessed an increase in coverage from the baseline of 57% to **68%**



16



The Authority revised the **Spectrum Management Strategy**, which will be implemented over a five-year glide path

33

62



BOCRA held its annual **Wellness Week** in March 2020 to encourage staff to value and lead healthy lives.

THE FAST READ

Botswana Communications Authority has

4 REGULATORY AREAS

1

TELECOMMUNICATIONS

Under the Communications Regulatory Authority Act 2012, BOCRA has authority - within the guidelines established by the 1995 Telecommunication Policy to regulate telecommunications, among other sub-sectors communications.

The telecommunications sector, spurred by the mobile technology, continues to experience significant growth in terms of the total number of consumers and variety of services.

2

BROADCASTING

The CRA Act mandates BOCRA to regulate all broadcasting; subscription management services and re-broadcasting activities save for the state broadcasting. It is in this light that BOCRA regulates Yarona FM, Duma FM, Gabz FM and eBotswana.

3

POSTAL

The CRA Act, 2012 ushered in a new dawn of regulation for the postal sector as BOCRA assumed the mandate of supervising the provision of postal service in Botswana.

4

INTERNET

Electronic Records (Evidence) Act, 2014 empower BOCRA to establish an approved process for the production of electronic documents and also certify electronic records systems for purpose of integrity. The Electronic Communications and Transaction Act No 14 of 2014 gives BOCRA responsibility for the accreditation of the secure digital signature service providers and administration of the take down notices.



Read more about our business units at www.bocra.org.bw

OUR HISTORY

BOCRA was established through the Communications Regulatory Authority Act 2012 (CRA Act) on the 1st of April 2013. The CRA Act replaced the Broadcasting Act [Cap 72:04], the Telecommunications Act [Cap 72:03], and caused the amendment of the Postal Services Act to create an integrated regulatory authority for the communications sector.

WHAT IS OUR PURPOSE?

We regulate the communications sector in Botswana, to promote competition, innovation, consumer protection and universal access.

HOW WE GET THINGS DONE

We achieve our mandate through, **among others:** Licensing; Tariff regulation; Consumer protection; Quality of Service Monitoring; Spectrum Management; Numbering Resources Management.

GOVERNANCE

In discharging its mandate, the Board's decisions and directives are guided by the Board Charter and the Shareholder Compact Agreement between BOCRA and the Ministry of Transport and Communications.

THE FAST READ

FINANCIAL SUMMARY

Group

Revenue

P183.1million

↑ 11%

F2019: P164.9million

Operating Expenses

P147.3million

↓ 10%

F2019: P163.3million

Net Assets

P592.6million

↑ 9%

F2019: P545.3million

Cash and cash equivalents

P426.0million

↑ 9%

F2019: P392.0million

Return on Capital Employed (ROCE)

8.0%

↑ 220%

F2019: 2.5%

Surplus for the year after tax

P47.3million

↑ 245%

F2019: P13.7million

Authority

Revenue

P132.7million

↑ 9%

F2019: P121.7million

Operating Expenses

P121.9million

↓ 1%

F2019: P120.2million

Net Assets

P322.2million

↑ 0%

F2019: P322.2million

Cash and cash equivalents

P194.3million

↑ 6%

F2019: P182.8million

Return on Capital Employed (ROCE)

4.8%

↑ 100%

F2019: 2.4%

Surplus for the year after tax

P15.5million

↑ 101%

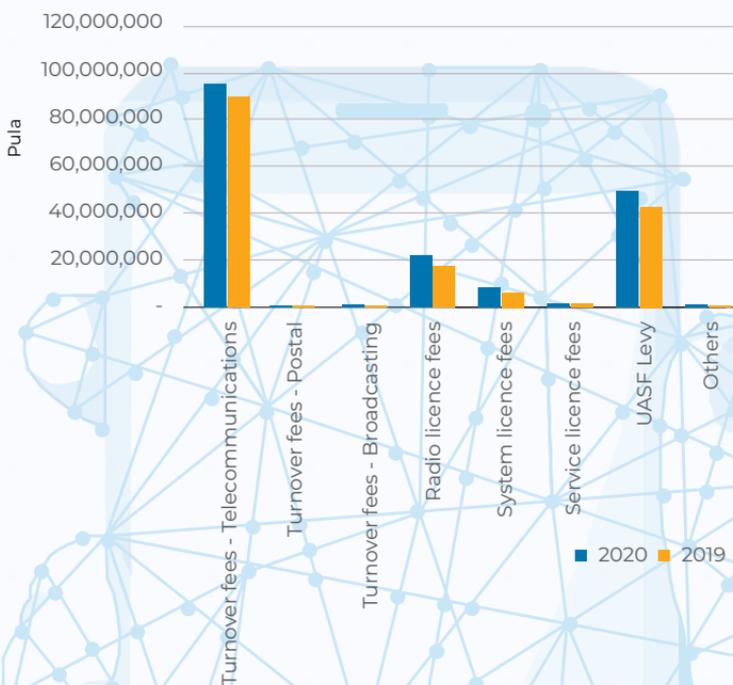
F2019: P7.7million

THE FAST READ

FINANCIAL SUMMARY

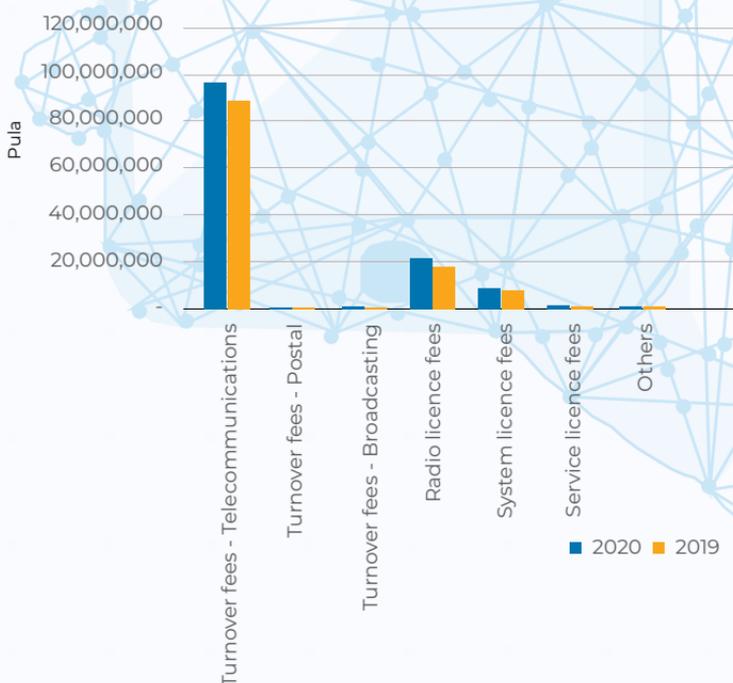
Group

OPERATING REVENUE



Authority

OPERATING REVENUE



OUR ROLE

Complying with international standards

BOCRA ensures that, as a member of the International Telecommunication Union (ITU), Botswana's ICT networks and devices comply with international standards that are critical to the interoperability of ICTs and enable global communications by speaking the same language with the rest of the world in exchanging services including voice, video or data messages.



Complaints Process

BOCRA will investigate a consumer complaint against a service provider if there is sufficient evidence to establish possible breaches of any provisions under CRA Act



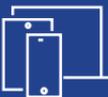
Tariffs

BOCRA is mandated by Section 90 of the CRA Act to establish tariff principles to be applied in the setting of tariffs and other charges including price caps or other price controls, for different classes or categories of services or products and for different areas for the regulated sectors.



Regulatory Tools

In the discharge of its mandate, BOCRA, in consultation with various stakeholders, periodically develops regulatory tools to establish minimum regulatory requirements and guide licensees, consumers and other stakeholders on regulatory expectations.



Equipment Approval

BOCRA is mandated by Sec 84 of the CRA Act to Type Approve communications equipment that may be connected, used or operated to provide broadcasting or telecommunications services in Botswana. In addition, BOCRA is mandated to ensure consumer protection. The purpose of Type Approval procedure is to ensure that all radio communication and telecommunication equipment used in Botswana complies with international standards that are applicable in Botswana as a member of the ITU Region 1.

01

ABOUT US

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CHAIRMAN'S STATEMENT

The 2019/20 reporting period marked the inaugural year of the five-year Strategic Plan for the period 2019/24.

Ms. Tsaone Ruth Thebe
Board Chairperson

The BOCRA Strategy is anchored on six strategic pillars of Competition, Consumer Protection, Resource Optimisation, Universal Access and Service, Stakeholder Engagement, and Talent Management.

Under these strategic pillars, BOCRA established 10 strategic objectives and achieved an 80% performance rating. Specifically, I would like to highlight the progress made towards creating a competitive market and ensuring affordability of communications services, particularly mobile broadband services. During this period, the Board issued several courier and television broadcast licences in a bid to increase competition. With respect to ensuring affordability, the Authority achieved the set target decrease of USD1.38 for the Mobile Broadband Price Index (USD) for the year 2019/20. Data price reductions ranging from USD12.90 to USD8.06 were registered, representing a net decrease of \$4.84 against a target of USD1.38. The USD4.84 reduction relates to a 2GB data package of a 3G or 4G network provider with the largest subscriber base.

While tariffs were not ideal compared to other markets using a US Dollar denomination, it is fair to note that tariffs were affordable as evidenced by uptake and usage of services. Botswana continues to rank very high among developing nations in terms of access and use of services. Hence, the Board continued to focus on the objective of ensuring universal access and affordability for all.

Given that telecommunication permeates the entire economy, the Board recognised the need for the regulator to establish strategic alliances with other stakeholders to leverage their expertise for the benefit of the sector. Acknowledging this, BOCRA entered into a Memorandum of Agreement with the Companies and Intellectual Propriety Authority (CIPA) to formalise working relations, with a specific focus on facilitating development and consumption of local content for the broadcast sector. Inadequate availability of local content is an area of significant concern as it has a direct correlation to the slow growth of the broadcasting and Internet market.

Another central area of concern has been an unsatisfactory quality of service for mobile broadband services. The Board focused its attention on this but understands that an integrated solution will be required to resolve it. The challenges presented a primarily call for more investment in broadband infrastructure, particularly 'last mile' infrastructure by licensees. It also calls for the availability of land for new transmission sites, additional resources like radio frequency spectrum and in some cases numbers. More importantly, all these issues require consumer understanding of the services they subscribe to and use in order to derive maximum benefits from them.

CHAIRMAN'S STATEMENT



"BOCRA entered into a Memorandum of Agreement with the Companies and Intellectual Propriety Authority (CIPA) to formalise working relations, with a specific focus on facilitating development and consumption of local content for the broadcast sector."

Mobile Broadband Price Index

USD8.⁰⁶

Net decrease of
USD4.⁸⁴

F2010: USD12.⁹⁰

Going forward, quality of service will remain a priority for the Board, especially as the world speaks of the 4th Industrial Revolution. However, the more significant challenge remains maintaining an appropriate balance between facilitating access for rural and remote communities while ensuring that the major population centres keep pace with technology advancement in the rest of the world. This is something to which the Board should and will continue to devote considerable attention.

This report is my maiden submission as the Chair of BOCRA Board. I am greatly indebted to the Honourable Minister of Transport and Communications for affording me the opportunity to lead such a committed team of professionals, from my fellow Board Members to Management and staff. Credit should go to my predecessor who built a Solid foundation upon which I can build further. The accomplishments stated in this report are a result of his able leadership and stewardship.

BOARD OF DIRECTORS

(Board Chairperson)
Ms. Tsaone Ruth Thebe



(Vice Chairman)
Prof. Joseph Chuma



(Member)
Ms. Tsholofelo Bogosi



(Member)
Mr. Onkagetse Pusoentsi



(Member)
Dr. Gape Kaboyakgosi



(Member)
Mr. Galeboe Mmelesi



(Member)
Ms. Kago Mmolawa



(Chief Executive &
Ex Officio Member)
Mr. Martin Mokgware



BOARD OF DIRECTORS

TSAONE RUTH THEBE	<ul style="list-style-type: none"> • MSc in Environmental Planning, University of Nottingham, UK • BA Environmental Science, University of Botswana • Diploma in Education, University of Botswana
JOSEPH MONAMATI CHUMA (PHD)	<ul style="list-style-type: none"> • PhD in Electronic Engineering Systems, University of Essex, UK • MSc. in Telecommunications and Information Systems Engineering, University of Essex, UK • MBA, University of Botswana • BEng. in Electrical and Electronic Engineering, University of Nottingham, UK
TSHOLOFELO BOGOSI	<ul style="list-style-type: none"> • Chartered Institute of Management Accountants (CIMA). • Postgraduate Certificate in Enterprise Risk Management, Botswana • Bachelor of Accounting (Commerce), University of Witwatersrand, RSA
ONKAGETSE PUSOENTSI	<ul style="list-style-type: none"> • Bachelor of Laws Degree, University of Botswana
GAPE KABOYAKGOSI	<ul style="list-style-type: none"> • PhD in Public Policy, Australia National University • MPA, Syracuse University, USA • BA, University of Botswana
GALEBOE MMELESI	<ul style="list-style-type: none"> • BSc, University of Botswana
KAGO MMOLAWA	<ul style="list-style-type: none"> • Master's Degree in Public Administration - Human Resources, University of Botswana • Postgraduate Diploma in Management, Henley Business School • BA Social Sciences, University of Botswana Completion
MARTIN MOKGWARE	<ul style="list-style-type: none"> • MA Transport Economics, University of Leeds, UK • Postgraduate Diploma Telecommunications Regulation, University of Westminster, UK • BA Economics, University of Botswana



CHIEF EXECUTIVE'S STATEMENT

The Communications sector continues to grow in terms of its variety of services and as an enabler of the other sectors of the economy.

Martin Mokgware
Chief Executive

During the period under review, BOCRA continued to issue radio licences, services and applications licences, commercial postal operators' licences, and authorisations for provision of online broadcasting services. Demand for licences under the Communications Regulatory Authority Act (CRA Act; 2012) signals potential market growth and positive health for the sector. However, these licences were not accompanied by a positive uptake of services during the review period.

The mobile sector continued to lead in terms of innovative service offerings, driven by consumer demands and expectations. In recent years, the rise in mobile voice subscription rates has slowed, suggesting that the mobile voice market may be approaching saturation.

Notwithstanding the slowing mobile voice growth trend, the sector is experiencing rapid growth in mobile data consumption as reflected in the 2019/20 reporting period. This was both a blessing and a challenge. Increased consumer demand for data services put pressure on mobile networks, negatively impacting the quality of service and requiring operators to rapidly expand their broadband network capacities. Consequently, the period saw operators increase the rollout of their respective 4G/LTE networks. This process was often partly hampered by slow turnaround times by land authorities for availing land for the erection of new transceiver base stations. Quality of Service (QoS) issues were particularly prevalent in densely populated areas, including Gaborone, which requires additional 4G base stations to boost broadband

capacity in line with increased data consumption patterns. The QoS challenge reached a peak towards the end of the financial year (February/March 2020), prompting BOCRA to make available, albeit temporarily, additional spectrum.

In addition to the heightened rollout out of 4G infrastructure, operators engaged in various initiatives to improve last-mile infrastructure. To this end, the reporting period saw the increased deployment of FTTx or Fibre to the cabinet, business or home, as the case may be. The last mile infrastructure, which is predominately copper-based, has been a bottleneck to operators' ability to offer increased Internet bandwidth capacity to consumers. Average Internet speeds will improve once fibre deployment is complete.

The broadcasting sector experienced mixed fortunes. On the positive side, commercial radio broadcasters increased their broadcast signal footprint following the installation of transmitters in Hukuntsi and Sojwe villages. Transmitters that had 15-kilometre transmission coverages extended commercial broadcasters' presence to more than 10 villages, providing access to greenfield listenership. BOCRA also authorised online radio broadcasters that only operated for a short period. At the end of the financial year, only one online radio broadcaster was still operational. Television broadcasting also experienced challenges. Some newly licensed stations could not launch or sustain compliant services, with one station

CHIEF EXECUTIVE'S STATEMENT



“The reporting period saw the increased deployment of FTTx or Fibre to the cabinet, business or home, as the case may be.”

ultimately surrendering its licence. Among the reasons proffered for the failure or cession of operations were a diversion of resources to support existing operations elsewhere outside the country.

The postal sector market registered six new Commercial Operator licences issued, as well as the merger of BotswanaPost and Botswana Courier Services into one operator.

While the commercial postal operator market continued to grow, BotswanaPost remained the largest operator in the market.

BOCRA, through the Universal Service Fund, continued to facilitate universal access to communications services for Botswana. Following the completion of network upgrades and internet provision to areas of Kgalagadi, Ghanzi and Mabutsane during the previous reporting period, BOCRA launched a project to close mobile network voice coverage gaps along the Trans-Kalahari Road. This project ensures seamless communication along this economically important route. At the end of the financial year, seven out of nine additional sites were complete.

The reporting period saw Botswana's participation in the quadrennial World Radiocommunication Conference (WRC-19), a global meeting convened by the International Telecommunication Union to review the usage of the radio frequency spectrum to

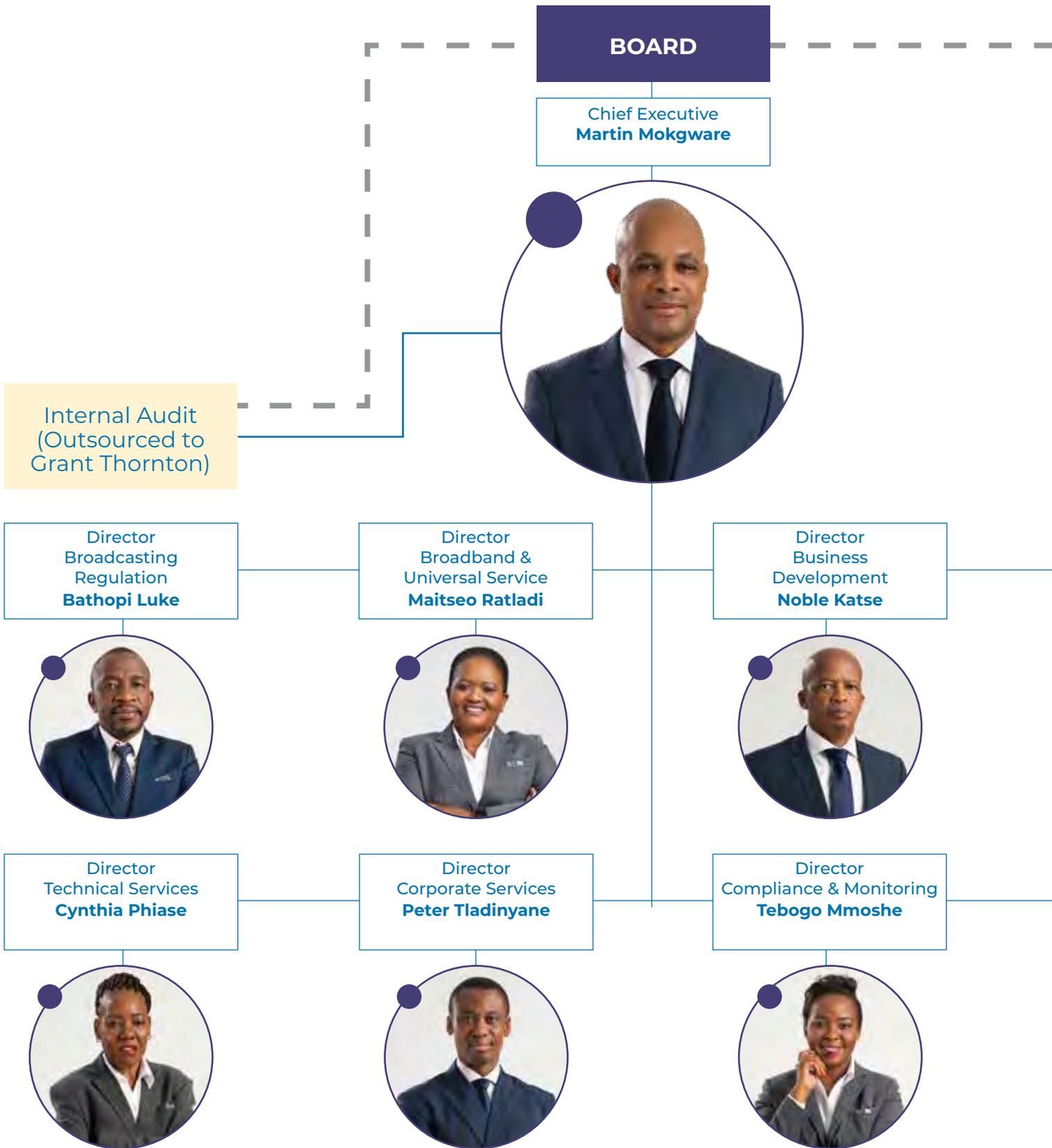
accommodate new services. Botswana attended the conference as Chair of the SADC Region, tasked with coordination of requirements for radio frequency spectrum for all SADC Member States.

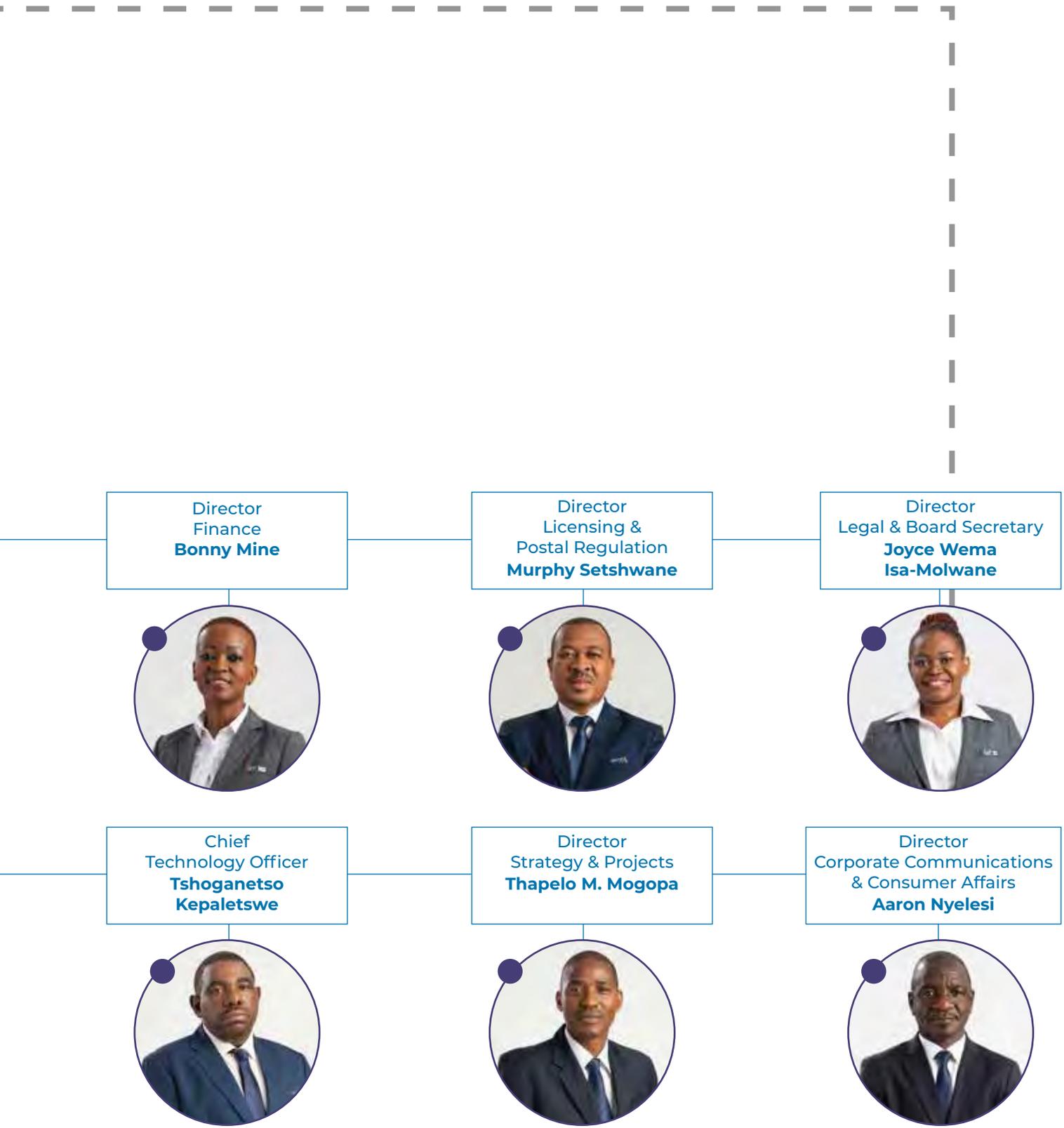
The WRC-19 concluded with agreements enshrined in the Final Acts of the Radio Regulations, an international treaty that governs the use of radio frequency spectrum and satellite orbits globally. Among the resolutions of the WRC-19 was the identification of additional globally harmonised frequency bands for International Mobile Telecommunications (IMT), including IMT-2020 (otherwise known as 5G mobile), facilitating diverse usage scenarios for enhanced mobile broadband, massive machine-type communications, and ultra-reliable and low-latency communications.

Looking to the future, the communications landscape seems as bright as it is challenging. The changes in consumer demand patterns for bandwidth-hungry data services requires the urgent deployment of additional resources and infrastructure. This situation is a matter of which, as the Authority, we are aware and will continue to engage all stakeholders, including the Government, to find relevant solutions.

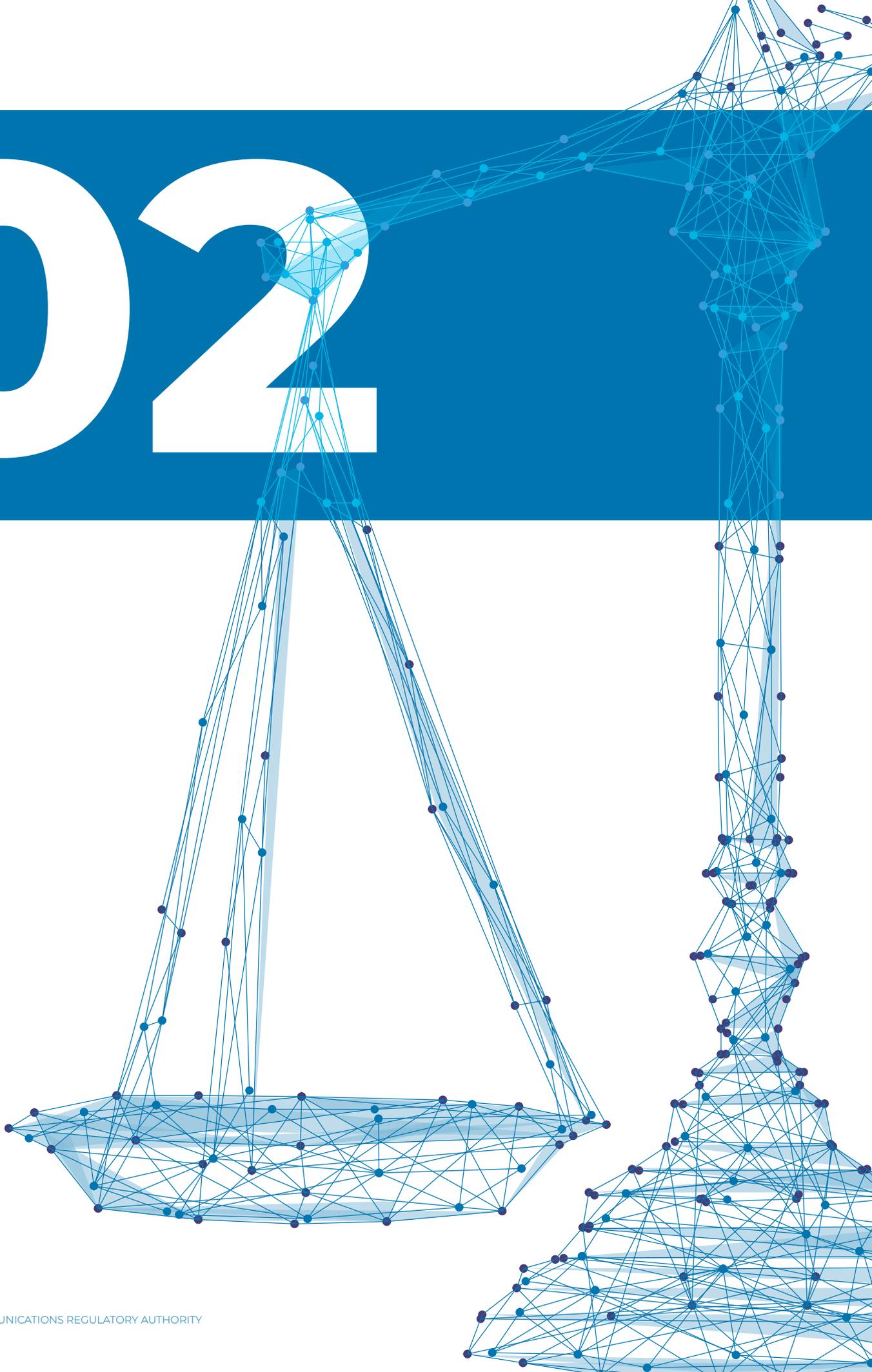
I owe the positive performance of BOCRA during the reporting period to the guidance of the Board and the dedication of our staff.

MANAGEMENT





02





GOVERNANCE

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CORPORATE GOVERNANCE

The Minister of Transport and Communications appoints the Board of seven Directors of the Botswana Communications Regulatory Authority (BOCRA) per Section 4(1) of the Communications Regulatory Authority (CRA) Act, 2012.

The CRA Act, the Board Charter and the Shareholder Compact Agreement between BOCRA and the Ministry of Transport and Communications guide the decisions and directives made by the Board in discharging its mandate. This mandate extends to the regulation of the ICT, Postal, Telecommunications and Internet sectors in Botswana. BOCRA is also charged with ensuring that there is universal access to communications services across the length and breadth of the country and at affordable prices.

The Board drives the efficient operation, strategic direction and business ethos of BOCRA. Among other things, the Board is responsible for good corporate governance, strategic and business planning, accurate and appropriate budgeting, policy development, and appointment of senior officers on the recommendation of the Chief Executive. The overall performance review of the organisation and the Chief Executive also falls within the purview of the Board.

COMPOSITION OF THE BOARD

The seven Non-Executive Members of the Board are as follows:

- Mrs. Tsaone Ruth Thebe - Chairperson of the Board, appointed on 1 February 2020
- Prof. Joseph Monamati Chuma (Board Vice-Chairperson) appointed on 1 August 2017
- Mr. Onkagetse Pusoentsi, re-appointed on 1 June 2018
- Dr. Gape Kaboyakgosi, appointed on 1 August 2017
- Mr. Galeboe Mmelesi, appointed on 1 August 2017
- Mrs. Tsholofelo Bogosi, appointed on 1 February 2020
- Ms. Kago Mmolawa, appointed on 1 February 2020
- Mr. Martin Mokgware, as BOCRA Chief Executive, is an ex-officio Member of the Board per Section 21(5) of the Act.

The following Members retired from the Board:

- Major General Bakwena Oitsile (Retired) (former Board Chairperson), retired 31 July 2019;
- Mrs. Nnaniki Wilhemina T. Makwinja, retired 20 May 2019
- Dr. Batlang Comma Serema, retired 31 August 2019.

BOARD COMMITTEES

There are four Board Committees tasked with different responsibilities and endowed with diverse powers under their respective Terms of Reference:

Regulatory Committee	Board Tender Committee	Finance and Audit Committee	Human Resources Committee
<p>Chair: Prof. Joseph Chuma</p> <p>Members: Mr. Onkagetse Pusoentsi Mr. Galeboe Mmelesi Mr. Martin Mokgware</p> <p>The Regulatory Committee advises the Board on regulatory issues and policies, in fulfilment of BOCRA's mandate as encapsulated in the Act.</p>	<p>Chair: Mr. Galeboe Mmelesi</p> <p>Members: Prof. Joseph Chuma Mrs. Tsholofelo Bogosi Mr. Martin Mokgware</p> <p>This Committee maintains the responsibility for adjudicating and approving the procurement of goods and services valued between P2 million and P5 million.</p>	<p>Chair: Dr. Gape Kaboyakgosi</p> <p>Members: Mrs. Tsholofelo Bogosi Ms. Kago Mmolawa Mr. Martin Mokgware</p> <p>This Committee ensures that Management creates and maintains effective internal audit and financial controls and manages all associated business and technological risks where BOCRA may be exposed.</p>	<p>Chair: Mr. Onkagetse Pusoentsi</p> <p>Members: Ms. Kago Mmolawa Dr. Gape Kaboyakgosi Mr. Martin Mokgware</p> <p>The Committee ensures adherence to fair labour and corporate practices concerning the employer-employee relationship from a strategic perspective.</p>

Table 1: Board Meetings Attendance & Sitting Allowances April 2019 to March 2020.

Member	Ordinary Board Meeting	Special & Consultative Board Meeting	Finance & Audit Comm.	Board Tender Comm.	Regulatory Comm.	Human Resource Comm.	Sitting Allowance
Major Gen. Bakwena Oitsile	1/1	1/1	-	-	-	-	P4,500
Mrs. Tsaone Ruth Thebe	1/1	1/1	-	-	-	-	P4,500
Prof. Joseph Chuma	3/4	1/2	-	4/5	1/2	-	P16,200
Mrs. Wilhemina Makwinja	-	1/1	-	-	-	-	P1,800
Mr. Onkagetse Pusoentsi	3/4	2/2	-	-	1/2	2/2	P14,400
Dr. Gape Kaboyakgosi	4/4	2/2	5/5	-	-	2/2	P23,400
Mr. Galeboe Mmelesi	3/4	2/2	-	5/5	2/2	-	P21,600
Dr. Comma Serema	-	2/2	-	2/2	-	-	P7,200
Mrs. Tsholofelo Bogosi	1/1	1/1	2/2	1/1	-	-	P9,000
Ms. Kago Mmolawa	1/1	1/1	2/2	-	-	-	P7,2000
Mrs. Ontlametse Sebonego	-	-	3/5	-	-	-	P5,400
Mr. Martin Mokgware	4/4	2/2	5/5	5/5	2/2	2/2	nil

Note:

Board Chair sitting allowance: P2,250 per sitting

Member sitting allowance: P1,800 per sitting

BOARD PARTICIPATION

BOARD TRAINING

As a regulator of a fast-moving industry in which innovation and technologies are constantly evolving, the Board must be kept abreast of trends through formal training and exposure to various platforms by attendance at different forums in the communications industry.

The Authority, resources permitting, exposes the Board to various training sessions and regulatory forums dealing with communications regulation to benchmark, engage in international discussions about the sector, and build its capacity, knowledge and skills. Table 2 depicts a list of attendances by Board members in the 2019/20 financial year:

Table 2: List of attendances by Board members in the 2019/20 financial year.

Board Member	Training/ Regulatory Fora	Country
Major Gen. Bakwena Oitsile	Internal Auditor Corporate Governance - Institute of Internal Auditors Botswana Corporate Governance Training 19 th Global Symposium for Regulators	Botswana, (Gaborone) South Africa (JHB) Vanuatu (Port Vila)
Prof. Joseph Chuma	CTO Roundtable ITU World Telecom	United Kingdom (London) Hungary (Budapest)
Dr. Comma Serema	CTO Roundtable	United Kingdom (London)
Mr. Onkagetse Pusoentsi	Corporate Governance - Institute of Internal Auditors Botswana ICASA Sports Broadcasting Hearing Corporate Governance Training International Broadcasting Conference	Botswana (Gaborone) South Africa (Centurion) South Africa (JHB) Netherlands (Amsterdam)
Dr. Gape Kaboyakgosi	Executive Regulatory Masterclass	United Kingdom (Bath)
Mr. Galeboe Mmelesi	Corporate Governance - Institute of Internal Auditors Botswana Universal Postal Union Council of Administration Corporate Governance Training Executive Regulatory Masterclass	Botswana (Gaborone) Switzerland (Berne) South Africa (JHB) United Kingdom (Bath)
Mrs. Ontlametse Sebonego	Corporate Governance - Institute of Internal Auditors Botswana	Botswana (Gaborone)

POLICY AND LEGAL REVIEW

During the review period, Mr. John Bogatsu Gaetsewe took BOCRA to court as second respondent in a case in which he complained about unsatisfactory service he received from BotswanaPost. The Court of Appeal dismissed the matter, with costs awarded to BotswanaPost (first respondent) and BOCRA.

ORGANISATIONAL PERFORMANCE

The 2019/20 Financial Year marked the first year of the BOCRA 2019 – 2024 Strategic Plan. The Authority implemented several initiatives to advance the Strategic Objectives and fulfil the vision of 'A Connected and Digitally Driven Society'. The Strategy is underpinned by six success factors and 10 Strategic Objectives, as illustrated in Figure 1.

STRATEGIC OBJECTIVES KEY PERFORMANCE INDICATORS

Customer Perspective

TO IMPROVE CONSUMER PROTECTION

TO ENSURE ACCESS AND AFFORDABILITY OF BROADBAND SERVICES

- > % compliance to regulatory framework and Quality of Service.
- > % compliance to regulatory framework (tariff structure).
- > Cyber Security index (ITU).
- > Mobile Broadband Price Index (USD)
- > Fixed Broadband Price Index (USD)
- > % of mobile broadband subscriptions.
- > Fixed Broadband Penetration.
- > Mobile Broadband Coverage.
- > % population coverage (TV).
- > % population coverage (radio).

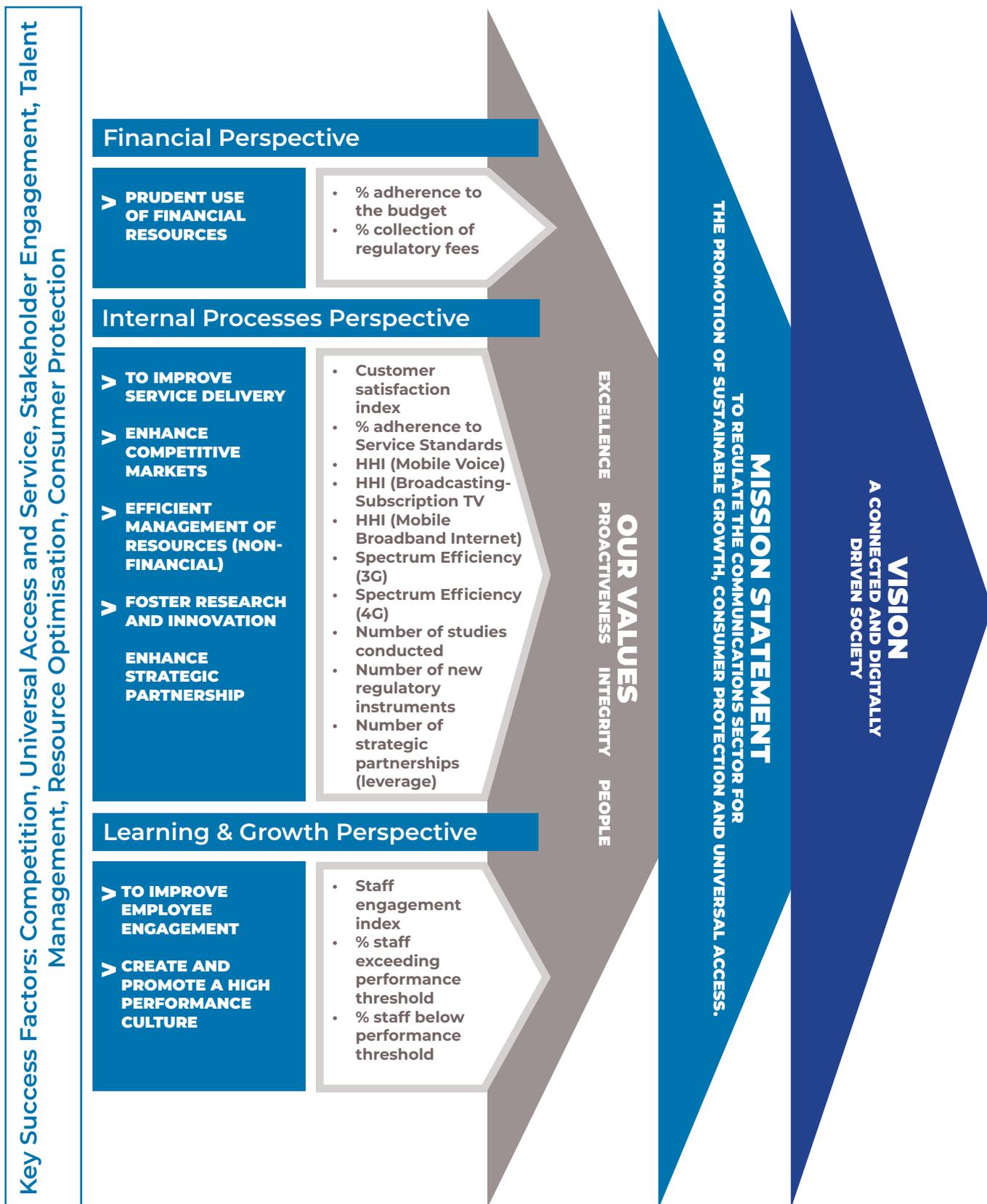
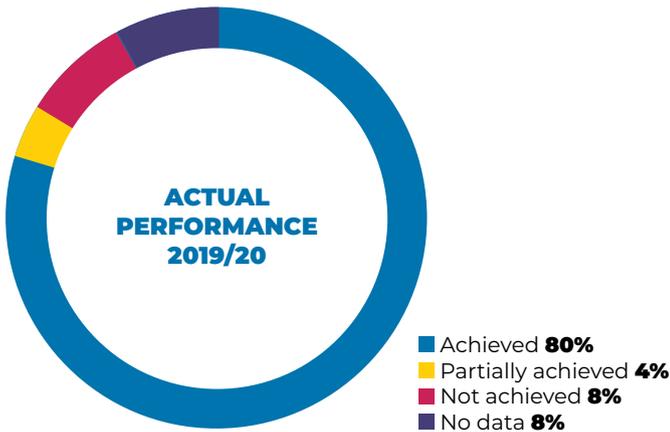


Figure 1: BOCRA Strategy Overview.

Organisational Performance (Continued)

The Authority achieved most of its Strategic Objectives during the reporting period, as indicated by the 80% successful attainment of 25 Key Performance Indicators (KPIs) and a 4% partial attainment.

Figure 2 shows the performance of the Authority for the 25 KPIs.



OVERALL PERFORMANCE ANALYSIS

Notwithstanding the notable efforts made by Mobile Network Operators (MNOs) to improve the performance of their network under close monitoring by the Authority, Quality of Service (QoS) fell below thresholds in some instances. These cases were due to limited capacity on their networks, power cuts and stolen solar power panels. Overall, no transgressions were observed by the Operators concerning regulatory framework compliance as per the prescribed tariff structures.

Great strides were achieved in mobile broadband pricing, mobile broadband subscriptions, and communications coverage, as well as spectrum efficiency, all of which contributed to a competitive environment. The target Mobile Broadband Price Index (USD) was attained for the year 2019/20 as data prices dropped from USD12.90 to USD8.06, representing a net decrease of USD4.84 against a target decrease of USD1.38. The USD4.84 reduction relates to 2GB data package of a 3G or 4G network provider

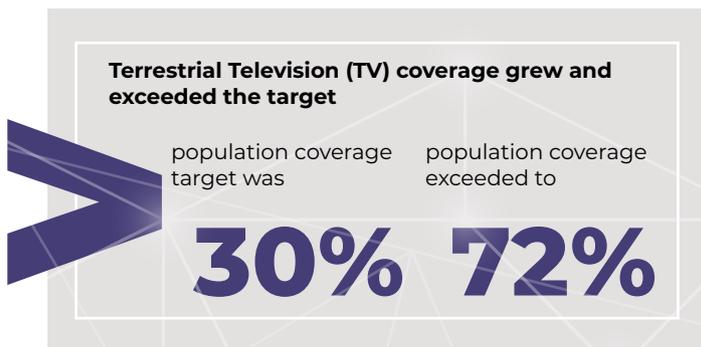
with the largest market share. There was also an increase in uptake of services as mobile broadband subscriptions recorded penetration of over 100% due to multiple SIM card ownership.

Uptake of services rose in tandem with the improvement in Mobile Broadband Coverage, which increased with the rollout of 3G and 4G base stations. Terrestrial Television (TV) coverage also grew as the target population coverage exceeded the 30% target with 72% coverage. Commercial radio broadcasting also witnessed an increase in coverage from the baseline of 57% to 68%.

In a bid to enhance competition, the Authority issued licences to new providers, as well as radio frequency spectrum for the rollout of new services. Mobile telephony operators also played their part by intensifying marketing and introducing new product lines. However, the broadcasting sector lost players such as Kwese TV and StarTimes, which exited the market citing unsustainability of operations as the primary issue.

Mobile telephony operators met their 3G rollout obligations demonstrating efficient management of spectrum. The Authority anticipates increased utilisation of spectrum as operators move to areas that are deemed economically unviable with the assistance of UASF subsidies. The 4G spectrum was also utilised efficiently with operators performing within the set target for the year 2019/20 by a small margin.

During the period under review, the Authority forged strategic partnerships in the areas of research and information exchange. These partnerships enlist the support and expertise of relevant stakeholders to assist in the rollout of services aimed at achieving the Authority's Strategic Objectives. During the same period, BOCRA also successfully conducted several studies and communication needs assessments. These activities included, but were not limited to, the 4IR Study, Broadband Connectivity Assessment for Kweneng District & Tswapong region, Broadband Facts and Figures, and Commercial FM Coverage Assessment in Kweneng.



Commercial radio broadcasting also witnessed an increase in coverage from the baseline of 57% to

68%

4G spectrum was also utilised efficiently with operators performing within the set target for the year 2019/20 by a small margin.

Areas that did not fare well in the year included uptake of Fixed Broadband services as well as competition in Broadcasting Subscription Television. The low uptake in Fixed Broadband was due to consumer preference for Mobile Broadband. However, an increase in consumption of Fixed Broadband services should follow the expansion of Fibre to the Home infrastructure. Table 3 presents a detailed Strategy Performance Dashboard.

Table 3: Detailed Strategy Performance Dashboard.

Strategic Objective	KPI (Measure)	Actual Baseline (Current)	Target 2019/20	Actual 2019/20 performance	Performance Indicator
TO IMPROVE CONSUMER PROTECTION	% compliance with the regulatory framework and QoS	98%	100%	98%	
	% compliance with the regulatory framework (tariff structure)	80%	100%	100%	
	Cyber Security index (ITU)	0.430	0.48	0.44	
ENSURE ACCESS AND AFFORDABILITY OF BROADBAND SERVICES	Mobile Broadband Price Index (USD)	USD12.90 (P137.05)	USD11.52 (P122.39)	USD8.06 (P95.00)	
	Fixed Broadband Price Index (USD)	USD26.61 (P282.70)	USD23.89 (P253.81)	USD22.05 (P259.00)	
	% of mobile broadband subscriptions	74%	79.20%	100.6%	
	Fixed Broadband Penetration	9.8%	20.84%	2.26%	
	Mobile Broadband Coverage	55%	64%	75%	
	% population coverage (TV)	18%	30%	72%	
	% population coverage (radio)	57%	62%	68%	
TO IMPROVE SERVICE DELIVERY	Customer satisfaction index	0	TBD	-	
	% adherence to Service Standards	0	TBD	-	
ENHANCE COMPETITIVE MARKETS	HHI (Mobile Voice)	4102	4102	3554	
	HHI (Broadcasting- Subscription TV)	9750	9750	10000	
	HHI (Mobile Broadband Internet)	4425	4425	4073	
EFFICIENT MANAGEMENT OF RESOURCES (NON-FINANCIAL)	Spectrum Efficiency (3G)	8	12	15.1	
	Spectrum Efficiency (4G)	16	18	17.5	
FOSTER RESEARCH AND INNOVATION	# of studies conducted	2	4	7	
	# of new regulatory instruments	1	2	2	
ENHANCE STRATEGIC PARTNERSHIP	# of strategic partnerships (leverage)	5	6	8	
PRUDENT MANAGEMENT OF FINANCIAL RESOURCES	% adherence to the budget	15%	10%	7%	
	% collection of regulatory fees	89%	91%	93%	
TO IMPROVE EMPLOYEE ENGAGEMENT	Staff engagement index	67%	70%	71%	
CREATE AND PROMOTE A HIGH-PERFORMANCE CULTURE	% staff exceeding the performance threshold	9%	≥9%	29.5%	
	% staff below the performance threshold	1%	≤3%	0%	

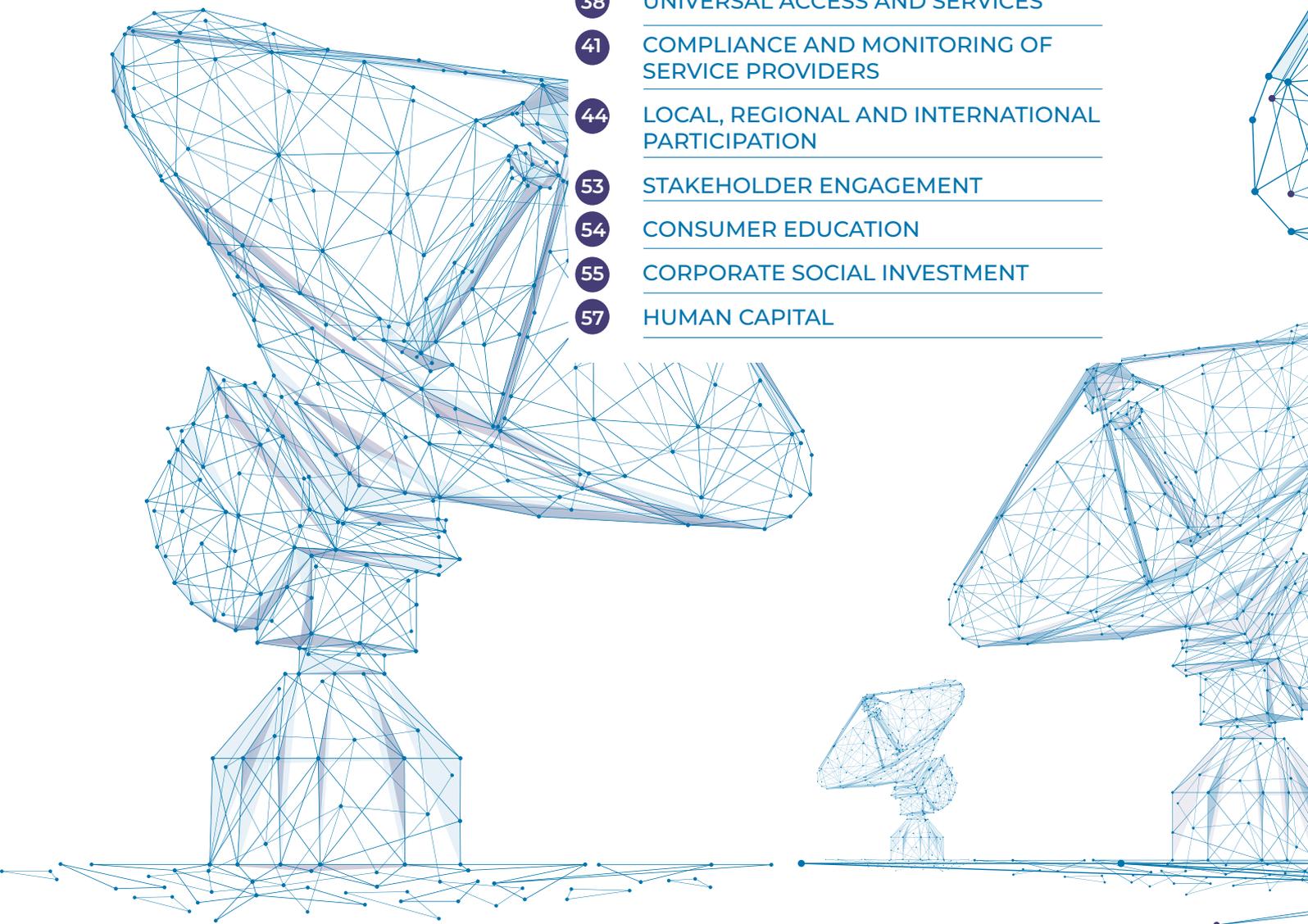
Performance indicator legend

	Target achieved (95% - 100%)
	Target partially achieved (94% - 80%)
	Target not achieved (>80%)
	No data

Subsequent sections of this report provide a detailed breakdown of the Authority's performance concerning strategic and operational issues.

03 | REVIEWS

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MARKET REVIEW

ICT MARKET PERFORMANCE REVIEW

All subscription data presented in the following sections are the result of BOCRA data collection activities.

TELECOMMUNICATIONS MARKET STRUCTURE

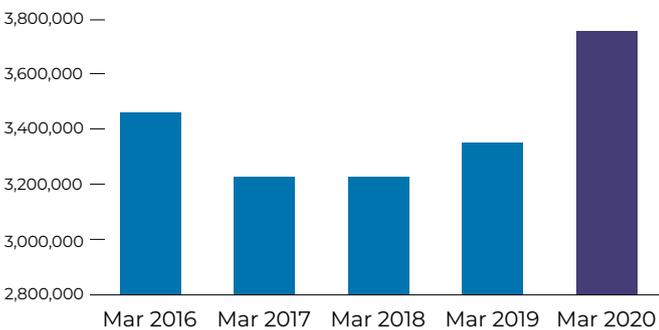
Three operators dominate the Botswana telecommunications market, operating fixed and mobile networks: Botswana Telecommunications Corporation Limited (BTC), Mascom Wireless Botswana (Pty) Ltd (Mascom), and Orange Botswana (Pty) Ltd (Orange). These operators offer a variety of services, including fixed and mobile voice telephony, Internet service, data, and value-added services, as well as international services. In addition to the above operators, Botswana Fibre Networks (BoFiNet) provides wholesale Internet. Other players in the market are Internet Service Providers that offer value-added services and internet to consumers.

MOBILE TELEPHONY MARKET SEGMENT

Botswana has experienced remarkable growth in mobile telephony subscriptions, primarily due to the convenience provided by mobile platforms. Figure 3 illustrates this trend over five-years.

Figure 3: Mobile Telephony Subscriptions 2016 to 2020.

TOTAL NUMBER OF MOBILE TELEPHONY SUBSCRIPTIONS



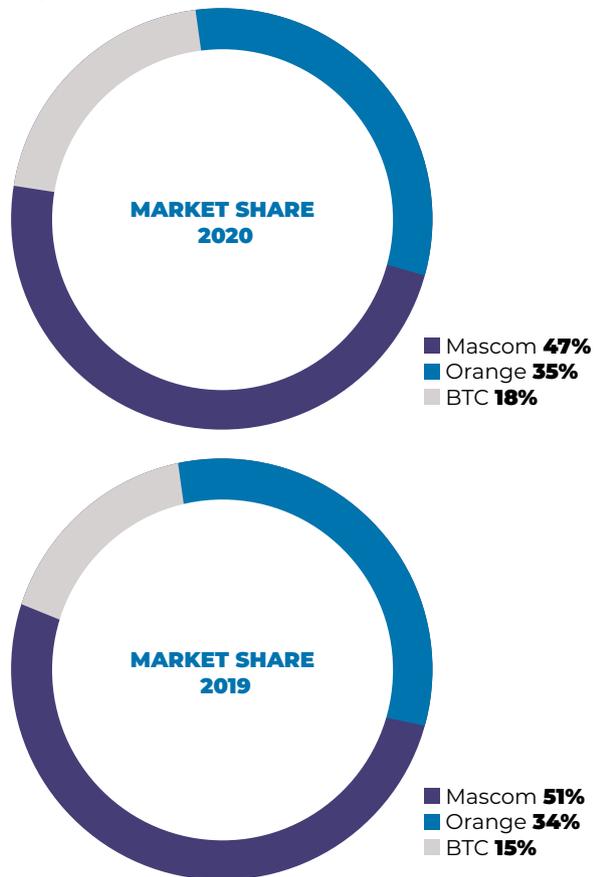
Analysis of mobile telephony subscriptions over this period shows a decline in subscriptions from 2016 to 2018, attributable to a reduction in promotions and competitions offered to consumers. In the following years of 2019 and 2020, operators introduced a range of packages that attracted consumers across the affordability spectrum. Operators indicated that demand for social media packages snowballed as more people engaged with these platforms.

Uptake of subscriptions increased substantially between March 2019 and March 2020 by 12% from 3,353,337 to 3,751,808. Teledensity was 185%, growth that contrasts with the previous four years when no significant change was recorded.

As in previous years, Mascom continued to lead in terms of market share as measured by the number of

active mobile subscriptions. Mascom's share stood at 47%, followed by Orange at 35%, and BTC Mobile at 18%. Although Mascom remained dominant in comparison to the other operators, its market share decreased by four percentage points. At the same time, Orange increased its market share by 1%, and BTCL by 3%. The shift in market shares is a sign of competitive forces and consumer demands that affect customer distribution among various operators. Central to the creation of a competitive environment is a regulatory strategy that focuses on healthy competition in the sector. The market share of the three mobile operators in March 2020 and March 2019 respectively, are represented in Figures 3 and Figure 4.

Figure 4: Market Share.



MARKET SHARE BETWEEN PREPAID AND POST-PAID SERVICES

In the period ending March 2020, the market share of prepaid and post-paid mobile telephony subscriptions was 97% and 3% respectively, the same as reported in the previous year. While post-paid services are generally

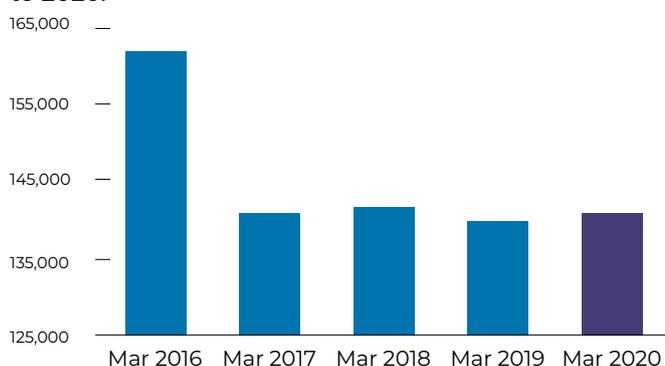
cheaper than prepaid services, consumers prefer prepaid services as they are free of contractual commitments and enable ease of tracking consumption. In addition, the subscription shares of 97% against 3% are attributed to attractive packages offered by operators and are expected to remain unchanged for the foreseeable future.

FIXED MARKET SEGMENT

Fixed telephony, a service offered solely by BTCL, recorded a negligible increase from 140,202 to 140,722 subscriptions. Over the past four years, the number of fixed telephony subscriptions has not grown substantially, fluctuating between 140,202 and 141,835. The outlier count of 161 641 in March 2016 was incorrect and revised to 140,873 subscriptions in March 2017. Figure 5 shows fixed telephony subscriptions for the past five years.

Market trends indicate that the demand for fixed telephony is unlikely to grow as consumers appear to favour mobile technology for various reasons, including cost, flexibility, mobility, and diversity of value-added services offered on-the-go.

Figure 5: Fixed Telephony subscriptions from 2016 to 2020.



INTERNET UPTAKE

FIXED BROADBAND INTERNET

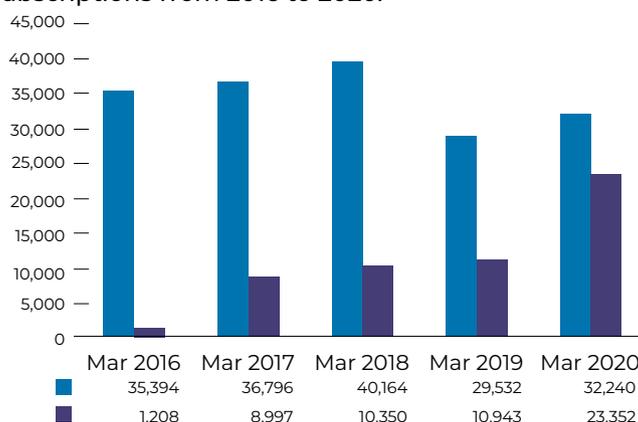
Access to fixed broadband has proven to be essential for reliability, high speed and high capacity internet. In this regard, market trends indicated that access and usage of fixed broadband will increase over time, firstly, as a complementary service to mobile wireless internet and secondly as a solution for bandwidth-hungry applications and services. In Botswana, contended fixed broadband, ADSL, is offered mainly by BTC at wholesale and retail level with a market share of about 95%. Internet Service Providers (ISPs) offer ADSL as resellers of the BTCL service and they have a market share of 5%. ISPs dominate the fixed wireless internet market because they use free spectrum in the ISM bands for last mile access. Figure 6 shows number of subscriptions for ADSL and fixed wireless access.

There has been an increase in ADSL uptake from 29,532 subscribers in March 2019 to 32,240 in March 2020.

However, over a five-year period, the number of ADSL subscriptions decreased from 35,394 to 32,240 with the lowest count being in March 2019 at 29,532. In 2018, BTC embarked on a database clean-up exercise resulting in validation of subscriptions, hence the drop in numbers in March 2019.

Fixed wireless subscriptions increased from 10,943 to 23,352 between March 2019 and March 2020. The increase is attributable to correct accounting for subscriptions by ISPs as well as an increased supply of service by large operators.

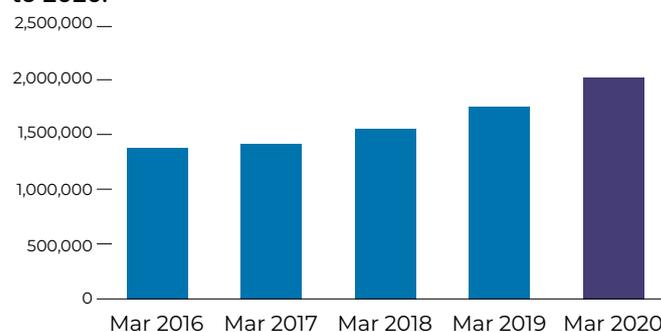
Figure 6: ADSL and Fixed Wireless Internet subscriptions from 2016 to 2020.



MOBILE BROADBAND MARKET

As operators continue to increase coverage of mobile broadband services, a large portion of the population has access to and uses mobile broadband services. Moreover, operators offer consumer-driven packages, including smartphones from other brands and own brands contributing to increased access and usage. During the period under review, mobile broadband subscriptions increased by 16% from 1,752,547 in March 2019 to 2,037,359 in March 2020. Subscriptions are expected to continue to grow in line with the five-year historical trend as consumers enjoy a diversity of services that facilitate e-commerce, social networking, entertainment and knowledge.

Figure 7: Mobile Broadband subscriptions from 2016 to 2020.



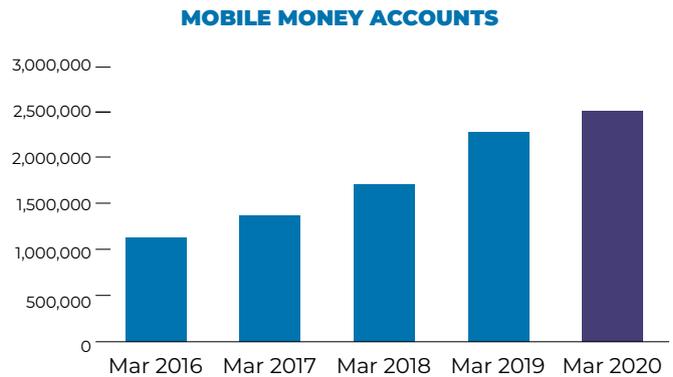
MOBILE MONEY SERVICES

The three mobile operators, Mascom Wireless, Orange Botswana, and BTC are all players in the mobile money market with BotswanaPost joining in 2018.

In March 2020, 2,518,364 mobile money accounts were registered, up 9% from March 2019. Analysis over five years from 2016 to 2020 shows over 100% rise in registered mobile money accounts from 1,117,406 in March 2016. The mobile money market is led by Orange with 58% market share, followed by Mascom (39%), BTCL (2%) and Botswana Post (1%).

Mobile money platforms have been widely embraced across sub-Saharan Africa as a payment channel where there are large populations of unbanked individuals. The latest development is that mobile money accounts are interoperable with traditional bank accounts, introducing increased convenience for users, with cross-border transactions capability making the service even more attractive. Figure 8 presents the number of mobile money accounts in Botswana.

Figure 8: Mobile money accounts from 2016 to 2020.



POSTAL REGULATION

THE POSTAL MARKET STRUCTURE

The Postal market structure comprises the Public Postal Operator (PPO), providing Universal Postal Service, and Commercial Postal Operators offering value-added postal services.

During the review period, BOCRA licensed six new Commercial Postal Operators: Wesosmart (Pty) Ltd; Arcadia Couriers (Pty) Ltd; Cowen Deliveries (Pty) Ltd; The Silver Reserve (Pty) Ltd; Delight Express (Pty) Ltd; and Pelican Moving Company (Pty) Ltd. Meanwhile,

Botswana Couriers & Logistics (Pty) Ltd surrendered its Commercial Postal Operator licence following its merger with Botswana Postal Services Limited.

Table 4 depicts the market segmentation of the Commercial Postal business by service offering. Of a total of 27 licensed Commercial Postal Operators, 18 offer domestic and international express and parcel services; six offer international express and parcel services only; while three companies offer domestic express and parcel services only.



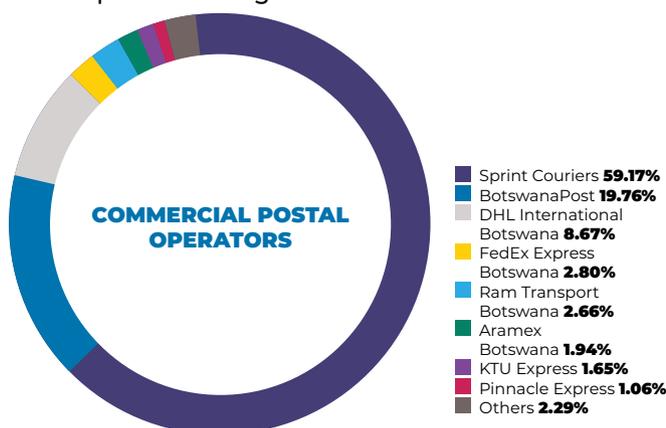
Table 4: Market Focus for Each Licensed Commercial Postal Operator as at March 2020.

Domestic and International Courier, Express and Parcels Services	International Courier, Express and Parcels Services Only	Domestic Courier, Express and Parcels Services Only
Aramex Botswana (Pty) Ltd	Tri-Optimum Logistics (Pty) Ltd	First Connections Couriers (Pty) Ltd
Botswana Postal Services	Enlink Freight Services (Pty) Ltd	NorthGuys Messaging & Couriers (Pty) Ltd
Courier Solutions (Pty) Ltd	Pinnacle Express (Pty) Ltd	Montel View (Pty) Ltd T/A Drop It
DHL International Botswana (Pty) Ltd	S Couriers (Pty) Ltd	
FedEx Express Botswana (Pty) Ltd	Triton Express (Pty) Ltd	
KTU Express	Logistixware Botswana (Pty) Ltd	
Ram Transport Botswana (Pty) Ltd		
Skynet Botswana (Pty) Ltd		
Sprint Couriers (Pty) Ltd		
TMS Logistics (Pty) Ltd		
Zebra Hub of Excellence (Pty) Ltd		
Fast and Furious International (Pty) Ltd		
Delight Express (Pty) Ltd		
The Silver Reserve (Pty) Ltd		
Cowen Deliveries (Pty) Ltd		
Acardia Couriers (Pty) Ltd		
Wesosmart (Pty) Ltd		
Pelican Moving Company (Pty) Ltd		

COMMERCIAL POSTAL OPERATORS' MARKET SHARE

Figure 9 depicts the market share of Commercial Postal Operators for the year ending March 2020. Sprint Couriers was the market leader with a market share of 59.17% followed by BotswanaPost (19.76%), DHL International Botswana (8.67%) and FedEx Botswana (2.80%). The “others” in Figure 9 are operators with less than 1% market share together accounting for 2.29% of the market.

Figure 9. Commercial Postal Operators' market share for the period ending March 2020.



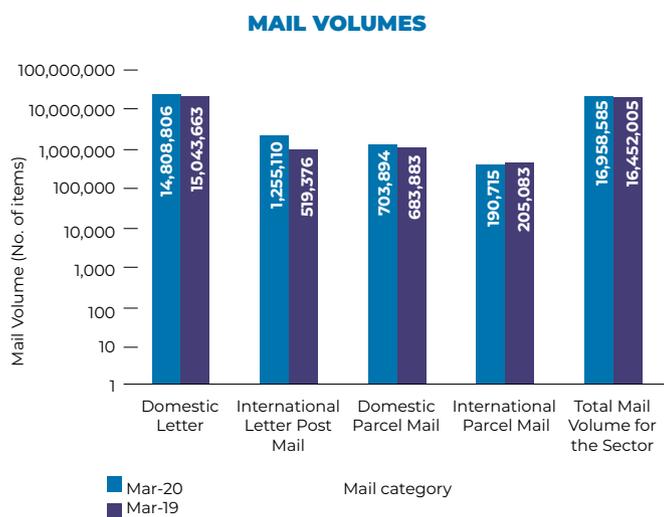
TOTAL MAIL VOLUMES

During the reporting period, the postal market registered a total of 16,958,585 mail items compared to 16,452,005 mail items recorded for the year ending March 2019. This reflected an increase of 506,580 mail items (3.1%). The period was characterised by high movement of letter mail items as compared to parcel mail items (see Figure 10 on the next page). Domestic letter mail items accounted for 87.3% (14,808 866 mail items) of the total mail volume while international letter mail items constituted 7.4% (1,255,110 mail items). Domestic parcel mail items constituted 4.2% (703,894 items) whereas international parcel mail accounted for only 1.1% (190,715 items) of the total postal mail volume.

There was a decline of 234 797 domestic mail items from a total of 15,043,663 for the year ending March 2019 while international letter mail recorded an increase of 735,734 items, up from a total of 519,376 in the previous financial year. Domestic parcel mail volume increased by 20,011 items while international parcel mail volume declined by 14,368 items.

Postal regulation (continued)

Figure 10. Total mail volumes for the period ending March 2020.



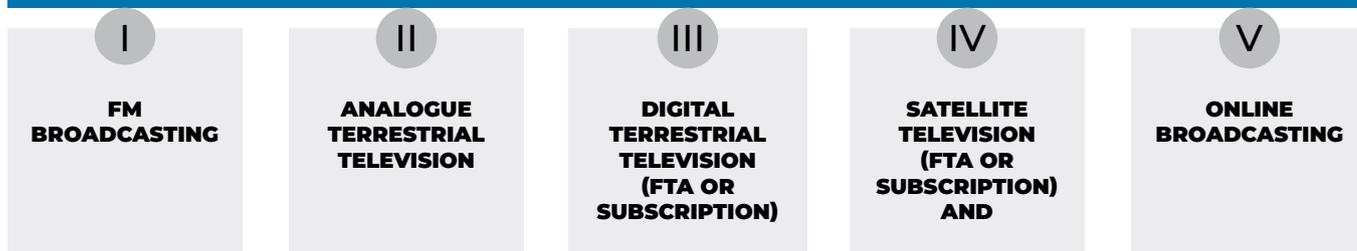
INTERCONNECTION AND NETWORK ACCESS GUIDELINES

During the period under review, BOCRA embarked on an initiative to develop Interconnection and Network Access Guidelines for the postal sector in Botswana. The objective of the guidelines is to provide a framework within which postal operators could offer full, end-to-end services to their customers by utilising network elements belonging to other postal operators, where their networks are lacking. This could include, for example, frequency of delivery, network reach and capacity. During the development of the guidelines, the Authority engaged sector-stakeholders to solicit their input and secure cooperation going forward. The guidelines are complete and ready for implementation in the next financial year.

BROADCASTING REGULATION

MARKET STRUCTURE

The broadcasting market in Botswana is fully liberalised and consists of Content Service Providers (CSP) and Subscription Management Services (SMS) providers. The CSP licences comprise several categories:



The Content Service Provider licences issued during the 2019/2020 Financial Year are listed in Table 5.

Table 5. Content Service Provider licenses issued during the reporting period.

Category	Type	Access	No. of Licences
Subscription Management Service	Satellite	Subscription	2
FM Broadcasting	Terrestrial	FTA	3
Analogue Television	Terrestrial	FTA	1
Digital Television	Terrestrial	FTA	2
Satellite Television	Satellite	FTA	2
		Subscription	1
Online Radio	Online	Free Access	11
IPTV	Online	Subscription	5

During the 2019/20 financial year, BOCRA authorised Desert Road (Pty) Ltd t/a Zebranet and Stream It Media (Pty) Ltd to offer online broadcasting services, increasing the total number of online broadcasters to 16.

Econet Media Botswana t/a Kwese TV surrendered its Subscription Management Service Licence effective 1 September 2019, reducing the number of SMS providers to two. The licensee cited negative business performance owing to the high cost of content rights as the reason for surrendering the licence.

ADVERTISING CODE

BOCRA developed and implemented an Advertising Code for the broadcasting industry, providing clear rules on advertising principles to all broadcasting service licensees. The absence of a central advertising regulatory body in Botswana necessitated the development of this code. Entry by new players into the broadcasting industry also called for oversight of the advertising space for broadcasters. The Code provides advertisers and broadcasters with guidelines and standards for acceptable advertisements.

CAMPUS RADIO LICENSING FRAMEWORK

In line with its mandate of facilitating market entry into the communications sector, BOCRA held stakeholder consultations on the development of a Campus Radio Licensing Framework. The need for a licensing framework emanated from recommendations of the National Broadcasting Conference, where stakeholders called for licensing of campus radio broadcasting. The stakeholders held the view that Campus Radio would provide practical experience for students studying Telecommunications/Broadcasting Engineering and Media, putting into practice theory learned in class in preparation for the workplace. The campus radio licensing framework is due for completion in the next financial year following further consultations.

CONTENT MONITORING

BROADCASTING MONITORING SYSTEM

In line with its consumer protection mandate, BOCRA acquired a Broadcasting Monitoring System and used it to independently monitor online services, terrestrial services and a select number of satellite services. Table 6 shows services that were monitored through the Broadcasting Monitoring system.

Table 6: List of services monitored through the Broadcasting Monitoring System

Service Type	Operator	Service	Parameters
Free to Air Terrestrial Radio (Analogue FM)	Department of Broadcasting Services	RB 1	89.9 MHz
		RB 2	103 MHz
	Gabz FM	Gabz FM	96.2 MHz
	Duma FM	Duma FM	93 MHz
	Yarona FM	Yarona FM	106.6 MHz
Free to Air Terrestrial Television (Analogue)	Department of Broadcasting Services	BTV	
	eBotswana	eBotswana	194 MHz
Free to Air Terrestrial Television (Digital)	Department of Broadcasting Services	BTV	
	Ministry of Youth Empowerment, Sports and Culture	Now TV	
	Datamined (PTY) LTD	Khuduga TV	
	Plastique (PTY) LTD	Access TV	

Content Monitoring (continued)

Table 6: List of services monitored through the Broadcasting Monitoring System (continued)

Service Type	Operator	Service	Parameters
Free to Air Satellite	Department of Broadcasting Services	BTV	Transponder: Intelsat 20 68.5E Frequency: 12633.95 GHz Symbol Rate: 161667 bps FEC: 3/4 Polarisation: Vertical
	OVY Network (Pty) Ltd	OVY TV	Transponder: NigComSat 42.5E Frequency: 12.518 GHz Symbol Rate: 29500 bps FEC: 3/5 Polarisation: Horizontal
	Maru TV	Maru TV	Transponder: Intelsat 36 68.5E Frequency: 11.888 GHz Symbol Rate: 30000 bps FEC: 5/6 Polarisation: Vertical
Subscription Satellite	Econet Media Botswana	Kwese Free Sport	Transponder: Intelsat 37e 18.5W Frequency: 3.877GHz Symbol Rate: 16190 bps FEC: 3/5 Polarisation: Vertical
	Star Times	African Movies Channel etv Baby Tv African News ST Bollywood	Transponder: SES 5E Frequency: 12.518 GHz Symbol Rate: 29500 bps FEC: 3/5 Polarisation: Horizontal
	Multichoice Botswana	BTV etv Africa Nickelodeon Vuzu One Magic Channel O eNews Channel Africa Super Sport 3 Zambezi MTV Maru TV	Transponder: Intelsat 20 68.5E Symbol Rate: 27500 bps Frequency: 11.594GHz FEC: 5/6 Polarisation: Vertical
Online Broadcasters	Rera Radio	Rera Online Christian Radio	www.reraradio.com
	The Cross "The Supernatural Network"	The CrossTSN	https://thecrosstsn.com/online-stream

The system monitored off-air content in three key aspects comprising live monitoring of channels, analysis of content, and archiving of content:

A. LIVE MONITORING

The system enabled live viewing of all radio and television channels through a multiscreen view, with the option to zoom in and watch just one channel. The system also enabled visual recognition of any interrupted radio services through waveforms, producing alerts for any off-air channels. A sample of the Multichannel View is provided in Figure 11.

Figure 11: A Multichannel of the System showing the different channels being monitored.



BOCRA used this system to identify off-air services and take immediate action with broadcasters.

B. CONTENT ANALYSIS

The system can analyse off-air content to derive performance parameters such as Service Availability Rate (SAR), local content and advertising performance.

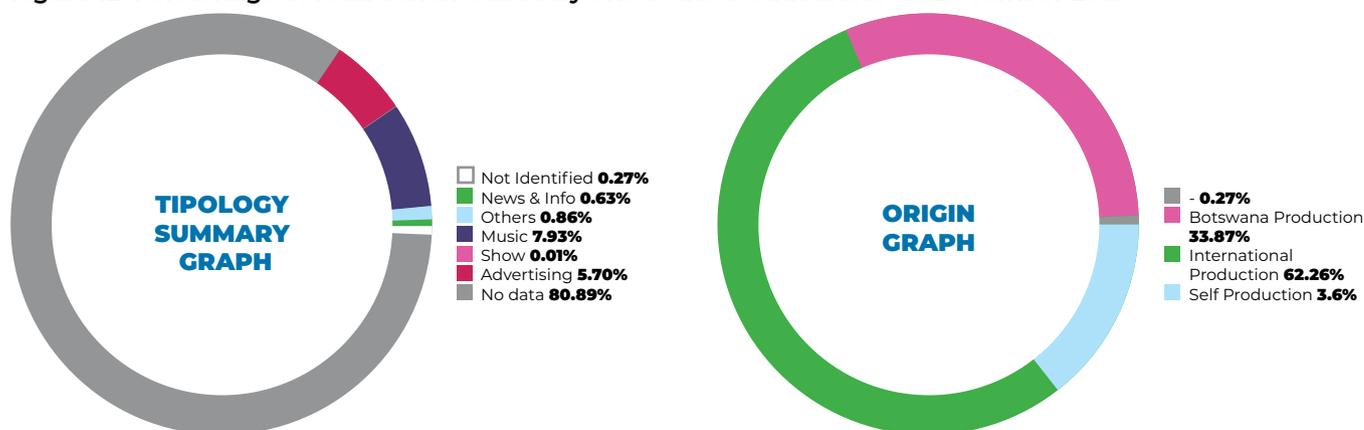
Through a fingerprinting technology, the system identified and labelled repetitive content. Fingerprinted and labelled content was used to perform statistical analysis such as how many times a particular song was played over a given period or the relative percentage of total adverts over total broadcast time. BOCRA also derived reports and alerts on downtime of services from the system.

BOCRA continues to build a database of all the repetitive content, generating statistics of local content and advertising content.

Figure 12 on next page illustrates relative percentages of different content aired by Duma FM over December 2019.

Content Monitoring (continued)

Figure 12: Percentage of local content aired by one of the broadcasters for December 2019.



C. CONTENT ARCHIVING

The system recorded and archived three months of content from all monitored services. Broadcasters are compelled to retain their broadcast content for a period of three months to enable replay as may be required for regulatory purposes. BOCRA used the system to carry out selective content monitoring to ensure adherence to the Broadcasters Code of Conduct and other regulatory instruments.

MONITORING OF ELECTIONS COVERAGE

BOCRA implemented the Code of Conduct for Broadcasters During Elections. As part of the implementation of the Code, a training workshop was held to equip broadcasters and other stakeholders with relevant skills for elections coverage.

In a bid to ensure compliance with the Code, BOCRA partnered with the University of Botswana (UB) to monitor live broadcasts during the 2019 election period. The results of the monitoring exercise revealed satisfactory compliance and were shared with broadcasters for future improvement.

The Authority further collaborated with the Independent Electoral Commission (IEC) and BoFiNet to set up a Media Centre that facilitated the provision of information on coverage of the national elections. The IEC, housed at the Mass Media Centre, provided both local and international broadcasters and journalists with regular updates on the elections.

LOCAL CONTENT QUOTA

BOCRA monitored broadcasters for compliance with Local Content Quota requirements as stipulated in their licence conditions. The Local Content Quota for radio broadcasting was calculated as a ratio of the total percentage of local music aired against the overall

quantity of music played by a particular station during a set period. Radio Stations were obliged to achieve a minimum of 40% local content against all content aired.

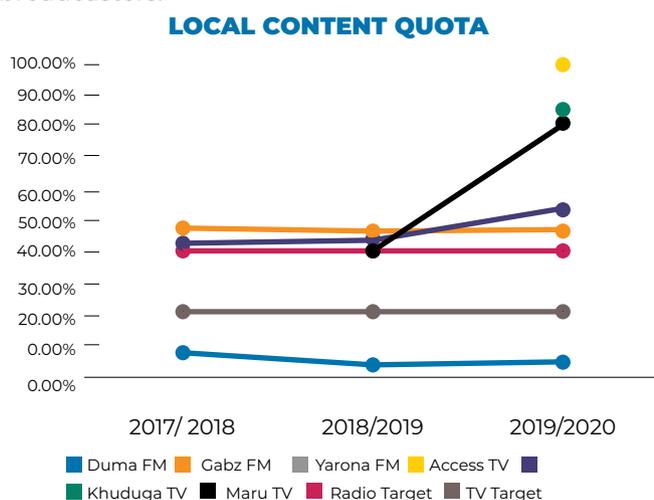
Single Channel television service Local Content Quota was calculated as a percentage of locally produced programmes, excluding news, over the overall programme aired by a particular station in a given period. Television broadcast stations were obligated to attain a minimum of 20% local content quota.

Table 7 presents the Local Content Quota results achieved by the broadcasters over the past three years.

Table 7: Average Local Content Quota achieved by broadcasters from 2017 to 2020.

Stations	2017/2018	2018/2019	2019/2020
Duma FM	42.00 %	45.00 %	54.00 %
Gabz FM	46.19 %	43.85 %	44.89 %
Yarona FM	40.00 %	40.00 %	40.65 %
Access TV	-	-	100.00 %
eBotswana	8.20 %	4.03 %	4.70 %
Khuduga TV	-	-	85.43 %
Maru TV	-	38.75 %	81.20 %
Radio Target	40.00 %	40.00 %	40.00 %
TV Target	20.00 %	20.00 %	20.00 %

Figure 13: Average Local Content Quota for Botswana broadcasters.



The commercial radio broadcasters exceeded the minimum set local content quota of 40%. Yarona FM achieved an average of 40.86%, Gabz FM 44.89%, and Duma FM 54.0%. While already high, Duma FM's increase is significant as it was up from 42.0% reported in 2017/18. The station attributed this to the increased playing of local content during the festive season. eBotswana reported lower than average percentages of local content over the past three years. The station experienced a significant decline from the average of 8.2% reported during 2017/18 to 4.7% in 2019/20. The station attributed this decline to a lack of funds and sponsors to fund the sourcing of the local content. Khuduga TV and Access TV commenced operations in 2018 and achieved averages of 85.43% and 100.0% respectively in their first reporting year.

SERVICE AVAILABILITY RATE

BOCRA also monitored operations of the licensed broadcasters for compliance with the Service Availability Rate (SAR), set at 99% as a minimum. SAR is defined as the percentage of time the broadcasting service is available for access by consumers, influenced by the availability of three key parameters:

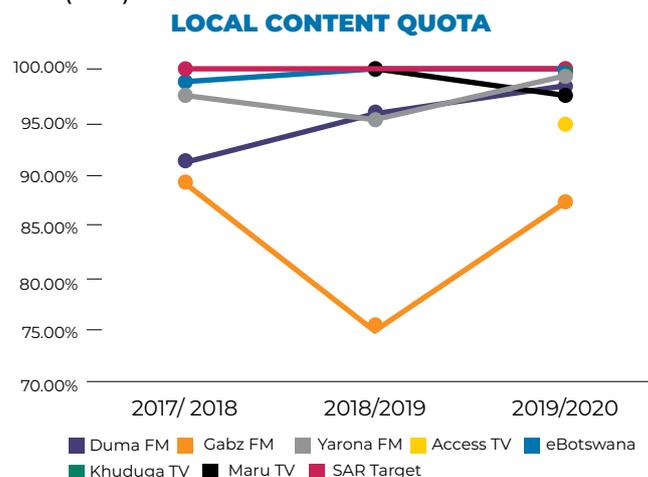
- 1 Studio output signal;
- 2 Transmission/backhaul network to carry the studio feed to transmission sites; and
- 3 Transmitter equipment, which includes Terrestrial Broadcast Transmitters and Broadcast Satellite Transponders.

Any interruption of studio output would result in country-wide service interruption. It is, however, possible to have isolated pockets of service interruption in some areas of the country due to transmission network outages for a particular area, or a problem particular to a transmitter system. SAR for terrestrial services was calculated as an average of all terrestrial transmitters across the country. SAR for the past three years is listed in Table 8 and depicted in Figure 14.

Table 8: Broadcasters' Average service Available Rate from 2017 to 2020.

Stations	2017/2018	2018/2019	2019/2020
Duma FM	91.00%	95.60%	98.50%
Gabz FM	89.04%	75.40%	87.20%
Yarona FM	97.58%	95.20%	99.50%
Access TV			94.80%
eBotswana	98.58%	99.90%	99.70%
Khuduga TV			99.30%
Maru TV		99.90%	97.40%
SAR Target	99.90%	99.90%	99.90%

Figure 14: Average percentage Service Availability Rate (SAR) from 2017 to 2020.



All broadcasting stations registered an improvement in their SAR performance during the year 2019/20, compared with previous years. Notwithstanding these improvements, Gabz FM was non-compliant with the set SAR target during the 2019/20 reporting period due to power problems at its Lobatse and Orapa sites. Similarly, Duma FM experienced a decline in performance in the period due to power cuts that affected its Palapye transmission site.

Television stations recorded a satisfactory SAR average over the past three years, with eBotswana reporting an average of 99%. However, Maru TV saw a slight decline to its average SAR during the 2019/20 reporting period due to technical problems which resulted in a signal outage on the DSTV platform. Access TV reported an average of 94.80% during its first reporting year which the broadcaster attributed to power cuts at its studios.

ROLL OUT OBLIGATIONS

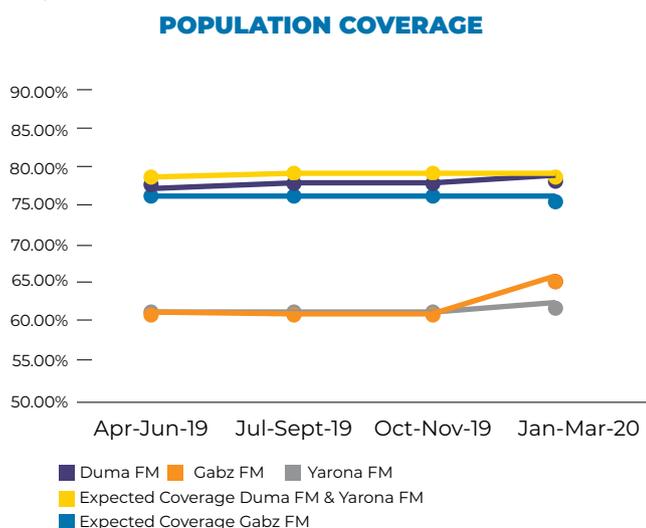
Commercial radio licences in Botswana place expected network coverage obligations upon licensees for the duration of their licence period. In line with these obligations, commercial radio stations made slight increases in their network coverages during the reporting period, compared to the previous period. The increases in network coverage resulted from the installation of transmitters at Sojwe village covering Sojwe, Boatlaname, Kokonje, Shadishadi, Leologane,

Content Monitoring (continued)



Lephepe and Otse. There was, however, significant positive change to the coverage of Gabz FM and Yarona FM following a revalidation of data, which led to new coverage calculations.

Figure 15: FM Population Coverage for the Year 2019/2020.



The coverage was achieved by numerous transmitters installed in different locations, as shown in Table 9 and mapped in Figure 16.

Table 9: Transmitter locations of the three Radio Broadcasters.

Transmitter Location	Duma FM	Gabz FM	Yarona FM
Lobatse	●	●	●
Palapye	●	●	●
Serowe	●	●	●
Mahalapye	●	●	●
Dibete	●	●	●
Maun	●	●	●
Selibe Phikwe	●	●	●
Francistown	●	●	●
Orapa	●	●	●
Jwaneng	●	●	●
Kanye	●	●	●
Ramatlabama	●	●	●
Kasane	●	●	●
Ghanzi	●	●	●
Serule	●	●	●
Sefhare	●	●	●
Bobonong	●	●	●
Molepolole	●	●	●
Letlhakeng	●	●	●
Tutume	●	●	●
Tsabong	●	●	●
Hukuntsi	●	●	●
Sojwe	●	●	●

● – Service availability ● – Service absence

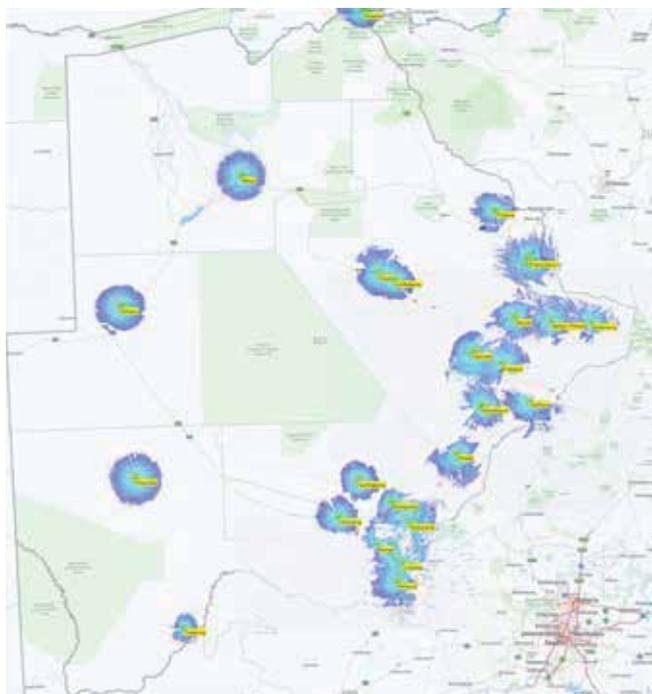


Figure 16: Location of FM transmitters across the country

- 54 dBuV/m -63 dBm
- 61 dBuV/m -56 dBm
- 68 dBuV/m -49 dBm
- 75 dBuV/m -42 dBm
- 82 dBuV/m -35 dBm

Note: Acceptable or good FM signal reception is from 0 to -63 dBm, with signal lower than this considered poor reception.

"There was significant positive change to the coverage of Gabz FM and Yarona FM following a revalidation of data"

NETWORK QUALITY OF SERVICE

BOCRA monitored the performance of telecommunications networks under Quality of Service (QoS) guidelines to ensure compliance with licensing conditions.

As a result, BOCRA revised the QoS Guidelines to include new key performance indicators for voice and data services, as well as Quality of Experience (QoE) that were missing from the 2016 Guidelines, taking into account technological changes.

Mobile operators' QoS performance was measured against the performance indicators explained below.

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

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

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

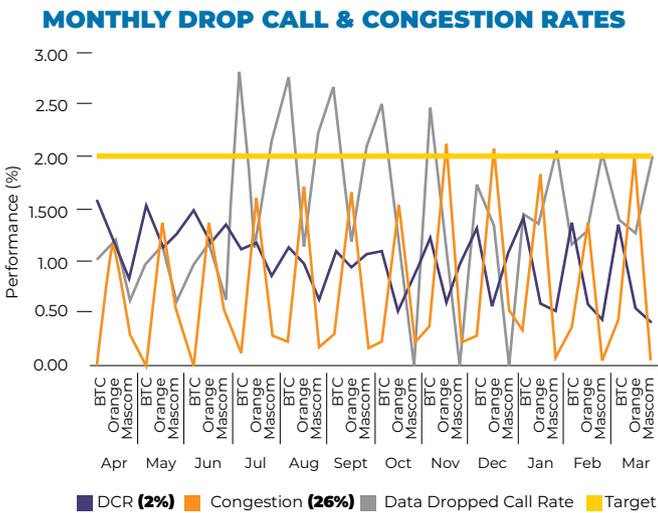
Network Availability (NA) - (Target 99% minimum): refers to the availability of network equipment and software used in the call set-up.

Handover Success Rate (HSR) - (Target 95% minimum): refers to the percentage of the transferred ongoing calls from one channel to another.

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

Network Quality of Service (continued)

Figure 17: Operators DCR Voice, DCR Data and Congestion Rate April-March 2020.



Between the months of July and November 2019, the BTC network Drop Call Rate (Data) exceeded the 2% target. Mascom reported a higher DCR (Data) rate between July and August while Orange had network congestion challenges during the month of November with 2.11% congestion, thus exceeding the 2% target. These unsatisfactory performances were attributed to limited network capacity issues and power outages. Operators continued to upgrade their network capacities to accommodate increased data traffic.

Figure 18: Network Availability and SMS Success Rate April-March 2020.

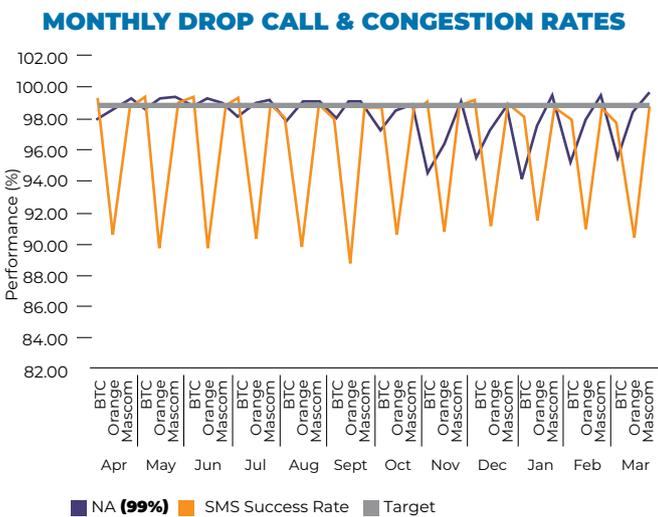
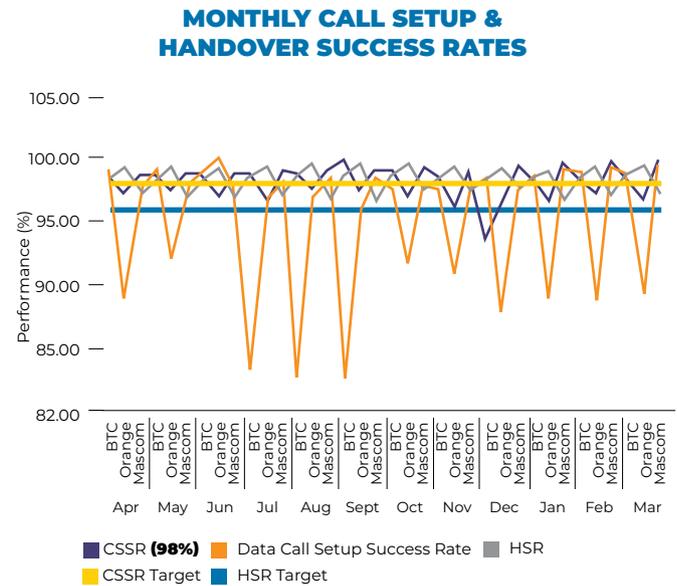


Figure 19: CSSR for Voice and Data, HRS & SMS Delivery April-March 2020



BTC and Orange performed below established targets for Data CSSR (Data) and Handover Success Rates at different times during the reporting period. Orange recorded 90% performance for both parameters between January and March 2020, while BTC recorded 83% performance on Call Setup Success Rate (Data) between July and September 2019. Throughout the reporting period, BTC and Orange did not meet set targets for Network Availability and SMS Rates. Mascom met the 99% target for both parameters.

SUMMARY OF QOS PERFORMANCE

Mobile Operators reported degraded performance in some areas due to power failures and congestion emanating from increased traffic and network capacity issues. Network performance degradation challenges reached a peak in the middle of March 2020, when all operators failed to meet performance targets for most of the parameters due to the increase in traffic as more people telecommuted as a result of the Coronavirus pandemic during this period.

Mobile operators continue to upgrade and optimise their networks to address performance degradation. To meet these challenges, operators installed new base stations for 3G and 4G and upgraded the existing networks to increase capacity during the period under review. In areas that have power challenges, operators have also been installing back-up power systems and securing them with tracking devices to reduce theft.

SPECTRUM MANAGEMENT STRATEGY

The Authority revised the Spectrum Management Strategy, which will be implemented over a five-year glide path, and includes the following objectives:

- Update the National Frequency Register Plan, taking into consideration the Southern African Development Committee plan, as well as the decisions taken at the World Radio Conference 2012 and 2015;
- Update the Spectrum Management Strategy for various radio services;
- Review the Television White Spaces (TVWS) paper and formulate a TVWS Licensing framework;
- Update the Spectrum Licensing Policy for various frequency bands; and
- Update the Spectrum Pricing Policy.



The following principles will be applied to implement the Spectrum Management Strategy:

- An assessment of demand will be carried out to determine the most appropriate mechanism for assignment;
- Spectrum caps will be used to ensure equal opportunities and access to Spectrum, and therefore promote competition;
- All mobile spectrum awards may be subject to infrastructure and spectrum sharing principles between operators to enable them to meet coverage obligations;
- The Authority may carry out reverse auctions for underserved and unserved areas in a bid to meet the objectives of the National Broadband Strategy;
- The Authority will assess applications for active sharing of networks by operators;
- The Authority will consider making possible the transfer of spectrum from one operator to another;
- The duration of licences for spectrum will be set at 15 years, and the renewal process will not be later than three years before the expiry of the licence. Should operators not advise of renewal within the stipulated period, the presumption of renewal in favour of the incumbent will apply. Licence renewal will be subject to the payment of appropriate fees in addition to consideration of efficiency and competition concerns;
- The Authority will review the options for providing mobile broadband capability for public safety and emergency services taking into account the costs and benefits of dedicated versus shared network solutions;
- TVWS licensing will only be implemented after the CRASA Dynamic Access Spectrum Policy is completed;
- Licence fees will be reduced from 3% to 1% of turnover and migrate toward spectrum-based fees. The fees will be reviewed periodically when new spectrum assignments are made to ensure that there is no material over-recovery of fees chargeable by the Authority; and
- All fees will be subject to annual inflationary increases based on changes to the Consumer Price Index.

Spectrum Management Strategy (continued)

The new spectrum pricing regime will be introduced using a phased approach over a five-year glide path, as follows:

- For the first two years, from April 2020 to March 2022, the licence fees will remain the same (3% of turnover fees);
- In year 3, (2022/2023) the fees will be based on 2.7% of turnover fees plus spectrum fees, with the calculation based on spectrum assignments;
- In year 4, (2023/2024) the licence fees will be based on 1.8% of turnover fees plus spectrum fees, again with the calculation based on spectrum assignments; and
- In year 5, (2024/2025) the licence fees will be based on 1% of turnover fees plus spectrum fees, with the calculation based on spectrum assignments;

2G NETWORK COVERAGE

Figure 19: BTC 2G.

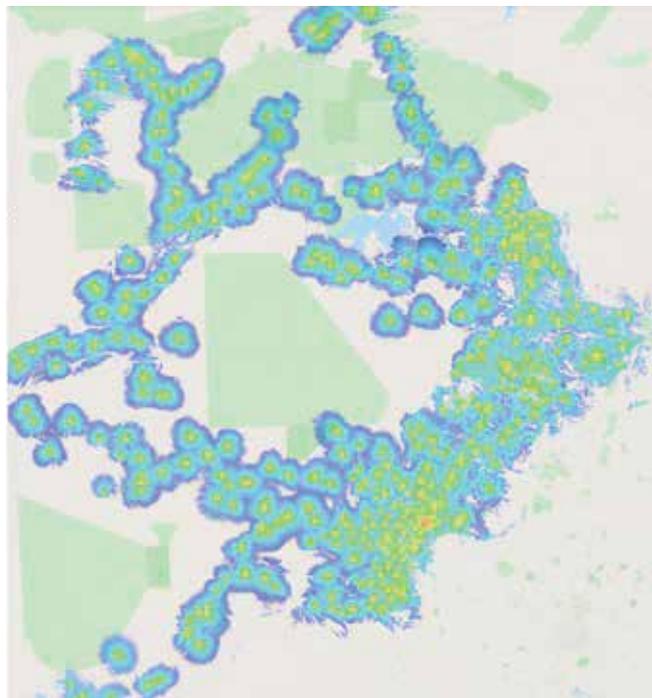
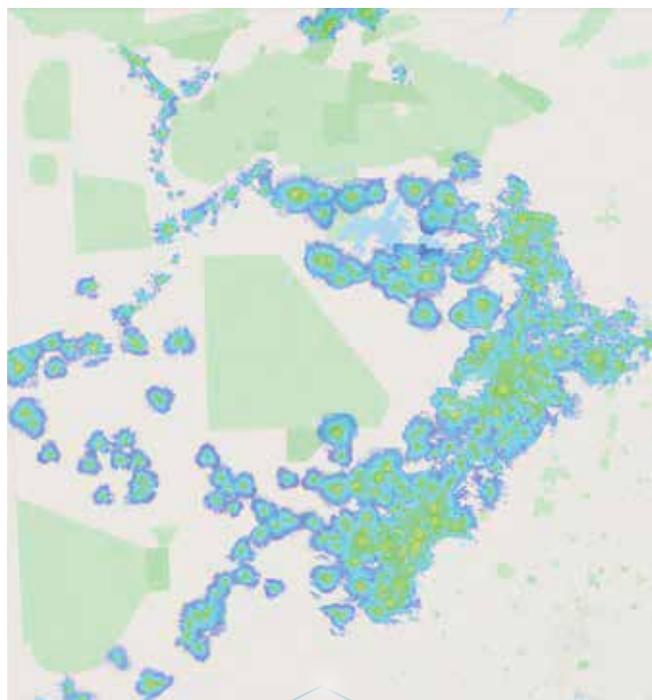


Figure 20: Mascom 2G.



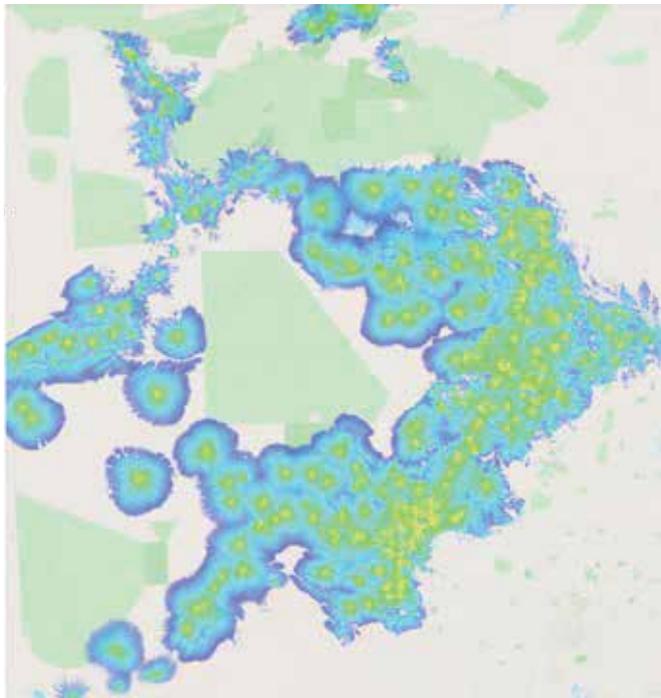
BASE STATIONS ROLLOUT

Mobile operators continued to roll out services to address the ever-increasing demand for voice and data services as well as to manage network performance issues. Annually, mobile operators upgrade their existing 2G and 3G networks, installing 4G highspeed broadband networks to address increases in data usage. Table 10 and the maps included in Figure 19 to Figure 27 depict the deployment of new base stations and the coverage of various services as at March 2020.

Table 10: Number of new base stations added from April 2019 to March 2020.

	Number of New Sites for April 2019 – March 2020		
	2G	3G	4G
BTC	29	1	45
Mascom	100	293	104
Orange	132	92	92
Total	261	386	241

Figure 21: Orange 2G.

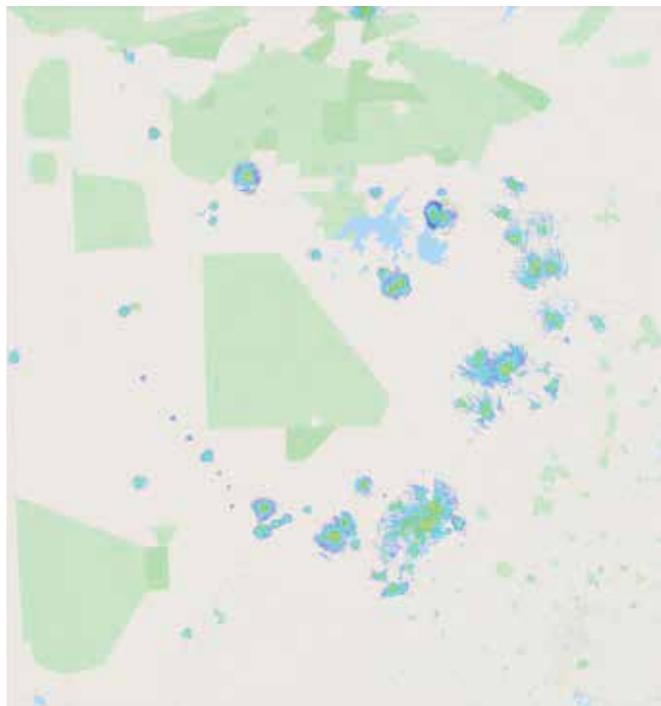


- Fairly Good
- Good
- Very Good

Figure 23: Mascom 3G.



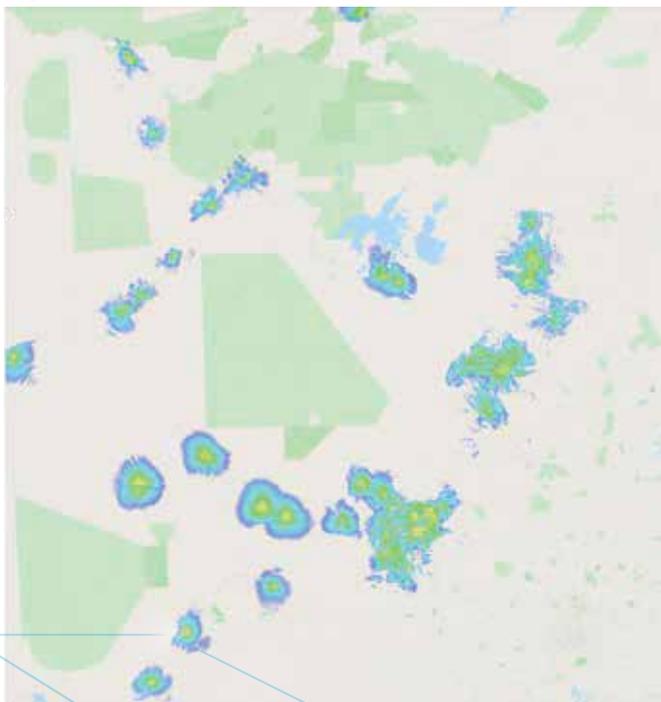
Figure 24: Orange 3G.



- Fairly Good
- Good
- Very Good

3G NETWORK COVERAGE

Figure 22: BTC 3G.



Spectrum Management Strategy (Continued)

4G NETWORK COVERAGE

Figure 25: BTC 4G.



Figure 26: Mascom 4G.

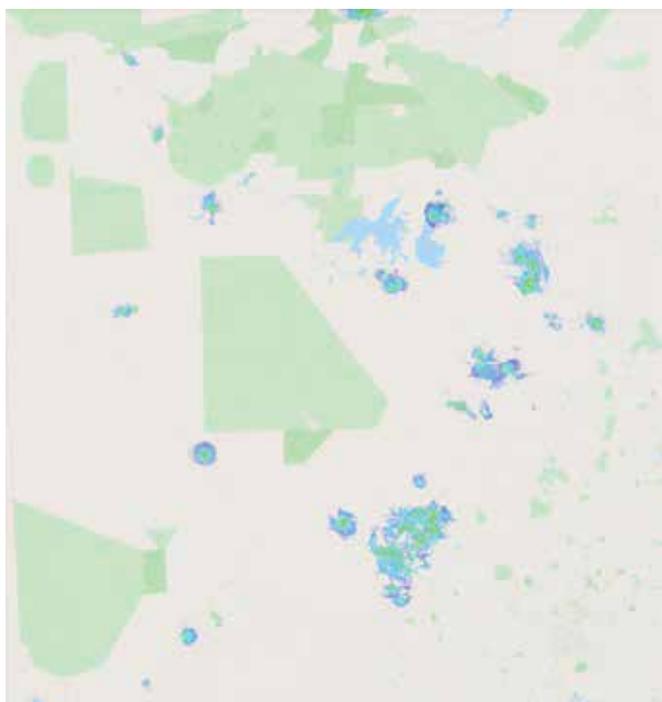


Figure 27: Orange 4G.



- Fairly Good
- Good
- Very Good



COMPUTER INCIDENT RESPONSE TEAM (CIRT)

BOCRA, with the assistance of the International Telecommunication Union (ITU), continued the process of establishing a Communication Sector Computer Incidence Response Team (COMM-CIRT). The COMM-CIRT will act as a single point of contact for cyber incident reporting and coordination through the following services:

- Cybersecurity incident management;
- Proactive and reactive cybersecurity monitoring;
- Detection of cybersecurity breaches and threats;
- Vulnerability assessment and analysis;
- Malware analysis;
- Digital forensic analysis;
- Cybersecurity information sharing;
- Security awareness-raising; and
- Technical capacity building.

The COMM-CIRT is expected to be operational by the next reporting period.

CYBER RESILIENCE FOR DEVELOPMENT (CYBER4DEV)

The Authority also received assistance from the European Union (EU) under the Cyber Resilience for Development (CYBER4Dev) programme. CYBER4Dev is an EU funded project, designed to promote cyber-resilience and cybersecurity to protect public and private enterprises across the globe. The Cyber4Dev trained the COMM-CIRT staff and the Constituents on the Security Incident Management Maturity Model (SIM3). The SIM3 Framework is used by CIRT teams around the globe to measure, manage, govern, document and perform CIRT functions. Also, CYBER4Dev assisted Botswana to collaborate and share information with other EU member states such as Finland and Estonia, and sponsored the CIRT team’s attendance at various conferences.

COUNTRY CODE TOP LEVEL DOMAIN (ccTLD)

In 2012, BOCRA was delegated under the Internet Corporation for Assigned Names and Numbers (ICANN) as the (.bw) Country Code Top Level Domain (ccTLD) Registry. ICANN is a non-profit multi-stakeholder organisation based in the United States of America (USA). The organisation is responsible for keeping the internet secure, stable and interoperable.

The ccTLD system is designed to resolve domain name and IP address issues and identify where websites are hosted. BOCRA is committed to serving the public and industrial interests through timely registrar accreditation and fair regulation following the CRA Act through the following:

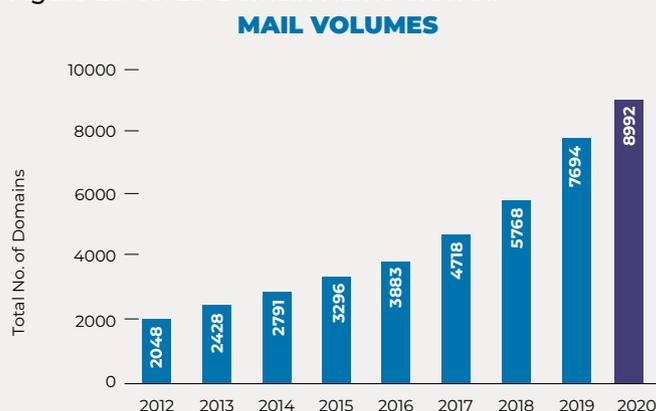
- Acting as a trustee for the .BW ccTLD;
- Serving as (.bw) ccTLD administrative and technical manager;
- Creating a second-level domain name, in consultation with stakeholders;
- Maintaining and promoting the operational stability of the (.bw) ccTLD;

- Ensuring a cost-effective administration of the (.bw) ccTLD and its sub-domains; and
- Providing a name service for all (.bw) domains and ensuring that the database is secure and stable.

BOCRA adopted the 3R Registry model, i.e. Registry (which is BOCRA), Registrar (companies which register end users of the domain name) and Registrant (end users).

As at March 2020, .bw ccTLD had a total of 8,992 registered domains which included co.bw, net.bw, org.bw, .ac.bw and .bw domain names. In terms of numbers, commercial domains carrying the co.bw sub-domain dominated the registry. The Authority took over the administration of the ccTLD in 2012 with only 2,048 domain names registered. The Registry currently has 66 Registrars, 55 of which are local companies, while 11 are International companies. Figure 28 depicts the ccTLD domain name growth over the eight years.

Figure 28: ccTLD Domain Name Growth.



DOMAIN NAME (.BW) CYBER MONITORING

The Authority continuously monitors .bw domain names for malicious attacks and alerts the owners of the websites or the hosting entity, so that they can take necessary remedial actions. During the period under review seven phishing attacks were detected on the registered domain names; all of which were successfully resolved. The most common attacks featured web shell defacing and phishing.

UNIVERSAL ACCESS AND SERVICE

IMPLEMENTATION OF THE UASF STRATEGY 2019-2024

In an effort to improve access to communications services to underserved and unserved areas, BOCRA, through the UASF, embarked on activities aimed

at identifying communications access gaps and developed programmes to close these.

STAKEHOLDER CONSULTATIONS AND COMMUNICATIONS NEEDS ASSESSMENTS

BOCRA engaged the leadership of Kweneng and North-West Districts Council Secretaries, District Commissioners and the Tribal Authorities to consult with them on the provision of communication services in the two districts. The consultations were held in line with the objectives of the UASF Strategic plan 2019-2024, which focus primarily on connectivity initiatives. Following the consultations, BOCRA conducted communications needs assessments of the two districts. The findings of the evaluations were used to inform the development and planning of connectivity projects for the two districts beginning with Kweneng District, and followed by North-West District.

BOCRA also carried out a communication needs assessment for Tswaopong Region to determine existing ICT gaps. The assessment identified gaps across

different segments of the communications sector. Most significant was the need for mobile broadband network coverage (3G /4G) in villages, and computer devices and internet in facilities such as schools, health centres, Kgotla offices and Post Offices. The Tswaopong Region needs assessment exercise was a sequel to the needs identified during the World Telecommunication and Information Society Day (WTISD) commemoration held in Sefhare Village in May 2019.

Following the assessments, BOCRA selected Moeng College and Lotsane Senior Secondary School to benefit from the provision of broadband internet connectivity together with computer devices. As at the end of the reporting period, two local IT companies had been awarded the tender to carry out the projects for the two schools.

CONNECTIVITY INITIATIVES EARMARKED FOR KWENENG DISTRICT

Under the strategic initiative of providing mobile broadband network connectivity to villages and internet connectivity to schools, BOCRA invited service providers to tender for the provision of 4G mobile network connectivity to 47 villages and internet connectivity to 117 Government schools in the Kweneng District. The project is expected to commence during the financial year 2020/21 and run for 18 months.

The Authority further commenced plans for the implementation of the following initiatives in the district:

- Expansion of FM radio transmission to provide commercial radio broadcast services to select communities in the region, complementing existing government media broadcast services; and
- Provision of computer devices, internet services and ICT training to selected centres for People with Disabilities/People with Special Needs.





MONITORING OF ONGOING UASF PROJECTS

BOCRA continued monitoring projects funded through the UASF, taking note of the progress made and addressing areas that required intervention, including the following:

PUBLIC WI-FI HOTSPOTS

DEPLOYMENT OF 3G AND 4G NETWORK COVERAGE IN RURAL VILLAGES

COMPUTERISATION AND INTERNET CONNECTIVITY TO RURAL SCHOOLS

CLOSING OF TELECOMMUNICATIONS NETWORK GAPS ALONG THE TRANS KALAHARI HIGHWAY (TKH)

DEPLOYMENT OF 3G AND 4G NETWORK COVERAGE IN RURAL VILLAGES

BOCRA facilitated the expansion of broadband networks to a population of more than 69,000 rural inhabitants across 68 communities in three regions. The regions are Mabutsane Sub-district, Kgalagadi District and Ghanzi district. Table 12 shows the villages that benefitted from the project.

Table 12: Villages benefiting from 3G/4G Network Deployment.

Mabutsane Sub-District (17 villages)	Kgalagadi District (32 villages)	Ghanzi District (19 villages)
Sekoma	Khuis	Hunhukwe
Itholoke	Kisa	Inalegolo
Kanaku	Kokotsha	Phuduhudu
Keng	Kolonkwaneng	Tshane
Khakhea	Makopong	Ukhwi
Khonkhwa	Maleshe	Lehututu
Kokong	Maralaleng	Zutshwa
Kutuku	Bokspits	Lokgwabe
Mabutsane	Gakhibane	Draihoeck
Morwamosu	Bray (Hereford)	Ncaang
Betesankwe	Khawa	Make
Mahotshwane	Omaweneno	Ngwatle
Samane	Rappelspan	Monong
Seherelela	Struizendam	
Lefoko	Vaalhoeck	
Mokhomma	Werda	
Sese	McCathy's Rust	
	Middlepits	
	Bogogobo	
		Bere
		Charleshill
		Chobokwane
		D'Kar
		East Hanahai
		Grootlaagte
		Kacgae
		Kalkfontein
		Karakubis
		Kole
		Kuke
		Makunda
		Metsimantsho
		Ncojane
		New Xanagas
		Qabo
		West Hanahai
		Xanagas
		Xade

Monitoring of Ongoing UASF Projects (Continued)

Monitoring of the network sites revealed satisfactory performance over the year, with 87% (59 out of 68 sites) conforming to minimum QoS performance indicators, while the remaining 13% (9 out of 68 sites) recorded persistent network outages. The sites with network outages included Morwamosu and Kokong villages in the Mabutsane Sub-District; Ukwahi, Ngwatle, Zutshwa and Ncaang villages in the Kgalagadi District; and Bere, Metsimantsho and Kaalkfontein villages in the Ghanzi District. Mobile operators continued addressing the network performance issues, which they attributed mainly to power outages across the regions.



COMPUTERISATION AND INTERNET CONNECTIVITY TO SCHOOLS

Computer equipment and associated networking were provided to 77 schools across Mabutsane Sub-district, Kgalagadi District and Ghanzi District. The project covered 68 Primary Schools and nine Junior Secondary Schools in the villages shown in Table 13. Broadband Internet connectivity was completed for all schools providing 5 Mbps dedicated bandwidth capacity as per the project requirements. However, the requisite bandwidth capacity was not achieved for all 22 schools in the Ghanzi region. The contractor had begun addressing the shortfall by the end of the financial year, with completion expected in the first quarter of 2020/21.



NETWORK ENHANCEMENT ALONG TRANS KALAHARI HIGHWAY (TKH)

Implementation of the project aimed at closing of telecommunications network gaps along the Trans-Kalahari Highway (TKH) stood at 78% completion by end of the financial year. Seven out of nine upgraded base stations were already providing service to consumers by the end of the financial year. The project contractor reported delays with completion of two greenfield sites, attributed to factors that included Environmental Impact Assessment (EIA) processes taking longer than expected, unfavourable weather conditions (heavy rainfall), and halting of works as a result of the Covid-19 pandemic at the end of March 2020.

COMPLIANCE AND MONITORING OF SERVICE PROVIDERS

BOCRA regularly develops new consumer protection initiatives and improves existing systems with a view to protecting customers from low quality of service, unfair pricing, and hazardous effects of communication devices.

During the year under review, BOCRA engaged in complaints resolution, retailer investigations and continuous monitoring of licensees across all sectors. Outlined below are some of the initiatives undertaken to achieve the mandate of consumer protection.

COMPLAINTS RESOLUTION

BOCRA received a total of 67 complaints escalated from consumers, regulated entities, and other stakeholders relating to 'quality of service' and 'quality of experience'. A total of 62 complaints were resolved, with five carried forward to the 2020/21 financial year.

Figure 29 illustrates the trend in complaints received by the Authority over five years from 2015/16 to the current financial year. There has been a notable increase in escalated complaints throughout the years except for 2018/19, which had a significant decrease as a result of the intense consumer education campaigns by the operators. For the year ending 2019/20, complaints increased by 59.5% from 42 to 67 from the previous period. This situation was mainly due to issues around new internet/data packages and mobile money services.

Figure 29: Five Year Trend Analysis of Registered Complaints

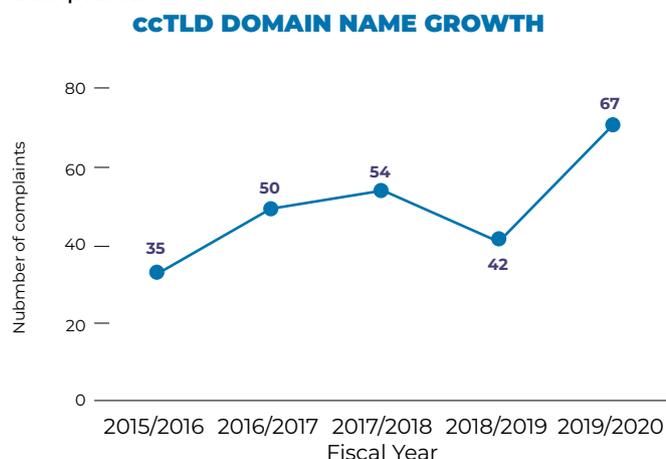


Figure 30 shows a detailed analysis of the type of complaints registered with the Authority during the reporting period:

Figure 30: Types of Complaints Registered

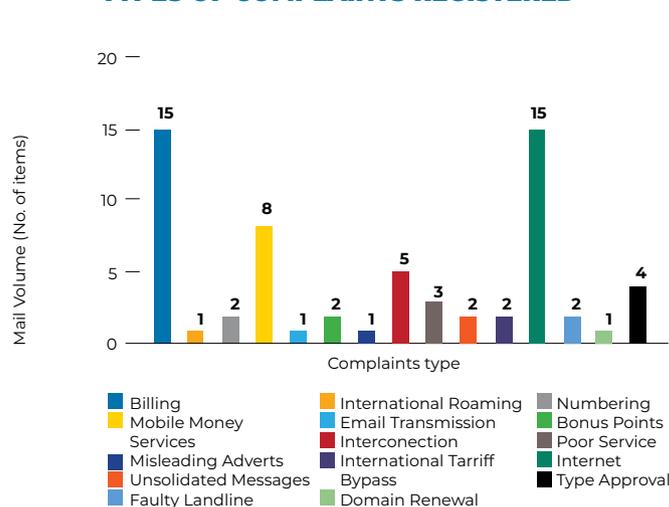


Figure 31: Distribution of Escalated Complaints

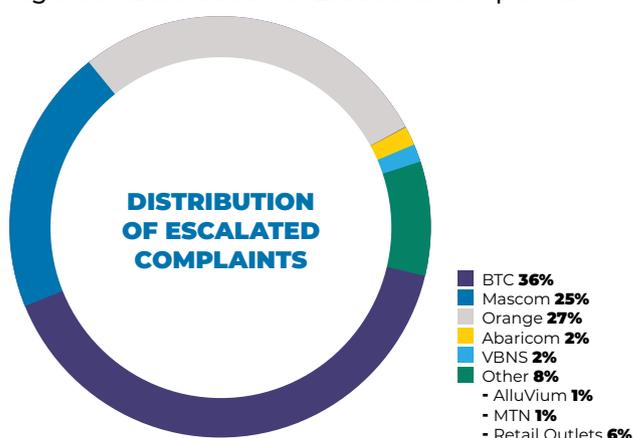


Figure 31 portrays the distribution of escalated complaints among some of the regulated service providers and retail outlets.

REVIEWS

Compliance and Monitoring of Service Providers (continued)

BTC had the highest number of complaints escalated to the Authority, with 24 complaints reported. Of these 24 cases, 13 were Internet-related, with customers complaining of slow to no Internet connectivity.

Orange Botswana had the second-highest number of complaints escalated to the Authority, with 18 complaints registered. Mobile Money Services and billing cases accounted for eight and five of the complaints respectively.

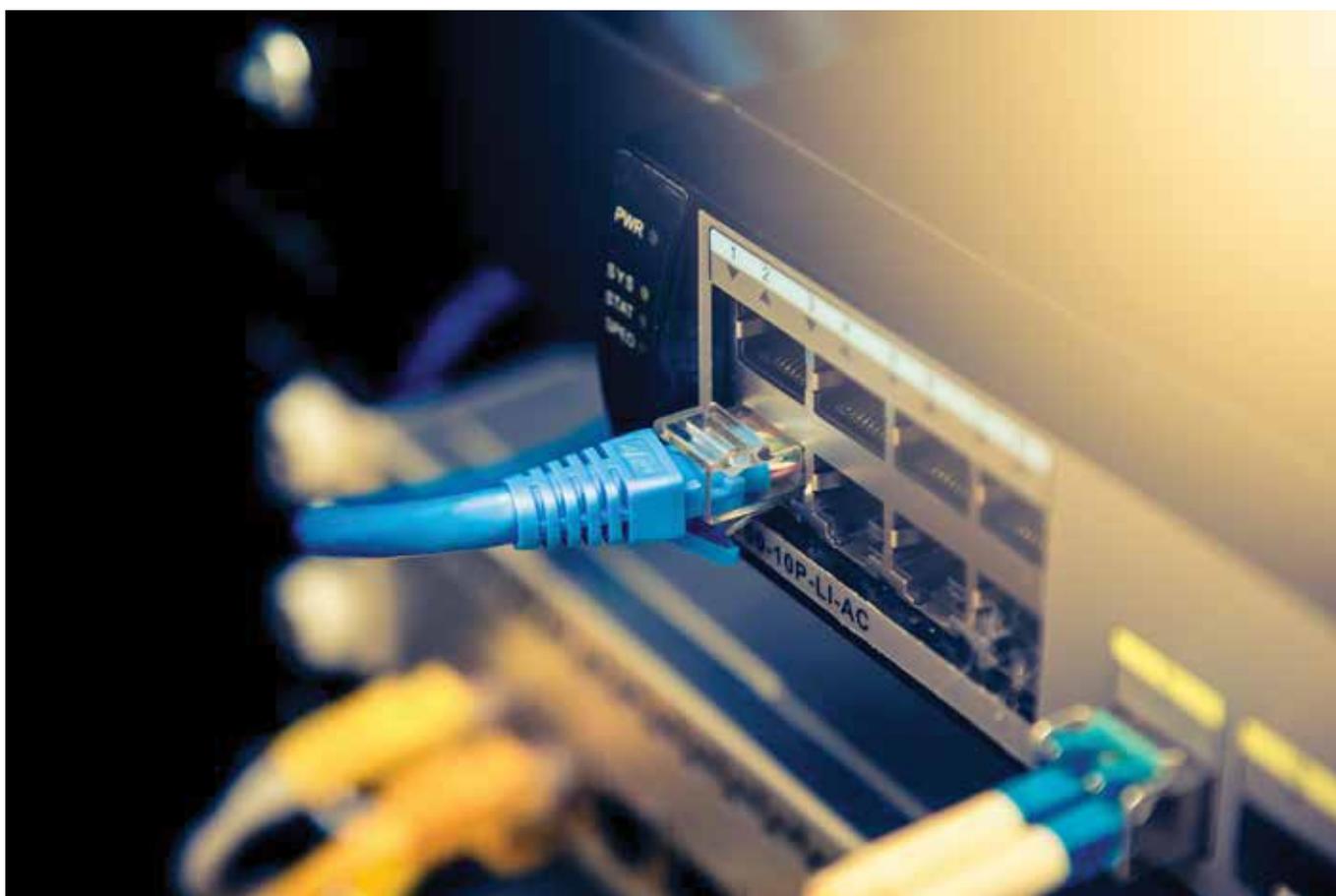
Mascom had 17 complaints escalated, with five attributed to billing, and the rest split among various other services.

INSPECTIONS

BOCRA conducted planned Type Approval investigations across the country during the reporting period to establish the extent of compliance or transgressions against the provisions of the CRA Act, particularly relating to Type Approval of communications equipment. Table 13 provides a summary of the investigations carried out.

Table 13: Compliance investigations statistics.

Date	Area	Number of Shops Visited	Number of Entities Charged	Number of Entities Fully Paid Up	Number of Confiscated Gadgets	Pending Cases
22-29 May 2019	Kasane	19	8	8	73	N/A
05-10 Aug 2019	Maun	21	7	7	72	N/A
12-16 Aug 2019	Ghanzi	21	7	7	46	N/A
07-12 Oct 2019	Palapye	18	9	9	349	N/A
14-19 Oct 2019	Serowe	24	7	5	242	2
03-08 Feb 2020	Lobatse	22	6	3	187	3
10-15 Feb 2020	Jwaneng	18	6	3	215	3
TOTAL	7	143	50	42	1,184	8



Entities that did not comply with the Type Approval requirements were fined P2,000 each by the Botswana Police Service. The total amount paid to the Police was P84,000.

AD-HOC INSPECTIONS

In addition to planned investigations, BOCRA carried out five ad hoc investigations prompted by tip-offs and whistleblowing from across all regulated sectors. One was conducted in Francistown following a report from the Consumer Protection Unit and the remaining four in Gaborone. Of the four cases in Gaborone, three were against retailers while one concerned an individual who was illegally selling communication devices. Where non-compliance was observed, devices were confiscated and fines imposed by the Botswana Police Service.

BOCRA noted high levels of non-compliance across the country, mainly concerning Type Approval related issues. The Authority advised consumers to exercise their rights when purchasing their communications devices and equipment by demanding Type Approval Certificates issued by BOCRA.

COMPLIANCE INVESTIGATION

A total of 20 compliance investigations were conducted in some of the regulated sectors including Broadcasting, Postal and ICT. The investigations revealed non-compliance by some licensed operators regarding late payment of regulatory fees, late submission of information required by the BOCRA and non-adherence to network rollout plans.

Licensed service providers across all sectors are obliged to pay annual licence fees, as well as net turnover-related fees in the manner prescribed in their respective licences. Most of the reviewed licensees failed to comply by making timely payments of fees. Furthermore, some licensees failed to submit the required information or data as prescribed. Finally, it was noted that some licensees failed to adhere to their network rollout plans and provide services to planned areas.

Compliance investigations were also conducted for a select number of security companies. Based on a sample of nine companies, the industry’s compliance rate at the beginning of the exercise was low, with an accumulated debt of P3,464,912.15. At the end of the financial year, the Authority had recovered 80% of the debt. To arrest the problem of non-compliance, BOCRA will, in future, implement a Penalty Framework, breaking down penalties provided for in the CRA Act.

BUSINESS CONTINUITY PLANS AND DISASTER RECOVERY

In May 2019, BOCRA hosted a stakeholder workshop to mobilise regulated entities and foster implementation of Business Continuity and Disaster Recovery (BCDR) plans. Implementation of BCDR plans is intended to ensure speedy recovery of regulated entities and their services in the event of a disaster. To this end, BOCRA developed BCDR Guidelines to provide

regulated entities with parameters of what BCDR plans should entail. Implementation of the Guidelines commenced in December 2019, and by the year-end, some companies had submitted their BCM Policy documents blueprints.

ANTI-MONEY LAUNDERING MANDATE

The new Financial Intelligence (Amendment) Act, no.11 of 2019 (FI Act), designated BOCRA as an Accountable Institution. As a result, the Authority has reporting obligations to the Financial Intelligence Agency for its licensees.

Most licensees that are providing financial services have dual reporting requirements to BOCRA and the Bank of Botswana. These licensees have been outlined as ‘Specified Parties’ because of the services they offer. Specified Parties have an obligation, under the Act, to implement Anti-money Laundering and Counter-Terrorist Financing preventative measures under the auspices of Supervisory Authorities. Table 14 shows BOCRA licensees deemed to be ‘specified parties’, the types of services offered and the designated Supervisory Authority.

Table 14: BOCRA licensees deemed as ‘specified parties’.

Licensee	Services Offered	Supervisor
Botswana Post	PosoMoney	Bank of Botswana
Orange	Orange Money	Bank of Botswana
Mascom	MyZaka	Bank of Botswana
BTCL	SMEGA	Bank of Botswana

DISASTER RECOVERY AWARENESS

BOCRA’s business resilience strategies are fundamental to ensuring that the Authority can recover its business processes and continue operating during and after a potential disaster. The Authority regularly reviews its BCDR processes to ensure that they are effective and up to date. BOCRA upgraded its core server and networking IT infrastructure to replace obsolete equipment with more secure, up-to-date equipment. The upgraded infrastructure was designed to be robust and scalable so as to offer BOCRA improved BCDR capabilities along with handling different IT requirements that emanate from regulating a continually evolving communications sector.

In December 2019, BOCRA launched a Disaster Recovery Awareness campaign for staff to better understand the organisation’s disaster preparedness status. The exercise involved a simulation of a disaster requiring staff to evacuate the building safely within a reasonable time. It also allowed departmental disaster recovery team leaders to meet their teams, review performance in the exercise and re-emphasise what would be required of them in future. This activation was part of BOCRA’s efforts to promote awareness of disaster preparedness among the staff.

LOCAL REGIONAL AND INTERNATIONAL PARTICIPATION

LOCAL PARTICIPATION



SEMINAR FOR BROADCASTERS ON COVERAGE OF NATIONAL ELECTIONS

In June 2019, BOCRA convened a training activity entitled Seminar for Broadcasters on Coverage of National Elections. This engagement was aimed at providing broadcasters and presenters with the requisite skills and knowledge for covering national elections in a fair, balanced and accurate manner.



COMMEMORATION OF WORLD HIV/AIDS DAY

In December 2019, BOCRA joined the rest of the country in commemorating World HIV/AIDS Day. The initiative was part of larger efforts to promote awareness on HIV-related diseases and efforts to reduce incidence of HIV/AIDS in Botswana. The theme of the day was “Communities Make a Difference”.

The day involved presentations to staff on health issues and voluntary screening for HIV and non-communicable diseases such as high blood pressure and diabetes. BOCRA also took the opportunity to extend the message to walk-in customers.



LAUNCH OF ONLINE PAYMENT SERVICES

In October 2019, BOCRA launched an Online Payment platform in Maun. The Online Payment platform took BOCRA services closer to the people by enabling them to apply and pay for regulatory services online. Maun was chosen because of the high number of radio licensees operating in the area. The launch featured an open show campaign where members of the public were told about BOCRA services generally and online services specifically. The launch was accompanied by a workshop that provided licensees with a deeper understanding of the online services and give feedback on their initial impressions. The online service was well received, and subsequent uptake from stakeholders was good.

COMMEMORATION OF SAFER INTERNET DAY 2020

BOCRA, in collaboration with inFuture Foundation, took part in a media tour of radio broadcasters including Yarona FM, Duma FM and RB2 to promote the concept of eBotho as part of its contribution to international dialogue and awareness-raising efforts on Safer Internet Day 2020.

The concept of eBotho, which is the brainchild of inFuture Foundation, is aimed at promoting the responsible use of ICT, especially the internet, by invoking the Setswana value of botho. Another aspect of the is educating the youth on the responsible and ethical use of social media in a way that conforms to societal norms and values.



COMMEMORATION OF WORLD RADIO DAY 2020

BOCRA collaborated with different stakeholders including the United Nations Educational, Scientific and Cultural Organisation (UNESCO), commercial radio stations, state radio broadcasters and Kweneng Local Authorities to commemorate 2020 World Radio Day in Sojwe Village in the Kweneng District in February 2020. WRD is an international day commemorated annually on 13 February under the auspices of UNESCO to celebrate radio and how it informs, transforms, unites and shapes the lives of all humanity. This year's theme was "Pluralism, Representation and Diversity – Towards A More Inclusive Radio Environment."

The theme was anchored on three sub-themes:

- Advocating for pluralism in radio (including a mix of public, radio, private and community broadcasters);
- Encouraging representation in the newsroom with teams comprising diverse social groups; and
- Promoting diversity of editorial content and content types reflecting a variety of audiences.

In addition, through the UASF, BOCRA sponsored the installation of an FM broadcast transmitter enabling the first time provision and launch of commercial radio broadcast services to the cluster of villages in the area, including Sojwe, Loologane, Lephephe, Shadishadi, Otse, Kokonje and Boatlaname.

IT OFFICERS TRAINING

BOCRA and the Ministry of Basic Education (MoBE) hosted a refresher training workshop in Kang for the Information Technology Officers (ITOs) engaged by the UASF under the Schools Connectivity and Computerisation initiative. The ITOs are deployed in primary schools in Ghanzi and Kgalagadi District as well as some parts of Mabutsane Sub-District.

The objective of the workshop was to equip the ITOs with skills to manage the operational challenges encountered in their day-to-day work. It also allowed participants to provide feedback on the overall implementation of the programme, share lessons learned, and inform the authorities about areas of concern. Most concerns raised related to welfare issues. MoBE and BOCRA noted these and encouraged the ITOs to remain focused and dedicated to their duty while their problems were being addressed.



REVIEWS

REGIONAL PARTICIPATION



ITU 4TH ANNUAL SUB-SAHARA SPECTRUM MANAGEMENT CONFERENCE

BOCRA hosted the 4th Annual Sub-Sahara Spectrum Management Conference, and ITU Capacity Building on Cross Border Frequency Spectrum Management and Coordination from 27 to 31 May 2019, in Gaborone. The main objective of the conference was to discuss spectrum coordination and cross-border issues.

More than 200 delegates from 30 countries attended. At the same event, the ITU launched the Policy Regulation Initiative for Digital Africa (PRIDA); which seeks to foster universally accessible, affordable and effective wireless broadband across the continent. The PRIDA Initiative will provide tools and training to improve spectrum efficiency in developing countries.



3RD ATU WRC-19 PREPARATORY WORKING GROUP MEETING

BOCRA hosted the 3rd African Telecommunications Union (ATU) World Radiocommunication Conference (WRC-19) Preparatory Working group meeting in June 2019. Attended by delegates from over 20 African countries, the purpose of the meeting was to develop a common position for Africa ahead of the WRC-19 conference which took place in November 2019.

CTO HUMAN RESOURCES FORUM

BOCRA, in collaboration with BTC and BoFiNet, hosted the Commonwealth Telecommunications Organisation (CTO) Human Resources and ICT Forum 2020 that was held in Botswana in February 2020. The Forum's theme was "Changing the shape of the workforce".

Topics discussed included:

- Digital Transformation and Effective HR Strategies;
- Emerging Technologies – The Future of Work;
- Transforming Recruitment – Digital Media Tools and Online Services;
- Capacity Development and Training: Quality Assurance and ICT Standards;
- Transforming HR;
- Data Analytics; and
- Cyber Security and Data Protection.

This year's forum provided participants with an opportunity to discuss how to develop processes that would encourage the growth of HR professionals and human capital at large. The forum also provided a platform to exchange knowledge on how HR and ICT experts could enhance human resources by exploring opportunities in technological advancements such as creating industries of the future.

In addition to Botswana, representatives from South Africa, Tanzania, Nigeria, Trinidad and Tobago, Ghana, Kenya, Cameroon, United Kingdom and Mozambique attended.



POLICY AND REGULATION INITIATIVE FOR DIGITAL AFRICA (PRIDA)

BOCRA attended the continental Policy and Regulation Initiative for Digital Africa (PRIDA) meeting in Addis Ababa, Ethiopia in September 2019. The African Union organised the conference in partnership with the European Union. The aim of the meeting was for African states to agree on the methodology, list of topics and a two-year road map for the harmonisation of ICT policies and regulations at continental level. The Africa Top Level Domain (AfTLD) made recommendations to PRIDA, highlighting the high-level role of the naming and numbering space in Africa and how the AF* organisations are working together to achieve harmonisation necessary for a digital economy. AfTLD also recommended best practice standards to realise harmonisation goals within the ICT framework, and the measurement and evaluation mechanisms that could be used to gauge the progress against set targets. A proposal was also made for the establishment of a performance metric consisting of several key performance indicators. A basic workflow for the establishment of this key performance indicator monitoring system formed part of the report's annexure.

7TH AFRICA DOMAIN NAME SYSTEM FORUM

In July 2019, BOCRA hosted the 7th Africa Domain Name System (DNS) Forum in Gaborone under the theme "Building Trust in the African DNS Industry for a Thriving Digital Economy". The event attracted over 200 local and regional participants to discuss key DNS issues that directly affect the growth of a digital economy in Africa. Discussions included registrar business, payment systems, social impacts of DNS in Africa, DNS security & stability, universal acceptance, initiatives, and the challenges thereof.

BOCRA presented a paper on the effective running of the Registry. The Authority also sat on the panel that led discussions on DNS Security, which dealt with the significance of emerging technologies such as the DNS over HTTPs (DOH) and DNS over Transport layer (DoT) in securing the internet.

The Forum also identified cybersecurity as the primary threat to digitalising the African economy, which is also a global problem that respects no borders. The Forum highlighted the lack of harmonised policies and legal frameworks as the major hindrance to the growth of the digital economy in Africa.

REVIEWS

REGIONAL PARTICIPATION (continued)

WORLD TELECOMMUNICATION STANDARDISATION ASSEMBLY (WTSA-20)

In January 2020, BOCRA hosted a stakeholder consultation workshop in preparation for the World Telecommunication Standardisation Assembly (WTSA-20) scheduled for Hyderabad, India in October 2020.

BOCRA undertook consultations with relevant stakeholders to formulate a national position to contribute to WTSA-20 in line with the requirements, which call for collaboration between Government, civic society and the private sector.

The objectives of the consultation process were to:

- Organise coordinated national activities required of ITU membership prior to the Assembly;
- Encourage industry involvement in the WTSA process;
- Evaluate resolutions and local implementation of the 2016 edition of WTSA-16; and
- Produce a Botswana position paper which would inform contributions to the 2020 Assembly.

Feedback from the consultation revealed that the stakeholders had never contributed to ICT standards development dialogue. This was evidenced by a decline in stakeholder engagement during previous consultation meetings. BOCRA introduced the use of online resources to improve engagement of participants during the consultation workshop. The workshop culminated with a draft country standardisation position for input to the Africa position.

CRASA COMMITTEE MEETINGS

BOCRA is a member of the Communications Regulators Association of Southern Africa (CRASA), a regional body comprising the National Regulatory Authorities of the Southern African Development Community (SADC).

This association works towards the harmonisation of Postal and ICT Policies in the region to improve ICT business and the environment within which it operates.

Conscious of the critical role that ICTs play in ensuring full participation of the citizens of the SADC in the Information Society, CRASA convened its statutory committee meetings during the reporting period.

BOCRA hosted workshops of the CRASA Universal Access and Service Committee (UASC) back-to-back with the Consumer Service Committee in Gaborone in February 2020.



CRASA UNIVERSAL ACCESS AND SERVICE COMMITTEE (UASC)

The UASC discussed the level of implementation of the SADC Universal Access and Service Guidelines by the member countries. The committee prepared a report for submission to the CRASA Executive for noting and to encourage the member states to implement the Guidelines.

The Committee meeting culminated with a one-day capacity building session on Digital Identity sponsored by the Commonwealth and facilitated by GSMA. Although Digital identity is critical for participation in a digital economy, SADC countries did not have robust identity systems. The course provided policy recommendations for the promotion of inclusive digital identity systems. It also identified barriers that women and girls faced when accessing or using identity systems, and suggested ways of overcoming them.

CONSUMER SERVICE COMMITTEE (CSC)

The Consumer Service Committee finalised its Annual Plan tasks. Specifically, the Committee analysed feedback from CRASA members concerning consumer protection issues related to accessibility to ICTs of Persons with Disabilities within SADC. It also developed a concept note on the impact of Over-The-Top services (OTTs) on Consumer Protection Regulations. The concept note aimed at seeking a CRASA mandate for the CSC to carry out a project to investigate the extent to which OTTs impact Consumer Protection regulations and to review the importance of compliance of OTTs with Quality of Service/Quality of Experience standards.

CRASA ROAMING TASK TEAM (CRTT)

BOCRA also hosted the CRASA Roaming Task Team (CRTT) meeting in August 2019 in Gaborone. The meeting addressed proposals on how roaming prices in the SADC region could be reduced to affordable levels based on a newly developed cost model and pricing framework. A report showing timelines for Mobile Network Operators to reduce roaming prices is awaiting approval by SADC ICT Ministers.

CRASA FINANCE AND AUDIT COMMITTEE

As Treasurer and Executive Committee Member of CRASA, BOCRA hosted the CRASA Finance and Audit Committee meeting in Gaborone in August 2019.

The meeting considered the following issues:

- Implementation status of Resolutions of the 8th Annual General Meeting
- Implementation status of the Operational Plan for 2019/2020
- Management Accounts for the quarter ended 30 June 2019
- Updated CRASA Risk Register
- CRASA Internal Audit Plan for 2019/2020
- CRASA Business Continuity Plan.

A report of the meeting was submitted to the CRASA Executive Committee for approval.

BENCHMARK VISITS FROM THE REGION

MALAWI COMMUNICATIONS REGULATORY AUTHORITY VISIT

BOCRA hosted the Malawi Communications Regulatory Authority (MACRA) in November 2019. The purpose of the visit was to share information on Botswana's experience in establishing a Universal Access and Service Fund, as Malawi was preparing to develop its own fund. The UASF and BoFiNet took the delegation through detailed presentations of the Botswana Fund operations and projects. The delegation paid a courtesy call on the Permanent Secretary at the Ministry of Transport and Communication and was also taken on a tour of the UASF project site in Sese village in the Mabutsane Sub District.



SOUTH SUDAN UNIVERSAL ACCESS AND SERVICE FUND VISIT

BOCRA, through the UASF, hosted the Universal Service and Access Fund of South Sudan in December 2019. The objective of the visit was for the South Sudanese USAF to benchmark with BOCRA and the UASF the critical success factors for establishing such a fund. Areas of interest included, but were not limited to, the following:

- The legal instruments used in the establishment of the Botswana UASF;
- Projects that have been undertaken by Botswana to provide connectivity to unserved and underserved areas; and
- Challenges and successes that Botswana experienced in the establishment of the Fund and the implementation of projects.

The South Sudan team met with BoFiNet as one of the key stakeholders in the connectivity projects undertaken by UASF. The delegation also toured the Schools Computerisation and Connectivity projects in Betesankwe and Sese villages.

Hosting regional and global events benefited Botswana's economy and increased awareness of the local community, key stakeholders and decision-makers. The events also addressed capacity building for Botswana and the African continent, as they brought together experts in the field, creating essential networks in the process.

REVIEWS

INTERNATIONAL PARTICIPATION

2019 WORLD RADIOCOMMUNICATION CONFERENCE WRC-19

The World Radiocommunication Conference (WRC-19) was held in Egypt in November 2019. The WRC is held quadrennially under the auspices of the ITU to undertake the following:

- 1 REVIEW OR REVISE THE RADIO REGULATIONS**
- 2 ADDRESS ANY RADIO COMMUNICATION MATTER OF WORLDWIDE CHARACTER**
- 3 INSTRUCT THE RADIO REGULATIONS BOARD AND THE RADIO COMMUNICATION BUREAU, AND REVIEW THEIR ACTIVITIES**
- 4 DETERMINE QUESTIONS FOR STUDY BY THE RADIO COMMUNICATION ASSEMBLY AND ITS STUDY GROUPS IN PREPARATION FOR FUTURE RADIO COMMUNICATION CONFERENCES**

Botswana attended WRC to advance national radio frequency spectrum issues, as fulfilling its obligations as Chairperson of the WRC-19 preparatory process for the Southern African Development Community (SADC).

Botswana was represented at the Conference by delegates from BOCRA, Ministry of Transport and Communications, Botswana Defence Force and the Department of Broadcasting Services.

The WRC-19 concluded with agreements enshrined in the Final Acts of the Radio Regulations. The Radio Regulations is an international treaty that governs the use of radio frequency spectrum and satellite orbits across the globe.

Among the key resolutions that the 3,400 WRC-19 delegates from 163 Member States reached were:

- Identification of additional globally harmonised frequency bands for International Mobile Telecommunications (IMT), including IMT-2020 (otherwise known as 5G mobile), facilitating diverse usage scenarios for enhanced mobile broadband, massive machine-type communications and ultra-reliable and low-latency communications. This spectrum identification will address the demand for data bandwidth for broadband services.
- Providing protection to the Earth-Exploration Satellite Service (EESS) as well as meteorological and other passive services in adjacent bands, such as the Space Research Service (SRS), ensuring that space-based monitoring of the Earth and its atmosphere remain unhindered.
- Protection of satellite services supporting meteorology and climatology that aim to safeguard human life and natural resources from harmful radio-frequency interference, as well as systems used by radio astronomers for deep space exploration.



- Protection of Radio astronomy stations from any harmful radio interference from other space stations or satellite systems in orbit.
- Opening new orbital slots for broadcasting satellites, providing developing countries with the opportunity to regain access to spectrum orbit resources thanks to a priority mechanism mostly set for them. This will benefit Botswana in future should the country wish to launch its own satellite as the current positions were affected by interference from existing satellites.
- Defined a stable regulatory framework for non-geostationary satellite orbit (non-GSO) systems based on a milestone process enabling mega-constellations to come to fruition rapidly. This process will ensure that more affordable means of connectivity can be offered to citizens of all countries.
- Ensured and expanded the provision of a genuinely global maritime distress and safety system.
- Approval of a new recommendation on Intelligent Transport Systems towards connecting vehicles, improving traffic management and assisting safe driving.

The Conference determined the future use of spectrum and informed BOCRA in terms of the development of its spectrum management strategy for allocation of scarce resources. The completion of the conference calls for the incorporation of the new principles that should be used when assigning spectrum.

2019 ITU COUNCIL

BOCRA attended the 2019 session of the Council of the International Telecommunication Union (ITU) as an observer in Geneva, Switzerland. The ITU Council is a body of 48 member countries elected by the Plenipotentiary Conference quadrennially to represent the Union's five regions. The Council is the ITU's governing body and meets annually to drive the affairs of the Union and ensure implementation of resolutions passed by ITU structures.

The Council dealt with a range of issues including:

- Implementation of the Strategic Plan 2016-2019
- Adoption of Annual Plans and Financial Budgets for the period 2020-2021 under the new Strategic Plan 2020-2023
- Report of the external auditors
- Preparations for upcoming major ITU events appearing in the new Strategic Plan
- Reports of the various Council committees and past events
- Contributions from member states
- Administration and Human Resources issues

Participating in ITU activities enables Botswana to influence the decisions of the Union towards development-oriented initiatives. It is through such participation that BOCRA collaborated with the ITU to establish a Computer Incidence Response Team.

TELECOM WORLD 2019

BOCRA attended the Telecom World conference in Budapest, Hungary in September 2019. Telecom World is an annual ITU event that consists of exhibitions for digital solutions and forum discussions for knowledge sharing, as well as bringing together policymakers, regulators, investors, corporates and technology SMMEs.

Held under the theme, Innovating Together, Connectivity that matters, the 2019 Telecom World programme covered an array of issues including:

- finding an integrated approach to bridging the digital divide;
- building ICT centric ecosystems to accelerate digital transformation;
- ensuring financial inclusion through innovative financial technologies and digital currencies; and
- impact of and required resources for emerging technologies such as 5G, Artificial Intelligence, and multimedia systems for future cars.

Telecom World also featured Ministerial roundtable debates around public-private collaboration on connectivity; 5G and high capacity network development; and required policies to ensure data security.

Telecom World offered BOCRA the opportunity to interact with various global ICT stakeholders, share the Botswana experience and find out more about emerging technologies and how other administrations are dealing with them.

GLOBAL SYMPOSIUM FOR REGULATORS

BOCRA delegation attended the 19th Global Symposium for Regulators (GSR-19) held in Port Vila, Vanuatu in July 2019. The symposium's theme was "Fast Forward Digital Connectivity for All". GSR is a forum of ICT regulators established in 2000 as an avenue for sharing views and experiences on topical regulatory issues. On an annual basis, the symposium brings together heads of national telecommunications/ICT regulatory authorities, policy makers, industry leaders and other ICT stakeholders from around the world to set regulatory best practice guidelines.

BOCRA moderated a session titled "Connectivity for All" that explored and suggested ways for lifting barriers that hinder connectivity. The session discussed winning approaches to building and accessing secure communications infrastructure. It further discussed ways and means of fostering innovation to ensure inclusive digital transformation as well as incentive-based regulatory practices across all sectors of the economy.

In preparation for the symposium, the ITU had launched a consultation process inviting its member states to submit contributions towards the development of Best Practice Guidelines under the theme "Fast forward digital connectivity for all". The contributions addressed three key questions:

- What are the core design principles for collaborative regulation?
- What benchmarks for regulatory excellence and market performance can form the basis for digital infrastructure regulation?
- What new regulatory tools and approaches are at hand for enabling digital experimentation?

Botswana submitted a written contribution advancing the view that there were many regulatory tools in the communications sector for enabling digital experimentation. The contribution posited that to expedite connectivity for all, a shift from rule-based regulation as a norm towards principle-based regulation with an emphasis on trust, adaptivity and social benefits was required. As a start, regulators needed to consider technology-neutral licensing frameworks that allow for the provision of multiple services. In promoting innovation, regulators need to increase the availability of licence-free spectrum and introduce temporary assignments for start-ups or any targeted initiatives.



REVIEWS

INTERNATIONAL PARTICIPATION



SUBMISSION FOR WSIS PRIZES

BOCRA submitted a School Computerisation and Internet Connectivity project implemented through the Universal Access and Service Fund to address the e-learning WSIS Action Line under ICT Applications. The project was nominated and selected out of 776 projects submitted by the WSIS Stakeholders' community, as a WSIS Prize 2020 champion under the "Information and Communication Infrastructure" category. The project will receive its prize at the 2020 WSIS Forum in September 2020 in Geneva, Switzerland. The detailed project submission document is available on the ITU website.

SUBMISSIONS FOR WSIS PHOTO CONTEST

The UASF submitted a photo for the 2020 WSIS Forum Photo Contest, showcasing the use of ICTs in learning for schools in remote areas. The picture, which features learners using ICTs during agriculture lessons, made it to the finalist selection for the 2020 WSIS Forum Photo Contest. Most remote schools now have tablets and Internet that they use for learning subjects that include agriculture.

WORLD SUMMIT ON THE INFORMATION SOCIETY (WSIS)

BOCRA engaged local stakeholders to participate in the World Summit on the Information Society (WSIS) process. This included WSIS Stocktaking, WSIS Prizes, a WSIS Photo Contest, WSIS Open Consultation and the WSIS Forum. The WSIS Forum is a global multi-stakeholder platform facilitating the implementation of the WSIS Action Lines for advancing sustainable development. The Forum provides an opportunity for information exchange, knowledge creation and sharing of best practices, discussion on emerging trends and fostering partnerships. It is co-organised by ITU, UNESCO, UNCTAD, UNDP and other UN organisations.

The Forum encourages member states to submit ICT related projects and initiatives to highlight the progress made in addressing the various WSIS Action Lines under the WSIS Stocktaking Process.



WeGO SMART SUSTAINABLE CITIES, ICT APPLICATIONS WORKSHOP

The Authority participated at the 2019 WeGO Smart Sustainable Cities, ICT Applications and e-Government Workshop held in Jeju Island, South Korea in July 2019. The World eGovernments Organisation (WeGO) is an international cooperative body of cities and local governments that pursues sustainable city development based on e-Government. The organisation was established in 2010 in Seoul, South Korea, to improve the lives of citizens across the world through a wide range of activities, including:

- The use of ICTs to innovate public administrations;
- Bridging the digital divide through capacity building, consultation, and research;
- Discovering and disseminating good practises of e-Government; and
- Working with international bodies in joint projects and collaborations, covering different areas of mutual interest.

WeGO affiliation is categorised into Full/Associate and Friendship memberships, with the former comprising Cities and Local Governments from across the world. The latter is made up of any other Regional Associates of Local Governments, other Government Departments, and entities concerned with e-Government issues. BOCRA joined WeGO as a Friendship Member in November 2017 and upgraded to the Full Member category in October 2019.

At the 2019 workshop, BOCRA made presentations on Botswana's policy and regulatory approaches to ICT, as well as on the role of the public and private sectors in the digital development of the country. The presentations

identified the Safer City Project, National Deployment of Fibre to the Homes and Offices (FTTx), Public Wi-Fi Hotspots and the Carrier Data Centre as some of Botswana's initiatives aligned with the mandate of WeGO. The Authority further shared Botswana's significant challenges in these areas and learned more about the experiences of different governments, organisations and companies across the world.

BOCRA continues to provide support to relevant stakeholders, including the private sector, government ministries and departments, councils and other entities working towards digital development of local cities.

INTERNATIONAL BROADCASTING CONVENTION (IBC) CONFERENCE

BOCRA attended the International Broadcasting Convention (IBC) Conference and Exhibition in September 2019 in Amsterdam, Netherlands. The IBC Conference is a global forum for discussion and debate on issues that affect electronic media. The exhibition provides participants with an opportunity to interact with manufacturing and technology suppliers, and to discover the latest trends in electronic media.

BOCRA used the opportunity to interact with several companies which provide broadcasting monitoring solutions in a bid to identify areas of improvement in the system that BOCRA was setting up. Improvements such as OTT monitoring could be considered in future. BOCRA further interacted with transmitter manufacturers to find solutions to address coverage of commercial FM broadcasting in underserved areas. Manufacturers with suitable equipment for rural deployment were identified, and BOCRA through UASF was able to start the procurement process for the equipment.

STAKEHOLDER ENGAGEMENT

MEMORANDUM OF AGREEMENT BETWEEN CIPA AND BOCRA

BOCRA signed and implemented a Memorandum of Understanding (MoU) with the Companies and Intellectual Property Authority (CIPA), formalising relations between the two regulatory bodies. As a registrar and guardian of rights holders of creative works, CIPA is better placed to support BOCRA in facilitating the establishment of critical digital platforms for carrying content that will connect Botswana and Batswana. CIPA will also help BOCRA to monitor the growth levels for local content, a crucial factor in determining the kind of interventions required of BOCRA to grow the sector.

NORTH WEST DISTRICT COUNCIL BRIEFING

As part of its Consumer Education plan, BOCRA addressed the full sitting of the North West District Council on its mandate, common consumer concerns and upcoming UASF projects planned for the area during the 2021/22 Financial Year.

The Council raised several questions, comments and concerns in response. Some of the issues raised included:

- Allegations of unlawful interception;
- Unacceptable use of social media by some users;
- Affordability of data services;
- Possibility of BOCRA establishing a regional Office in Maun;
- Network quality of service issues; and
- Complaints handling procedures for the communications sector.

The Authority assured the Council of its commitment to continue working with stakeholders to improve the communications sector in the region. To address the issue of establishing a regional office, BOCRA pointed out that it has an online licensing portal to enable its customers to access its services remotely. The Council was also informed that BOCRA would actively begin an assessment of communications needs in the region.

CONSUMER EDUCATION

CONSUMER AWARENESS CAMPAIGNS

During the period under review, BOCRA engaged in a series of consumer awareness campaigns, as detailed in Table 15.

Table 15: April 2019 to March 2020 consumer education & awareness activities

Name of School	Location of the School	Date
Hospitality & Tourism Association of Botswana (HATAB)	Kasane	April 2019
Consumer Education at Kasane Mall	Kasane	April 2019
World Telecommunication & Information Society Day	Sefhare	May 2019
Business Botswana	Francistown	May 2019
Ministry of Transport & Communications Open Day	Tutume	June 2019
Exhibition at Gallo Mall	Francistown	June 2019
Shangani Community Junior Secondary School	Tsamaya	July 2019
Thamane Community Junior Secondary School	Tshesebe	July 2019
Ramoja Community Junior Secondary School	Ramokgwebane	July 2019
Ghanzi Agricultural Show	Ghanzi	July 2019
Macha College	Kang	July 2019
Motang Community Junior Secondary School	Kang	July 2019
Molefhi Senior Secondary School	Mochudi	August 2019
Macha College	Kang	September 2019
Selibe Phikwe Senior Secondary School	Selibe Phikwe	September 2019
Ghanzi Senior Secondary School	Ghanzi	September 2019
Mogale Community Junior Secondary School	Jwaneng	September 2019
Ranokanyane Community Junior Secondary School	Serowe	September 2019
Courtesy Call to Struizendam Primary School	Struizendam	October 2019
Launch of ASMS ePayment Service Platform	Maun	October 2019
Struizendam Primary School	Struizendam	November 2019
Gaborone Consumer Fair	Gaborone	July/August 2019
World Radio Day	Sojwe	February 2020
CRASA Universal Service Committee	Gaborone	February 2020
CRASA Consumer Committee	Gaborone	February 2020
Training of IT Officers	Kang	March 2020



CORPORATE SOCIAL INVESTMENT

BOCRA has a Corporate Social Investment (CSI) policy through which it pledges its commitment to the empowerment and upliftment of disadvantaged communities and other deserving causes.

The CSI thrust is designed to support the organisation's role in terms of facilitation of the uptake of ICTs countrywide. In pursuit of the CSI programme, BOCRA made donations to support various deserving causes, as elaborated below.

INFORMATION AND COMMUNICATIONS TECHNOLOGIES

During the year under review, BOCRA made Information and Communications Technologies (ICTs) donations totalling 41 personal computers, seven (7) laptops, 31 printers, one tablet and one Public Address System to various beneficiaries.

The bulk of the ICTs comprising 20 computers and 20 printers benefitted institutions in Sefhare and the surrounding villages. The donation was made in response to a list of ICT needs generated through an ICT needs assessment of area in preparation for the commemoration of 2019 World Telecommunication and Information Society Day (WTISD). BOCRA, joined other ICT stakeholders to address the ICTs needs for public institutions like schools, customary courts, health clinics, Village Development Committees and others.

SPONSORSHIPS

BOCRA CSI programme also covered sponsorships for various charities, conferences and national events. Beneficiaries included:

PUREDET

Pudulogong Rehabilitation and Development Centre (PUREDET), a charitable non-profit organisation whose mission is to provide quality training to Visually Impaired People and to create opportunities for lifelong learning to enable people to attain their full potential and contribute to national socio-economic and technological advancement.

BOCRA sponsorship entailed replacement of the kitchen/dinning asbestos roofing with corrugated iron sheets, retiling of the floors and rehabilitation of the wall paint. In addition, BOCRA offered to sponsor artworks for the walls with cartoons to captivate the minds of learners.

OUMA FOUNDATION

Ouma Foundation, whose founder and cancer activist, Ouma Sekolole, attempted to summit Mount Everest, in a mission to raise funds for a public education campaign to raise awareness about the importance

of cancer awareness, screenings, early detection and treatment. Her advocacy is knowledge based, research, fund raising and community outreach. In 2013, she founded The Ouma Cycling Charity Tour (OCCT) an annual bicycle journey whose route traverses selected underserved poor remote far to reach communities. Build temporary mobile clinics to help people by raising public awareness about the importance of cancer screenings, early detection and treatment. The Foundation engages in countrywide cycling tours taking with it professionals including doctors, nurses, media, counsellors, mobile clinics, supplies, equipment, security etc., who share knowledge, raise awareness, performs screening and treatment of cancers – cervical and prostate.

SIR KETUMILE MASIRE FOUNDATION

BOCRA sponsored Sir Ketumile Masire Foundation (SKMF) which was founded in 2007 by the former President of the Republic of Botswana, His Excellency Sir Ketumile and Lady Masire. The Foundation draws heavily from Sir Ketumile Masire's inspiration and experiences as an elder statesman to contribute towards the socio-economic and political developments of the country and the sub-region. SKMF strives to facilitate and drive efforts to promote Peace and Good Governance, Children's Welfare, Innovation and Alternatives in Agriculture. The Foundation's main focus is youth.

BTC FOUNDATION

BOCRA supported the Botswana Telecommunications Corporation (BTC) Foundation inaugural charity walk for the First Lady Mrs Neo Masisi to the tune of P50 000.00. The walk had the objective to raise funds to support the First Lady's charitable interests. It was also held to advance the BTC Foundation's objectives that focus on four areas of Wellness and Sports Development; Arts and Culture; Entrepreneurship and Innovation as well as Environmental Protection

FRANCISTOWN SoS

BOCRA supported the SOS Children's Village in Francistown that supports children from families affected by HIV/AIDS as well as other vulnerable children so that these children may experience the opportunities they deserve.

The Centre strives to strengthen families by supporting HIV/AIDS-affected families with psychological guidance and counselling on how best to care for their children and working to ensure that the children have access to medical treatment and schooling.

Corporate Social Investment (continued)

In 2004, an SOS Youth Facility consisting of two houses was opened, where up to thirty youths can stay during their vocational training or further education and prepare for becoming independent. Since the establishment of the SOS Children's Village in Francistown, an increasing number of children have found a new home there and can live in peace in their family houses surrounded by large, shady trees.

NATIONAL SUPPORT

BOCRA CSI programme also extended a helping hand to extended to national and international conferences including African Union Broadcasting conference, Commonwealth Telecommunications Organisation (CTO) Human Resources Forum.

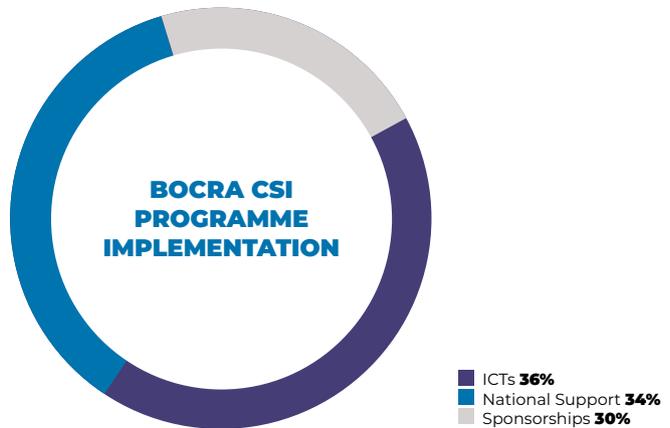
STRUIZENDAM PRIMARY SCHOOL PRIZE GIVING CEREMONY

Under the Ministry of Education "Adopt a School" programme, BOCRA has adopted Struizendam Primary School. By adopting the school, BOCRA committed to supporting it during events such as prize-giving ceremonies to motivate and improve student performance. BOCRA sponsored prizes amounting to P 10,942.40 for best performing students across all the streams during the November 2019 Prize-Giving Ceremony at Struizendam Primary School.

CSI ACTIVITIES

In sum, BOCRA made ICT donations to beneficiaries across the country to the order of P3,000,000. The beneficiaries comprise entities pro-actively identified by BOCRA as well as those that submitted compelling requests for assistance. Figure 16 depicts the spread of BOCRA CSI programme implementation.

Table 16: CSI Beneficiaries Distribution 2019/20.



HUMAN CAPITAL



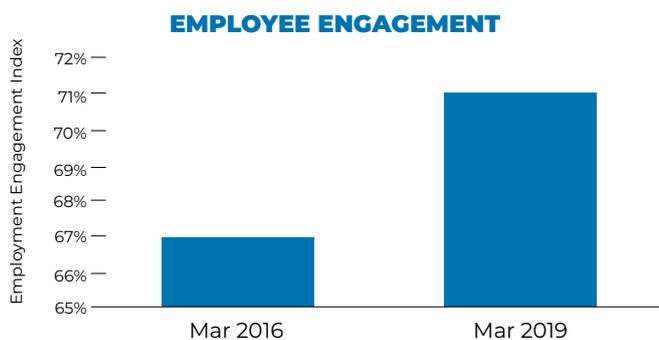
HUMAN CAPITAL MANAGEMENT

BOCRA human capital management is driven by two strategic objectives:

- Create and promote a high-performance culture; and
- Improve employee engagement.

In pursuit of high employee engagement, the organisation's engagement level stood at 71% in March 2020, which is above the national, regional and the global benchmarks of 64%. Employee engagement initiatives are also in place to promote a high-performance culture. Figure 17 shows the organisation's employee engagement index trends.

Figure 17: BOCRA Employee Engagement Scores per year



To attain its human capital strategic goals, BOCRA has created a conducive environment to attract and retain high-performing and engaged human resources. It is through the Human Capital Strategy that talent is sourced, developed, promoted and retained. This process optimises the organisation's ability to realise positive business outcomes in the face of shifting competitive landscapes and workforce requirements. Talent Management at BOCRA is implemented to build organisational capability and capacity, helping the organisation to compare favourably with global benchmarks.

In pursuit of the strategic objectives of retention and attraction, the organisation experienced 100% attraction of talent, while one employee retired and two resigned. The organisation's engagement level stood at 71%, in line with the regional and national benchmark, but above global standards.

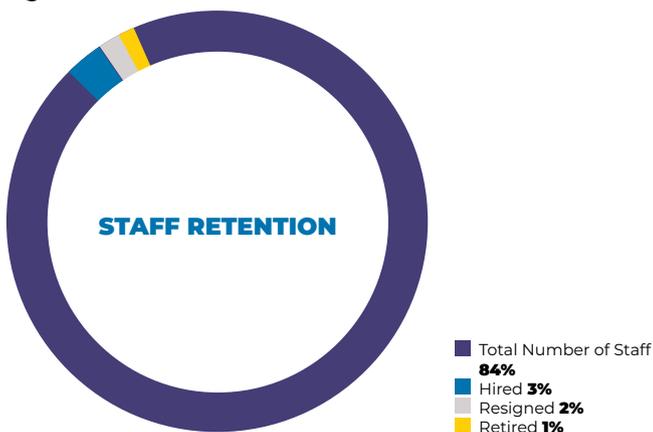
Retention and attraction of talent

attraction of talent	Organisation's engagement level
100%	71%

Human Capital (continued)



Figure 18: Staff retention.



TRAINING AND DEVELOPMENT & ORGANISATIONAL CAPITAL

In line with its Training and Development Policy, BOCRA continued to invest in the development of its employees. The policy provides a robust framework for a well-rounded learning and development strategy. Training and Development is structured to include 70% on-the-

job training; 20% coaching, mentorship and learning from others; and 10% classroom-based learning. The Authority encourages staff to take responsibility for their training, which is promoted through Self Development where, upon completion, employees are refunded costs incurred during training.

During the reporting period, seven employees were on full-time programmes. This represents 6% of the workforce. Of the seven, five were sponsored for full-time master’s degree programmes. Three were studying in the UK, one in South Africa, and one in Botswana. One employee completed her studies through self-sponsorship. Two employees were doing a professional course and a diploma course in Botswana, which represents an additional 2% of the workforce.

The quality and commitment of our people is central to our ability to fulfil our duties and mandate. During 2019, BOCRA initiated several organisation-wide training programmes, including Professional Business Writing, Disciplinary Hearing and Grievance Procedures, Presentation Skills, Etiquette (Protocol), and Defensive Driving, as well as sessions covering the specific industry sectors, as summarised in Table 16.

Table 16: Staff training undertaken during the 2019/2020 Financial Year.

Course	No. of Employees Trained	% of workforce Involved
Professional Business Writing	67	80%
Disciplinary Hearing & Grievance Procedures	19	23%
Presentation Skills	10	12%
Etiquette (Protocol)	84	100%
Defensive Driving	4	5%

The BOCRA Coaching and Mentorship Framework was developed during the period under review. Through a Talent Management and Succession Planning exercise, employees are encouraged to support the career development of junior employees by embarking on coaching and mentorship interventions. Its full implementation will take place during the 2020/21 Financial Year.

STAFF COMPLEMENT

As of March 2020, BOCRA had 84 staff members of whom 42 were women and 42 men.

Table 17: Staff complement from April 2019 to March 2020.

Staff Compliment	Number
Staff in-post - April 2019	84
Staff recruited	3
Staff leaving	3
Total - March 2020	84

Table 20: List of Employees Who Received Loyalty Awards.

No	Gender	Name	Surname	Date of Employment	Length of Service
01	Mrs.	Bonny	Mine	2004/09/01	15 years
02	Mrs.	Tebogo	Mmoshe	2009/05/01	10 years
03	Mr.	Seepelo	Malefho	2009/09/01	10 years
04	Mr.	Tebogo	Ketshabile	2009/09/01	10 years
05	Mr.	Christopher	Teemane	2009/09/01	10 years
06	Ms.	Masego	Jeremiah	2009/09/01	10 years
07	Mr.	David	Serojane	2009/11/01	10 years
08	Mr.	Realeboga	Motshidisi	2014/05/01	5 years
09	Ms.	Lesego	Sekwena	2014/05/01	5 years
10	Ms.	Thokgamo	Morapedi	2014/05/01	5 years
11	Mr.	Mothusi	Matlhodi	2014/05/01	5 years
12	Ms.	Baboloki	Sella	2014/05/01	5 years
13	Ms.	Kaone	Kelebopile	2014/05/01	5 years
14	Mr.	Peter	Tladinyane	2014/10/01	5 years

QUALIFICATION STAFF DISTRIBUTION

A gender balanced workforce brings stability, diversity, increased innovation and growth leading to enhanced productivity.

BOCRA (see Tables 18 and 19) not only has a gender balanced workforce but one that is highly educated, which is essential for a regulator of a specialised and highly technical sector such as the communications sector.

The majority of employees (82%) – half men and half women – have at least a first degree. The remaining 18% of employees possess other qualifications.

Table 18: Staff Qualification by Gender.

Gender	Qualifications		
	Masters	Degree	Other
Female	16 (19.04%)	19 (22.62%)	7 (8.33%)
Male	18 (21.43%)	16 (19.02%)	8 (9.52%)
Total	34 (40.48%)	35 (41.67%)	15 (17.86%)

Table 19: Staff categories by gender and position.

Gender	Staff Category		
	Middle management	Senior/ professionals	General staff
Female	10	6	21
Male	11	4	19
Total	21	10	40

2019/20 STAFF PROMOTIONS

Out of 84 employees, 11 were promoted to managerial positions, of whom 64% were male, and 36% female. Table 20 lists employees who received long service awards in the 2019/2020 financial year.

Human Capital (continued)

APRIL 2019 PROMOTIONS



Ms. Basebi Mosinyi

Department: Technical Services
New Position: Deputy Director, Spectrum Management

Qualifications

Basebi joined BOCRA on 1 September 2000 as a Telecommunications Technician. She worked her way up the corporate ladder to become Deputy Director responsible for Spectrum Management with effect from 1 April 2019.



Ms. Mpho Moletsane

Department: Corporate Communications & Consumer Affairs
New Position: Deputy Director, Corporate Communications & Consumer Affairs

Qualifications

Mpho joined BOCRA on 1 September 1997 as a Staff Development Officer. She rose through the ranks to become Deputy Director responsible for Corporate Communications with effect from 1 April 2019.



Mr. Edward Mmusi

Department: Strategy & Projects Office
New Position: Manager, Strategy & Projects

Qualifications

Edward joined BOCRA on 1 September 2010 as a Graduate Trainee, Business Development. He was appointed as a substantive officer on 1 September 2011 and rose through the ranks to become Manager responsible for Strategy and Projects with effect from 1 September 2019.



Ms. Meshingo Jack

Department: Broadband & UASF
New Position: Manager, Broadband Policy and Regulation

Qualifications

Meshingo joined BOCRA on 1 September 2010 as a Graduate Trainee. She was appointed as a substantive officer on 1 September 2011 and rose through the ranks to become Manager responsible for Broadband Policy and Regulation with effect from 1 April 2019.



Mr. Jericho Keletso

Department: Corporate Communications & Consumer Affairs
New Position: Manager, Corporate Communications & Consumer Affairs

Qualifications

Jericho joined BOCRA on 1 July 2005 as Communications and Consumer Affairs Officer. He rose through the ranks to become Manager responsible for Corporate Communications with effect from 1 April 2019.



Ms. Kenaope Pelaelo

Department: Broadband & UASF
New Position: Manager, Broadband & Universal Service

Qualifications

Kenaope joined BOCRA as a Graduate Trainee on 1 September 2010. She was appointed as a substantive officer on 1 September 2011 and rose through the ranks to become Manager responsible for Universal Access and Services with effect from 1 April 2019.

2020 LONG SERVICE AWARDS LIST

Ms. Bonny Mine
Date Joined: 2004/09/01
Years of Service: 15 years



Mr. Tebogo Ketshabile
Date Joined: 2009/05/01
Years of Service: 10 years



Ms. Masego Jeremiah
Date Joined: 2009/05/01
Years of Service: 10 years



Ms. Tebogo Mmoshe
Date Joined: 2009/05/01
Years of Service: 10 years



Mr. Christopher Teemane
Date Joined: 2009/05/01
Years of Service: 10 years



Mr. David Serojane
Date Joined: 2009/05/01
Years of Service: 10 years



Lesego Sekwena
Date Joined: 2014/05/01
Years of Service: 5 years



Ms. Kaone Kelebopile
Date Joined: 2014/05/01
Years of Service: 5 years



Mr. Peter Tladinyane
Date Joined: 2014/05/01
Years of Service: 5 years

Ms. Lone Morapedi
Date Joined: 2014/05/01
Years of Service: 5 years

Mr. Mothusi Matlhodi
Date Joined: 2014/05/01
Years of Service: 5 years

Mr. Seepelo Malefho
Date Joined: 2009/05/01
Years of Service: 10 years

Ms. Baboloki Sella
Date Joined: 2014/05/01
Years of Service: 5 years

Mr. Realeboga Motshidisi
Date Joined: 2014/05/01
Years of Service: 5 years

REVIEWS

Human Capital (continued)

WELLNESS WEEK

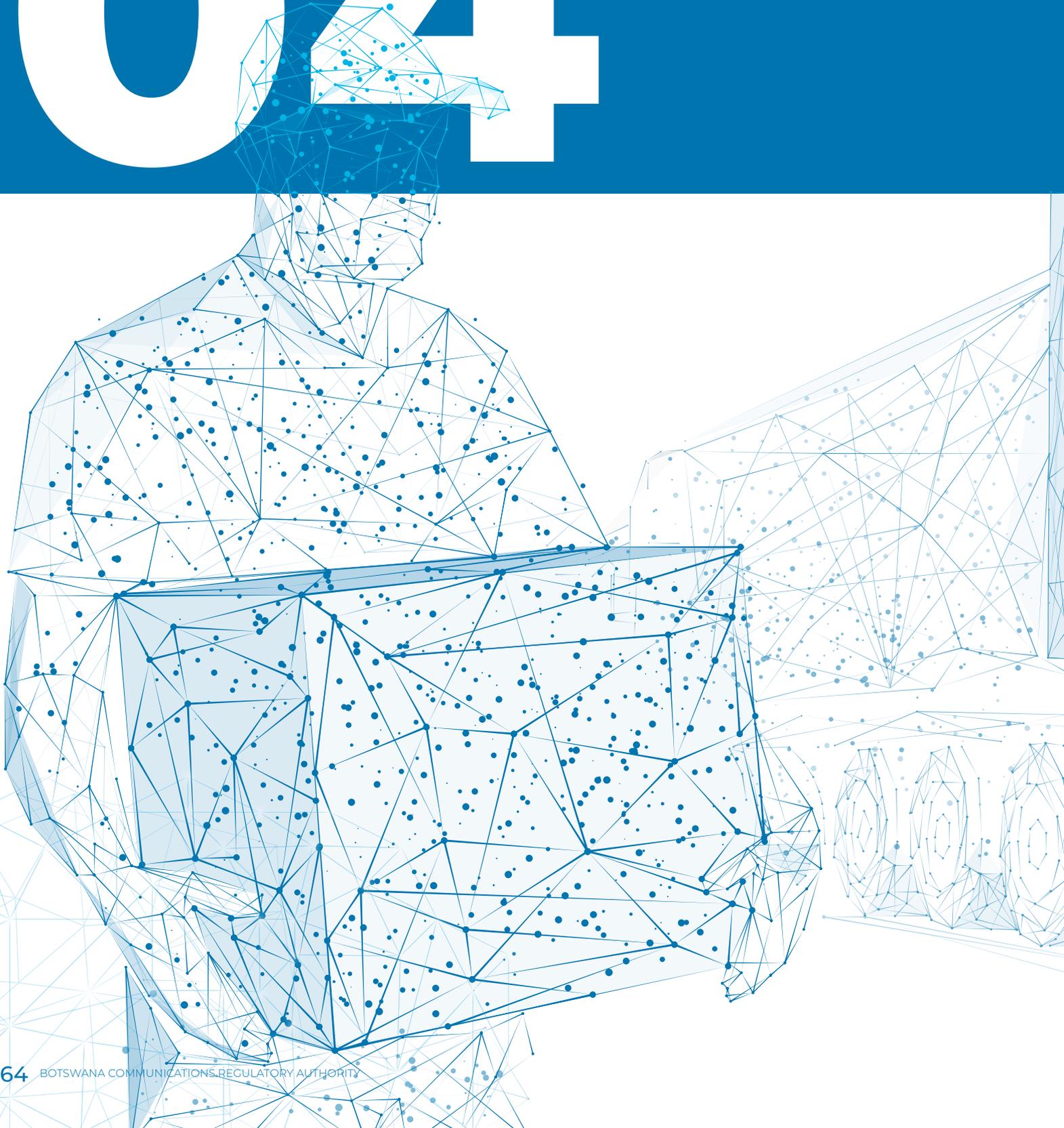
BOCRA places a high premium on its human capital, and as such staff health is critical to BOCRA performance and goals. In line with this, BOCRA held its annual Wellness Week in March 2020 to encourage staff to value and lead healthy lives.

The week-long activities covered most aspects of well-being including emotional, physical, psychological and financial wellness. The event culminated in a staff gathering session at the Spectrum House, intended to build a more robust 'Team BOCRA'.

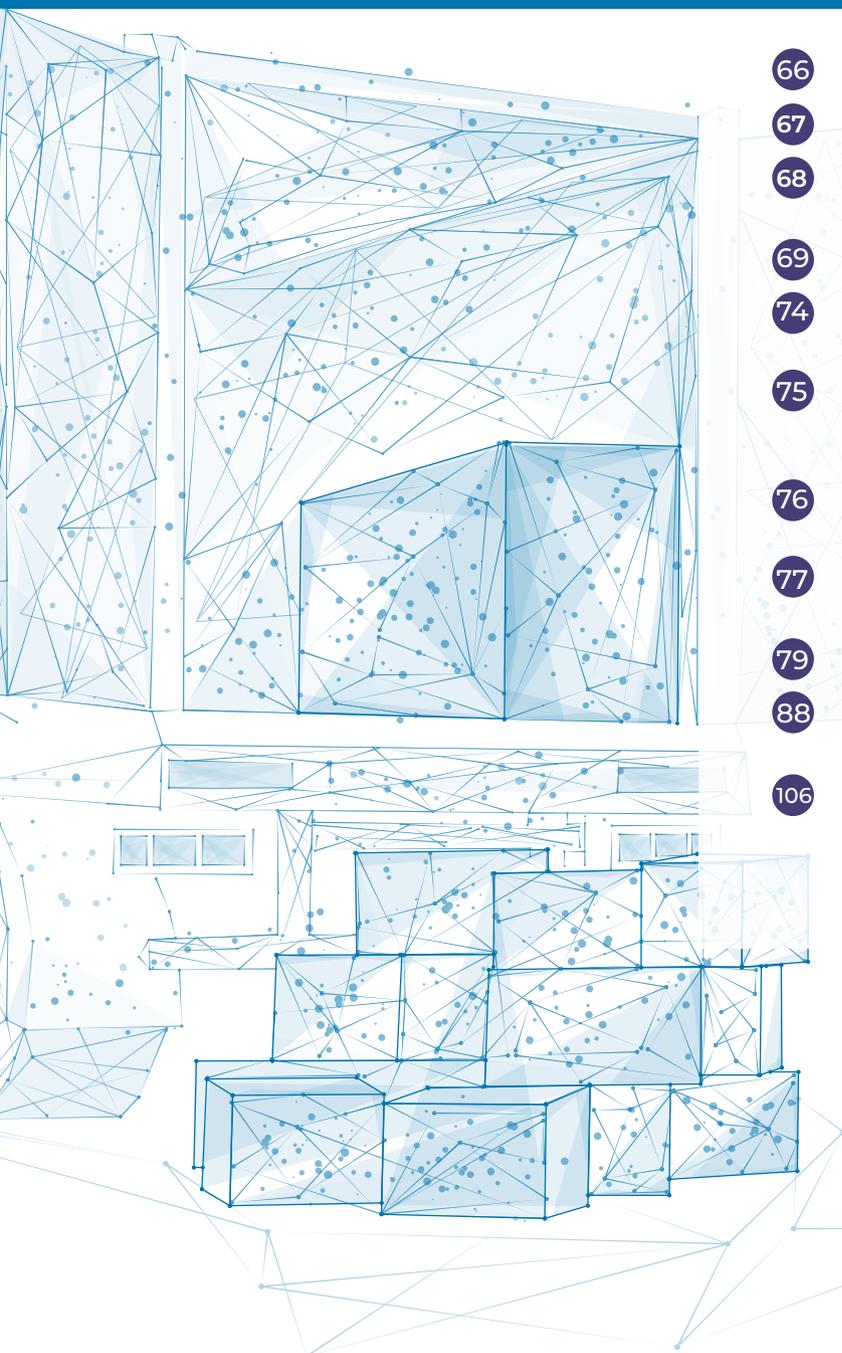




04



ANNUAL FINANCIAL STATEMENTS



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GENERAL INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	Botswana
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	The Authority is a body corporate, established under the Communications Regulatory Act, 2012 for the regulation of communications sector in Botswana comprising telecommunications, internet and information and communications technologies, radio communications, broadcasting, postal services and related matters.
MEMBERS OF THE BOARD	Ms. Tsaone. R. Thebe (Chairperson) – appointed 1st February 2020 Major General Bakwena Oitsile (Chairperson) - retired 30th July 2019 Prof. Joseph Chuma (Vice Chairperson) Mr. Onkagetse Pusoentsi Mrs. Wilhemina T. Makwinja (retired 20th May 2019) Mr. Galeboe Mmelesi Dr. Gape Kaboyakgosi Dr Comma Serema (retired 31st August 2019) Mrs Tsholofelo Bogosi (appointed 1st February 2020) Ms Kago Mmolawa (appointed 1st February 2020) Mr. Martin Mokgware - Chief Executive (ex-officio)
REGISTERED OFFICE	Lot 50671 Independence Avenue Extension 5 Gaborone Botswana
POSTAL ADDRESS	Private Bag 00495 Gaborone Botswana
BANKERS	First National Bank of Botswana Limited Barclays Bank of Botswana Limited Standard Chartered Bank Botswana Limited Bank of Baroda (Botswana) Limited Stanbic Bank of Botswana Limited
AUDITORS	PricewaterhouseCoopers
SECRETARY	Ms. Joyce W. Isa-Molwane
CHIEF EXECUTIVE	Mr. Martin Mokgware
FUNCTIONAL CURRENCY	Botswana Pula ('P') and is rounded to the nearest Pula

BOARD MEMBERS' REPORT

THE MEMBERS OF THE BOARD HAVE PLEASURE IN SUBMITTING THEIR REPORT.

1. REVIEW OF ACTIVITIES

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

The operating results and state of affairs of the Group and Authority are fully set out in the attached annual financial statements and do not in our opinion require any further comment. Net surplus of the Group was P47,302,788 (2019: P 13,709,721) and for Authority was P 15,457,202 (2019: P 7,691,804).

2. ACCOUNTING POLICIES

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

3. MEMBERS INTEREST IN CONTRACTS

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

4. MEMBERS

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

Ms. Tsaone Thebe - appointed 1st February 2020
Major General Bakwena Oitsile - retired 30th July 2019
Prof. Joseph Chuma
Mr. Onkagetse Pusoentsi
Mrs. Wilhemina T. Makwinja - retired 20th May 2019
Mr. Galeboe Mmelesi
Dr. Gape Kaboyakgosi
Dr Comma Serema- retired 31st August 2019
Mrs. Tsholofelo Bogosi - appointed 1st February 2020
Ms. Kago Mmolawa - appointed 1st February 2020
Mr. Martin Mokgware - Chief Executive (ex-officio)

5. SECRETARY

Ms. Joyce W. Isa-Molwane

BOARD MEMBERS' RESPONSIBILITIES AND APPROVAL

The members are required in terms of the Communications Regulatory Authority Act, 2012 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements 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 consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

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

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

The members have reviewed the Group and Authority's cash flow forecast for the year to 31 March 2021 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 74 to 105 and the supplementary information disclosed on pages 106 and 107 which have been prepared on the going concern basis, were approved by the Board on 26 October 2020 and were signed on its behalf by:



Chairperson



Chief Executive

Gaborone



Independent auditor's report

To the Minister of Transport and Communications

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Communications Regulatory Authority (the "Authority") and its subsidiary (together the "Group") as at 31 March 2020, 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 Standard ("IFRS").

What we have audited

Botswana Communications Regulatory Authority's consolidated and separate financial statements set out on pages 74 to 105 which comprise:

- the consolidated and separate statements of financial position as at 31 March 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

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

Key audit matters

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

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



Key audit matter	How our audit addressed the key audit matter
<p data-bbox="347 538 754 587"><i>Expected credit losses relating to trade receivables</i></p> <p data-bbox="347 614 842 663"><i>This key audit matter relates to the consolidated and separate financial statements</i></p> <p data-bbox="347 691 831 851">At 31 March 2020, the Group and Authority recognised trade receivables of BWP 60.7 million and BWP 38.8 million, respectively, after deducting expected credit losses (ECL) of BWP 3.8 million and BWP 2.8 million, respectively.</p> <p data-bbox="347 878 842 981">The Group and Authority applied IFRS 9 - <i>Financial Instruments</i> (“IFRS 9”) in determining the ECL to be recognised in respect of trade receivables.</p> <p data-bbox="347 1008 839 1321">The Group and Authority applied the simplified approach in the measurement of ECL, which uses a lifetime expected provision for all trade receivables. In determining the ECL on trade receivables, management applied a provision matrix which is based on historical credit loss experience, adjusted for factors that are specific to the debtor, general economic conditions and an assessment of current and forecast default experience of debtors. The ECL model also incorporates the effects of any forward-looking information.</p> <p data-bbox="347 1349 799 1451">The significant assumptions used by management in determination of ECL are disclosed in note 1.1 to the consolidated and separate financial statements.</p> <p data-bbox="347 1478 847 1559">The ECL relating to trade receivables was considered to be a matter of most significance to the current year audit due to the following:</p> <ul data-bbox="392 1587 839 1772" style="list-style-type: none"> • significant judgement and estimates applied by management in determining the ECL; and • the effect that the ECL has on the measurement of trade receivables and the Group and Authority’s credit risk management. 	<p data-bbox="868 561 1329 587">Our audit procedures included the following:</p> <ul data-bbox="890 614 1404 1772" style="list-style-type: none"> • We obtained an understanding of and evaluated the design, implementation and operating effectiveness of the Group and Authority’s relevant controls relating to credit origination, credit control and debt collection; • We assessed management’s ECL model against the requirements of IFRS 9 and found the model to be consistent in this regard; • We tested the mathematical accuracy of the ECL model, noting no material exceptions; • We challenged the assumptions and judgements made by management through discussion and through comparison to actual data and our knowledge of the operations as gained through our audit in assessing future expected loss rates. Based on our work performed, we accepted management’s assumptions and judgements; • We assessed the reasonability of the historical loss rates used in the ECL model by comparing these to past experience, and by agreeing the inputs used to prior year working papers and financial statements; • We assessed the reasonability of the macroeconomic factors used in the ECL model by performing the following procedures: <ul data-bbox="995 1357 1404 1613" style="list-style-type: none"> ○ Assessing whether the macroeconomic factors applied in the model are consistent with our understanding of the economic environment in which the Group and Authority operate, and ○ Performing a sensitivity analysis on the inputs used by management and found these to be within an acceptable range. • We evaluated the accuracy of the trade receivables ageing reports utilised by management in their ECL calculations at 31 March 2020 by agreeing the inputs to relevant underlying documents. No material differences were noted.



<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Disclosures with respect to the application of IFRS 9 in determining the ECL are disclosed in:</p> <ul style="list-style-type: none"> • Note 1.1, Significant judgements and sources of estimation uncertainty- Impairment of financial assets and Measurement and recognition of expected credit losses; • Note 6, Trade and other receivables; and • Note 22, Risk management - Credit risk. 	

Other information

The Board members are responsible for the other information. The other information obtained at the date of this auditor’s report comprises the information included in the document titled “*Botswana Communications Regulatory Authority, Consolidated and Separate Annual Financial Statements for the year ended 31 March 2020*”. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

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

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

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

In preparing the consolidated and separate financial statements, the Board members are responsible for assessing the Group and the Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Group and/or the Authority or to cease operations, or have no realistic alternative but to do so.



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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's or the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board members.
- Conclude on the appropriateness of the Board members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Board members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. From the matters communicated with the Board members, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act, 2012; and
- The financial statements prepared by the Authority were prepared consistent with that of the previous year.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

Individual Practicing Member: Sheyan Edirisinghe
Registration number: 20030048

Gaborone
09 November 2020

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Note	Group			Authority		
		2020	2019	As at 01 April 2018	2020	2019	As at 01 April 2018
Assets		P	P	P	P	P	P
			Restated	Restated		Restated	Restated
Non-Current Assets							
Investment property	3	10,100,000	9,900,000	9,700,000	10,100,000	9,900,000	9,700,000
Property, plant and equipment	4	119,309,581	109,624,907	116,511,041	119,298,896	109,287,783	115,940,592
		129,409,581	119,524,907	126,211,041	129,398,896	119,187,783	125,640,592
Current Assets							
Tax receivable		-	1,235,872	1,540,733	-	1,235,872	1,540,733
Trade and other receivables (Restated-Note 25)	6	67,943,348	60,194,913	69,430,447	45,979,370	47,447,572	53,752,550
Cash and cash equivalents	7	425,993,160	392,009,649	356,608,474	194,262,017	182,774,396	168,013,475
		493,936,508	453,440,434	427,579,654	240,241,387	231,457,840	223,306,758
Total Assets		623,346,089	572,965,341	553,790,695	369,640,283	350,645,623	348,947,350
Equity and Liabilities							
Equity							
Accumulated surplus		571,298,602	534,387,997	507,995,784	322,228,026	322,228,026	303,728,026
Universal Access and Service Fund (Restated-Note 25)	9	21,285,027	10,892,844	23,575,336	-	-	-
		592,583,629	545,280,841	531,571,120	322,228,026	322,228,026	303,728,026
Liabilities							
Non-current Liabilities							
Deferred tax liability	8	2,047,109	1,068,582	507,202	2,047,109	1,068,582	507,202
Current Liabilities							
Trade and other payables	10	28,221,228	26,615,918	21,712,373	23,585,998	16,456,171	21,136,786
Tax Payable		494,123	-	-	494,123	-	-
Universal Access and Service Fund Trust	9	-	-	-	21,285,027	10,892,844	23,575,336
		28,715,351	26,615,918	21,712,373	45,365,148	27,349,015	44,712,122
Total Equity and Liabilities		623,346,089	572,965,341	553,790,695	369,640,283	350,645,623	348,947,350

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Note	Group		Authority	
		2020	2019	2020	2019
		P	P	P	P
			Restated		Restated
Revenue (Restated- Note 25)	12	183,055,740	164,947,419	132,747,518	121,651,554
Other income		3,553,396	2,362,735	3,532,102	2,362,735
Operating expenses	13	(147,329,492)	(163,254,519)	(121,933,611)	(120,171,970)
Surplus for the year before finance income	14	39,279,644	4,055,635	14,346,009	3,842,319
Finance income	15	12,867,133	12,027,733	5,955,182	6,223,132
Fair value adjustments	3	200,000	200,000	200,000	200,000
Surplus for the year before tax		52,346,777	16,283,368	20,501,191	10,265,451
Taxation (Restated- Note 25)	16	(5,043,989)	(2,573,647)	(5,043,989)	(2,573,647)
Surplus for the year		47,302,788	13,709,721	15,457,202	7,691,804
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		47,302,788	13,709,721	15,457,202	7,691,804

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 March 2020

	Note	Group		Authority	
		2020	2019	2020	2019
		P	P	P	P
		Restated		Restated	
Cash flows from operating activities					
Cash generated from operations	18	47,789,475	32,308,471	37,299,251	19,227,985
Tax paid		(2,335,467)	(1,707,403)	(2,335,467)	(1,707,403)
Net cash generated from operating activities		45,454,008	30,601,068	34,963,784	17,520,582
Cash flows from investing activities					
Finance income	15	12,867,133	12,027,733	5,955,182	6,223,132
Purchase of property, plant and equipment	4	(24,507,014)	(7,307,749)	(24,494,914)	(7,188,620)
Sale of property, plant and equipment		169,384	80,123	128,588	80,123
Net cash (used in)/generated from investing activities		(11,470,497)	4,800,107	(18,411,144)	(885,365)
Cash flows from financing activities					
Amount paid to Universal Access and Service Fund Trust		-	-	(5,065,019)	(1,874,296)
Net cash used in financing activities		-	-	(5,065,019)	(1,874,296)
Total cash and cash equivalents movement for the year		33,983,511	35,401,175	11,487,621	14,760,921
Cash and cash equivalents at beginning of the year		392,009,649	356,608,474	182,774,396	168,013,475
Total cash and cash equivalents at end of year	7	425,993,160	392,009,649	194,262,017	182,774,396

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Accumulated Surplus	Total Equity
	P	P
Authority		
Balance at 01 April 2018 - as previously stated	303,986,027	303,986,027
Prior period adjustment (note 25)	701,645	701,645
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(701,645)	(701,645)
Prior period adjustment with reference to IFRS 15 (note 25)	2,499,395	2,499,395
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(2,499,395)	(2,499,395)
Adjustment from adoption of IFRS 9 net of deferred tax	(258,001)	(258,001)
Balance at 01 April 2018 restated	303,728,026	303,728,026
Surplus for the year- restated	7,691,804	7,691,804
Other comprehensive income for the year	-	-
Total comprehensive income for the year	7,691,804	7,691,804
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(7,691,804)	(7,691,804)
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	18,500,000	18,500,000
Total transactions with owners	10,808,196	10,808,196
Balance as at 31 March 2019 (Restated)	322,228,026	322,228,026
Authority		
Balance at 01 April 2019	322,228,026	322,228,026
Surplus for the year	15,457,202	15,457,202
Other comprehensive income for the year	-	-
Total comprehensive income for the year	15,457,202	15,457,202
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	(15,457,202)	(15,457,202)
Total transactions with owners	(15,457,202)	(15,457,202)
Balance as at 31 March 2020	322,228,026	322,228,026

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2020

Group	Surplus allocated towards Universal Access and Service Fund	Total Reserves	Accumulated Surplus	Total Equity
	P	P	P	P
Balance at 01 April 2018 - as previously stated	20,374,296	20,374,296	508,709,526	529,083,822
Prior period adjustment (note 25)	-	-	701,645	701,645
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	701,645	701,645	(701,645)	-
Adjustment from adoption of IFRS 9 net of deferred tax			(713,742)	(713,742)
Prior period adjustment with reference to IFRS 15 (note 25)	-	-	2,499,395	2,499,395
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	2,499,395	2,499,395	(2,499,395)	-
Balance at 01 April 2018 restated	23,575,336	23,575,336	507,995,784	531,571,120
Surplus for the year			13,709,721	13,709,720
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	23,575,336	23,575,336	13,709,721	13,709,721
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(1,874,296)	(1,874,296)	1,874,296	-
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	(18,500,000)	(18,500,000)	18,500,000	-
Transferred from accumulated surplus	7,691,804	7,691,804	(7,691,804)	-
Total transactions with owners	(12,682,492)	(12,682,492)	12,682,492	-
Balance as at 31 March 2019 restated	10,892,844	10,892,844	534,387,997	545,280,841
Note(s)	9			
Group				
Balance at 01 April 2019	10,892,844	10,892,844	534,387,997	545,280,841
Surplus for the year	-	-		
Other comprehensive income for the year	-	-	47,302,788	47,302,788
Total comprehensive income for the year	10,892,844	10,892,844	47,302,788	47,302,788
Excess of income over expenditure paid to the Universal Access and Service Fund Trust	(5,065,019)	(5,065,019)	5,065,019	-
Transfer from accumulated surplus	15,457,202	15,457,202	(15,457,202)	-
Total transactions with owners	10,392,183	10,392,183	(10,392,183)	-
Balance as at 31 March 2020	21,285,027	21,285,027	571,298,602	592,583,629
Note(s)	9			

ACCOUNTING POLICIES

GENERAL INFORMATION

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

The Consolidated and Separate annual financial statements set out on pages 74 to 105 have been approved by the Board on 26 October 2020.

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:

CONSOLIDATION OF UNIVERSAL ACCESS AND SERVICE FUND TRUST

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

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

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

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

IMPAIRMENT OF FINANCIAL ASSETS

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

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

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

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

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

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

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

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

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

Accounting Policies (continued)

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS (CONTINUED)

IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

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

- Where the counter-party is another Government entity, it is assumed that the loss given default is minimal. This is based on the Government's international credit rating standing which presently stands at A2 (Moody's definition: Judged to be upper medium grade and are subject to low credit risk).

MEASUREMENT AND RECOGNITION OF EXPECTED CREDIT LOSSES

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

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

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

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

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit and loss as a movement in credit loss allowance (note 13).

WRITE-OFF POLICY

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

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.

Accounting Policies (continued)

1.2 CONSOLIDATION (CONTINUED)

TRANSACTIONS ELIMINATED ON CONSOLIDATION

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

1.3 INVESTMENT PROPERTY

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

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

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

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

1.4 PROPERTY, PLANT AND EQUIPMENT

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

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

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.

Accounting Policies (continued)

1.5 FINANCIAL INSTRUMENTS

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

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

Financial assets which are debt instruments:

- Amortised cost
- Fair value through other comprehensive income

Financial liabilities

- Amortised cost

TRADE AND OTHER RECEIVABLES

CLASSIFICATION

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

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

RECOGNITION AND MEASUREMENT

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

They are subsequently measured at amortised cost.

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

DERECOGNITION

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

IMPAIRMENT OF FINANCIAL ASSETS

Impairment of financial assets has been disclosed under note 1.1.

TRADE AND OTHER PAYABLES

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

DERECOGNITION OF FINANCIAL LIABILITIES

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments 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.

Off-setting financial instruments

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

IFRS 9 requires that the Group assess the business model in relation to each financial asset to determine the classification. Group financial assets include trade and other receivables and cash and cash equivalents, and are classified as follows:

Amortised cost

A debt instrument that meets both of the following conditions are classified as financial asset at amortised cost

- Held within a business model whose objective is to hold the debt instrument (financial asset) in order to collect contractual cash flows; and

Accounting Policies (continued)

1.5 FINANCIAL INSTRUMENTS (CONTINUED)

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

1.6 TAX

CURRENT TAX ASSETS AND LIABILITIES

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

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

DEFERRED TAX ASSETS AND LIABILITIES

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

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

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

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

TAX EXPENSES

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

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

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

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

1.7 LEASES

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 other income in the statement of comprehensive income.

Accounting Policies (continued)

1.8 IMPAIRMENT OF ASSETS

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

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

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

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

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

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

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

1.9 EMPLOYEE BENEFITS

SHORT-TERM EMPLOYEE BENEFITS

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

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

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

1.10 PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

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

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

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 20.

Accounting Policies (continued)

1.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

- Turnover related fees;
- System and Services License Fees;
- Radio License fees;

TURNOVER FEES

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

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

For certain months where monthly information is not received, the management recognises revenue based on the average of the turnover provided for the immediate preceding 2 months. This is subsequently adjusted with the certified information provided by the auditors of operators for the year.

SYSTEM AND SERVICES LICENSE FEES

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

RADIO LICENSE FEES

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

INTEREST INCOME

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

1.12 RELATED PARTY TRANSACTIONS

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

1.13 TRANSLATION OF FOREIGN CURRENCIES

FOREIGN CURRENCY TRANSACTIONS

FUNCTIONAL AND PRESENTATION CURRENCY

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

TRANSACTIONS AND BALANCES

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

2. BASIS OF PREPARATION

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with prior year.

Accounting Policies (continued)

3. NEW STANDARDS AND INTERPRETATIONS

(a) New standards, amendments and interpretations effective for 31 March 2020 and relevant to the Group and Authority

IFRIC 23, 'Uncertainty over income tax treatments'

IFRIC 23 provides a framework to consider, recognise and measure the accounting impact of tax uncertainties. The Interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Interpretation also explains when to reconsider the accounting for a tax uncertainty. Most entities will have developed a model to account for tax uncertainties in the absence of specific guidance in IAS 12. These models might, in some circumstances, be inconsistent with IFRIC 23 and the impact on tax accounting could be material. Management should assess the existing models against the specific guidance in the Interpretation and consider the impact on income tax accounting.

IFRS 16 – Leases

This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular.

Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

b) Standards, amendments and interpretations effective for 31 March 2020 year end and not relevant to the Group and Authority.

Amendments to IFRS 9 – 'Financial instruments' on prepayment features with negative compensation and modification of financial liabilities.

The narrow-scope amendment covers two issues:

- The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss. It is likely to have the biggest impact on banks and other financial services entities.
- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under IAS 39 today and will affect all kinds of entities that have renegotiated borrowings.

Amendments to IAS 28, 'Investments in associates and joint ventures' – long-term interests in associates and joint ventures.

The amendments clarified that companies account for long-term interests in an associate or joint venture, to which the equity method is not applied, using IFRS 9.

The amendments are effective from 1 January 2019, with early application permitted.

Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement.

These amendments require an entity to:

- Use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- Recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus (recognised or unrecognised). This reflects the substance of the transaction, because a surplus that has been used to settle an obligation or provide additional benefits is recovered. The impact on the asset ceiling is recognised in other comprehensive income, and it is not reclassified to profit or loss. The impact of the amendments is to confirm that these effects are not offset.

Accounting Policies (continued)

3. NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

c) Standards, amendments and interpretations relevant to the Group and Authority but not effective for 31 March 2020 year end.

Amendment to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' on the definition of material.

These amendments to IAS 1 and IAS 8 and consequential amendments to other IFRSs:

- use a consistent definition of materiality through IFRSs and the Conceptual Framework for Financial Reporting;
- clarify the explanation of the definition of material; and
- incorporate some of the guidance in IAS 1 about immaterial information.

The amended definition is:

- *"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."*

d) Standards, amendments and interpretations not relevant to the Group and Authority and not effective for 31 March 2020 year end.

IFRS 17, 'Insurance contracts'

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

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

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

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

Amendment to IFRS 3, 'Business combinations'

This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. More acquisitions are likely to be accounted for as asset acquisitions.

To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The new guidance provides a framework to evaluate when an input and a substantive process are present (including for early stage companies that have not generated outputs). To be a business without outputs, there will now need to be an organised workforce.

Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7, Financial Instruments: Disclosure – Interest rate benchmark reform

These amendments provide certain reliefs in connection with interest rate benchmark reform (IBOR). The reliefs relate to hedge accounting and have the effect that IBOR should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3. INVESTMENT PROPERTY

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Investment property				
Valuation	10,100,000	9,900,000	10,100,000	9,900,000
Carrying value	10,100,000	9,900,000	10,100,000	9,900,000
Investment property				
Opening balance	9,900,000	9,700,000	9,900,000	9,700,000
Fair value adjustment	200,000	200,000	200,000	200,000
Closing balance	10,100,000	9,900,000	10,100,000	9,900,000

Group and Authority Details of valuation

A valuation of the investment properties was performed on 1 June 2020 by an independent professional valuer, Mr. Lloyd Mulambya Bsc. (Real Estate) MR EIB,MREAC, of Stocker Fleetwood Bird. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on an arm's length basis.

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Amounts recognised in surplus or deficit for the year				
Rental income from investment property	440,023	461,667	440,023	461,667
Repairs and maintenance of the investment property	(256,971)	(73,919)	(256,971)	(73,919)

4. PROPERTY, PLANT AND EQUIPMENT

Group	2020			2019		
	Cost	Accumulated Depreciation	Carrying Value	Cost	Accumulated Depreciation	Carrying Value
	P	P	P	P	P	P
Buildings	55,012,480	(11,716,122)	43,296,358	50,300,036	(10,688,020)	39,612,016
Furniture and fixtures	14,357,162	(11,203,903)	3,153,259	13,436,632	(9,855,224)	3,581,408
IT equipment	12,959,512	(11,920,167)	1,039,345	12,841,739	(11,283,042)	1,558,697
Land	2,135,700	-	2,135,700	2,135,700	-	2,135,700
Motor vehicles	9,132,677	(5,486,818)	3,645,859	4,943,471	(3,966,057)	977,414
Office equipment	13,564,972	(13,275,106)	289,866	13,415,752	(12,509,450)	906,302
Technical equipment (ASMS)	153,763,606	(96,579,306)	57,184,300	140,831,693	(88,434,827)	52,396,866
Capital work-in-progress	8,564,894	-	8,564,894	8,456,504	-	8,456,504
Total	269,491,003	(150,181,422)	119,309,581	246,361,527	(136,736,620)	109,624,907

Notes to the Consolidated and Separate Financial Statements (continued)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliation of property, plant and equipment - 2020

Group	Opening Balance	Additions	Transfers	Disposals/ Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	39,612,016	4,712,444	-	-	(1,028,102)	43,296,358
Furniture and fixtures	3,581,408	1,092,996	-	(251)	(1,520,894)	3,153,259
IT equipment	1,558,697	1,242,926	-	(40,796)	(1,721,482)	1,039,345
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	977,414	4,189,206	-	-	(1,520,761)	3,645,859
Office equipment	906,302	229,139	-	-	(845,575)	289,866
Technical equipment (ASMS)	52,396,866	12,931,913	-	-	(8,144,479)	57,184,300
Capital work in progress	8,456,504	108,390	-	-	-	8,564,894
Total	109,624,907	24,507,014	-	(41,047)	(14,781,293)	119,309,581

Reconciliation of property, plant and equipment - 2019

Group	Opening Balance	Additions	Transfers	Disposals/ Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	40,536,194	-	-	-	(924,178)	39,612,016
Furniture and fixtures	3,953,077	920,450	-	(32,144)	(1,259,975)	3,581,408
IT equipment	1,058,984	1,389,354	-	(1,760)	(887,881)	1,558,697
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	1,281,224	489,196	-	-	(793,006)	977,414
Office equipment	2,554,867	90,399	-	(21,850)	(1,717,114)	906,302
Technical equipment (ASMS)	60,003,798	949,043	-	-	(8,555,975)	52,396,866
	4,987,197	3,469,307	-	-	-	8,456,504
Total	116,511,041	7,307,749	-	(55,754)	(14,138,129)	109,624,907

Notes to the Consolidated and Separate Financial Statements (continued)

4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Authority	2020			2019		
	Cost	Accumulated depreciation	Carrying Value	Cost	Accumulated depreciation	Carrying Value
	P	P	P	P	P	P
Buildings	55,012,480	(11,716,122)	43,296,358	50,300,036	(10,688,020)	39,612,016
Furniture and fixtures	14,357,162	(11,203,903)	3,153,259	13,436,632	(9,855,224)	3,581,408
IT equipment	12,761,107	(11,732,447)	1,028,660	12,585,367	(11,140,668)	1,444,699
Land	2,135,700	-	2,135,700	2,135,700	-	2,135,700
Motor vehicles	8,067,600	(4,421,741)	3,645,859	3,878,394	(3,124,106)	754,288
Office equipment	13,564,972	(13,275,106)	289,866	13,415,752	(12,509,450)	906,302
Technical equipment (ASMS)	153,763,606	(96,579,306)	57,184,300	140,831,693	(88,434,827)	52,396,866
Capital work-in progress	8,564,894	-	8,564,894	8,456,504	-	8,456,504
Total	268,227,521	(148,928,625)	119,298,896	245,040,078	(135,752,295)	109,287,783

Reconciliation of property, plant and equipment - 2020

Authority	Opening Balance	Additions	Transfers	Disposals/ Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	39,612,016	4,712,444	-	-	(1,028,102)	43,296,358
Furniture and fixtures	3,581,408	1,092,996	-	(251)	(1,520,894)	3,153,259
IT equipment	1,444,699	1,230,826	-	-	(1,646,865)	1,028,660
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	754,288	4,189,206	-	-	(1,297,635)	3,645,859
Office equipment	906,302	229,139	-	-	(845,575)	289,866
Technical equipment (ASMS)	52,396,866	12,931,913	-	-	(8,144,479)	57,184,300
Capital work in progress	8,456,504	108,390	-	-	-	8,564,894
	109,287,783	24,494,914	-	(251)	(14,483,550)	119,298,896

Reconciliation of property, plant and equipment - 2019

Authority	Opening Balance	Additions	Transfers	Disposals/ Write-off	Depreciation	Total
	P	P	P	P	P	P
Buildings	40,536,193	-	-	-	(924,178)	39,612,016
Furniture and fixtures	3,953,078	920,450	-	(32,144)	(1,259,975)	3,581,408
IT equipment	977,930	1,270,224	-	(1,760)	(801,694)	1,444,699
Land	2,135,700	-	-	-	-	2,135,700
Motor vehicles	791,830	489,196	-	-	(526,737)	754,288
Office equipment	2,554,866	90,399	-	(21,849)	(1,717,114)	906,302
Technical equipment (ASMS)	60,003,798	949,043	-	-	(8,555,975)	52,396,866
Capital work in progress	4,987,197	3,469,307	-	-	-	8,456,504
	115,940,592	7,188,619	-	(55,753)	(13,785,673)	109,287,783

Notes to the Consolidated and Separate Financial Statements (continued)

5. FINANCIAL ASSETS BY CATEGORY

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Financial assets at amortised cost				
Trade and other receivables	66,776,933	58,306,420	44,832,955	45,586,006
Cash and cash equivalents	425,993,160	392,009,649	194,262,017	182,774,396
	492,770,093	450,316,069	239,094,972	228,360,402

Credit quality of financial assets

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

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

	Ratings	Group		Authority	
		2020	2019	2020	2019
		P	P	P	P
Trade receivables	Group 1	-	-	-	-
	Group 2	51,500,893	39,921,265	35,145,026	29,272,960
Receivable from CRASA	Not rated	-	1,473,406	-	1,473,406
Staff debtors	Not rated	120,647	208,400	120,647	208,400
Cash at bank and Short-term deposits	Not rated	425,991,160	392,007,649	194,260,017	182,772,396
Deposits	Not rated	54,007	54,007	54,007	54,007
Other receivables	Not rated	6,122,581	10,229,274	6,060,409	10,229,274

Key:

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

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

Notes to the Consolidated and Separate Financial Statements (continued)

6. TRADE AND OTHER RECEIVABLES

	Group			Authority		
	2020	2019	2018	2020	2019	2018
	P	P	P	P	P	P
		Restated	Restated		Restated	Restated
Trade receivables (as restated - Note 25)	64,541,469	50,369,300	56,431,972	41,690,193	36,967,428	40,298,334
Less: Impairment	(3,826,642)	(4,027,967)	(2,959,604)	(2,857,172)	(3,346,509)	(2,503,862)
Trade receivables (net)	60,714,827	46,341,333	53,472,368	38,833,021	33,620,919	37,794,472
Other receivables	6,122,581	10,229,274	12,033,350	6,060,409	10,229,274	12,033,350
Deposits	54,007	54,007	54,007	54,007	54,007	54,007
Staff debtors	120,647	208,400	465,102	120,647	208,400	465,102
Receivable from CRASA	-	1,473,406	1,879,408	-	1,473,406	1,879,408
Prepayments	1,166,415	1,888,493	1,526,212	1,146,415	1,861,566	1,526,211
less impairment on other receivables	(235,129)	-	-	(235,129)	-	-
Total other receivable (net)	7,228,521	13,853,580	15,958,079	7,146,349	13,826,653	15,958,078
Total trade and other receivables (net)	67,943,348	60,194,913	69,430,447	45,979,370	47,447,572	53,752,550

Trade debtors are unsecured and do not attract interest.

Trade receivables which are fully performing 51,500,893 39,921,265 35,145,026 29,272,960 27,834,815

Exposure to credit risk

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

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

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

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

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

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

The Authority's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit loss is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Notes to the Consolidated and Separate Financial Statements (continued)

6. TRADE AND OTHER RECEIVABLES (CONTINUED)

Group

	2020		2019	
	P	P	P	P
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	51,158,210	32,463	38,066,121	10,799
1-30 days	342,683	57,257	1,855,144	23,868
Fully performing	51,500,893	89,720	39,921,265	34,667
31-60 days	134,828	541	345,141	23,443
61-90 days	3,575,014	74,666	1,877,248	76,478
Past due but not impaired	3,709,842	75,207	2,222,389	99,921
Over 90 days- impaired	9,330,734	3,661,715	8,225,646	3,893,379
Total	64,541,469	3,826,642	50,369,300	4,027,967

Authority

	2020		2019	
	P	P	P	P
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Current	34,802,343	30,379	27,417,816	9,619
1-30 days	342,683	57,257	1,855,144	23,867
Fully performing	35,145,026	87,636	29,272,960	33,486
31-60 days	77,306	428	114,380	23,443
61-90 days	69,859	27,541	1,800,838	46,172
Past due but not impaired	147,165	27,969	1,915,218	69,615
Over 90 days- impaired	6,398,002	2,741,567	5,779,250	3,243,408
Total	41,690,193	2,857,172	36,967,428	3,346,509

Movement in the loss allowance for receivables

	Group		Authority	
	2020 P	2019 P	2020 P	2019 P
Opening balance calculated under IAS 39	-	2,173,092	3,346,509	2,173,092
Amount restated through retained earnings-Transitional IFRS 9 adjustment	-	786,512	-	330,770
Opening impairment allowance as at 1 April 2019-Calculated under IFRS 9	4,027,967	2,959,604	3,346,509	2,503,862
Reversal/Provision for the year	(201,325)	1,068,363	(489,337)	842,647
	3,826,642	4,027,967	2,857,172	3,346,509

Trade Receivables: Expected Credit loss Default Rates (%)

Date	Current	1 - 30 Past due	31 - 60 Past due	61 - 90 Past due	Over 90 Past due
31-Mar-19	11.92%	22.92%	31.87%	46.19%	100%
31-Mar-20	9.35%	16.41%	24.96%	39.10%	100%

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Notes to the Consolidated and Separate Financial Statements (continued)

	Group			Authority	
	2020	2019	2020	2019	
	P	P	P	P	
7. CASH AND CASH EQUIVALENTS					
Cash on hand	2,000	2,000	2,000	2,000	
Bank balances	57,071,135	96,057,949	25,019,780	29,725,612	
Short-term deposits	368,920,025	295,949,700	169,240,237	153,046,784	
	425,993,160	392,009,649	194,262,017	182,774,396	
For the purpose of the cash flow statement the year-end cash and cash equivalents comprise of following;					
Cash on hand	2,000	2,000	2,000	2,000	
Bank balances	57,071,135	96,057,949	25,019,780	29,725,612	
Short-term deposits	368,920,025	295,949,700	169,240,237	153,046,784	
	425,993,160	392,009,649	194,262,017	182,774,396	
8. DEFERRED TAX					
Deferred tax assets	455,290	258,152	455,290	258,152	
Deferred tax liabilities	(2,502,399)	(1,326,734)	(2,502,399)	(1,326,734)	
	(2,047,109)	(1,068,582)	(2,047,109)	(1,068,582)	
Movement in deferred taxation					
Deferred taxation at beginning of year	(1,068,582)	(507,202)	(1,068,582)	(507,202)	
Charged to the statements of comprehensive income	(978,527)	(561,380)	(978,527)	(561,380)	
Deferred taxation at end of year	(2,047,109)	(1,068,582)	(2,047,109)	(1,068,582)	
Broken down as:					
Provision for loss allowances	150,498	258,152	150,498	258,152	
Deferred expenses	304,792	-	304,792	-	
Differences in tax and accounting depreciation	(2,502,399)	(1,326,734)	(2,502,399)	(1,326,734)	
	(2,047,109)	(1,068,582)	(2,047,109)	(1,068,582)	

9. UNIVERSAL ACCESS AND SERVICE FUND(AS RESTATED-NOTE 25)

	Group			Authority		
	2020	2019	2018	2020	2019	2018
Opening balance	10,892,844	23,575,336	12,368,021	10,892,844	23,575,336	12,368,021
Transferred to accumulated surplus for utilisation in operating activities as approved by the Minister under section 29 (4)	-	(18,500,000)	-	-	(18,500,000)	-
Transfer from accumulated surplus	15,457,202	7,691,804	23,575,336	-	-	-
Amount paid during the year to Universal Access and Service Fund Trust	(5,065,019)	(1,874,296)	(12,368,021)	(5,065,019)	(1,874,296)	(12,368,021)
Excess of income over expenditure allocated to the Universal Access and Service Fund Trust	-	-	-	15,457,202	7,691,804	23,575,336
Closing balance	21,285,027	10,892,844	23,575,336	21,285,027	10,892,844	23,575,336

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

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

Notes to the Consolidated and Separate Financial Statements (continued)

	Group			Authority		
	2020	2019	2018	2020	2019	2018
	P	P	P	P	P	P
		Restated	Restated		Restated	Restated
10. TRADE AND OTHER PAYABLES						
Trade payables	1,282,007	-	412,679	1,282,007	-	-
VAT payable	1,120,842	509,775	1,026,342	1,120,842	509,775	1,026,342
Employee related provisions (Note 10a)	9,191,587	8,288,938	7,404,959	9,191,587	8,288,938	7,404,959
Other accrued expenses	10,061,839	6,804,379	12,026,713	10,061,839	6,804,379	12,026,713
Deposits received	102,447	82,244	73,985	102,447	82,244	73,985
Other payables	6,462,506	10,930,582	767,695	1,827,276	770,835	604,787
	28,221,228	26,615,918	21,712,373	23,585,998	16,456,171	21,136,786

10A. EMPLOYEE RELATED PROVISIONS

	Group			Authority		
	Gratuity	Leave	Total	Gratuity	Leave	Total
	P	P		P	P	
Opening balance	1,597,586	6,691,352	8,288,938	1,597,586	6,691,352	8,288,938
During the year charge	697,163	3,283,379	3,980,542	697,163	3,283,379	3,980,542
Payment during the year	(891,814)	(2,186,079)	(3,077,893)	(891,814)	(2,186,079)	(3,077,893)
Closing balance	1,402,935	7,788,652	9,191,587	1,402,935	7,788,652	9,191,587

11. FINANCIAL LIABILITIES BY CATEGORY

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

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
		Restated		Restated
Financial liabilities at amortised cost				
Universal Access and Service Fund Trust	-	-	21,285,027	10,892,844
Trade and other payables	17,908,799	17,817,205	13,273,569	7,657,458
	17,908,799	17,817,205	34,558,596	18,550,302

12. REVENUE

Turnover fees - Telecommunications	95,840,481	90,228,477	95,840,481	90,228,477
Turnover fees - Postal	1,009,297	1,109,995	1,009,297	1,109,995
Turnover fees - Broadcasting	1,277,846	910,510	1,277,846	910,510
Radio license fees	22,035,224	18,548,010	22,035,224	18,548,010
System license fees	8,901,076	7,437,768	8,901,076	7,437,768
Service license fees	2,128,442	2,170,296	2,128,442	2,170,296
UASF Levy	50,308,222	43,295,865	-	-
Others	1,555,152	1,246,498	1,555,152	1,246,498
	183,055,740	164,947,419	132,747,518	121,651,554

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Notes to the Consolidated and Separate Financial Statements (continued)

	Note	Group		Authority	
		2020	2019	2020	2019
		P	P	P	P
13. OPERATING EXPENSES					
Major categories of operating expenses:					
Employee costs	14(a)	53,733,101	52,479,243	53,733,101	52,479,243
Depreciation	4	14,781,293	14,138,129	14,483,550	13,785,673
Impairments on reversal/(charge) on trade receivables		(201,325)	1,068,363	(489,337)	842,647
Impairments charge on other receivables		235,129	-	235,129	-
Bad debt write-off		361,244	-	361,244	-
Consulting and professional fees		6,102,985	10,047,301	6,116,588	10,018,851
Project expenses		22,812,263	40,166,674	-	-
Conference expenses		8,373,860	7,649,550	8,130,120	7,479,972
Travel expenses		4,205,934	4,044,049	4,205,934	4,044,049
Repairs and maintenance		4,070,280	5,195,672	4,070,280	5,179,453
Security charges		2,102,591	1,955,390	2,102,591	1,955,390
Training		5,601,981	4,954,153	5,601,981	4,954,153
Internet charges		3,291,704	1,348,326	3,291,704	1,348,326
Advertising		2,467,546	3,004,230	2,084,522	2,302,419
Donations		2,235,222	678,536	2,235,222	678,536
Board expenses		1,816,278	1,944,691	1,649,164	1,202,215
Legal expenses		1,191,423	478,230	1,191,423	478,230
Other expenses		14,147,983	14,101,982	12,930,395	13,422,813
		147,329,492	163,254,519	121,933,611	120,171,970

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
14. 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	128,337	24,370	128,337	24,370
Depreciation on property, plant and equipment	14,781,293	14,138,129	14,483,550	13,785,673
Project expenses	22,812,263	40,166,674	-	-
Consulting fees	6,102,985	10,047,301	6,116,588	10,018,851
Employee costs (refer note (a) below)	53,733,101	52,479,243	53,733,101	52,479,243
(a) Employee costs:				
Salary and wages	39,172,746	38,260,231	39,172,746	38,260,231
Pension - defined contribution plan	5,328,619	5,259,170	5,328,619	5,259,170
Other employee benefits	9,231,736	8,959,842	9,231,736	8,959,842
	53,733,101	52,479,243	53,733,101	52,479,243
Average number of employees	84	84	84	84
15. FINANCE INCOME				
Bank	199,815	335,957	73,093	42,133
Income from short-term investments	12,667,318	11,691,776	5,882,089	6,180,999
	12,867,133	12,027,733	5,955,182	6,223,132

Notes to the Consolidated and Separate Financial Statements (continued)

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
16. TAXATION				
Current tax:				
Basic tax at 22% (2019: 22%)	4,065,462	2,012,268	4,065,462	2,012,268
Deferred income tax:				
Temporary differences	978,527	561,379	978,527	561,379
Income tax expense	5,043,989	2,573,647	5,043,989	2,573,647
The tax on Group and Authority's profit before tax differs from theoretical amount that would arise using the basic tax rate as follows:				
Surplus before income tax	52,346,777	16,283,368	20,501,191	10,265,451
Tax calculated at applicable tax rates of 22%	11,516,291	3,582,341	4,510,262	2,258,399
Tax effects of:				
- Expenses not deductible for tax purposes	564,083	193,278	564,083	193,278
Timing differences not recognised in the previous year	(30,356)	121,970	(30,356)	121,970
Income not chargeable for tax purposes	(7,006,029)	(1,323,942)	-	-
Income tax expense	5 043 989	2,573,647	5 043 989	2,573,647
17. AUDITORS' REMUNERATION				
Fees	235,042	217,883	171,275	163,308

Notes to the Consolidated and Separate Financial Statements (continued)

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
		Restated (Note 25)		Restated (Note 25)
18. CASH GENERATED FROM OPERATIONS				
Surplus for the year before tax	52,346,777	16,283,368	20,501,191	10,265,451
Adjustments for:				
Depreciation	14,781,293	14,138,129	14,483,550	13,785,673
Profit on sale of assets	(128,337)	(24,370)	(128,337)	(24,370)
Interest received	(12,867,133)	(12,027,733)	(5,955,182)	(6,223,132)
Fair value adjustments	(200,000)	(200,000)	(200,000)	(200,000)
Changes in working capital:				
Trade and other receivables	(7,748,435)	9,235,534	1,468,202	6,304,978
Trade and other payables	1,605,310	4,903,543	7,129,827	(4,680,615)
	47,789,475	32,308,471	37,299,251	19,227,985
19. COMMITMENTS				
19.1. AUTHORISED CAPITAL EXPENDITURE				
-already contracted for	14,938,947	-	14,938,947	-
This authorised expenditure would be financed by available cash resources and accumulated funds.				
19.2. OPERATING LEASES – AS LESSOR (INCOME)				
LEASE PAYMENTS DUE				
- within one year	19,947	461,667	19,947	461,667

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

20. CONTINGENCIES

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 100% of the outstanding balance. The balance outstanding at the reporting date under this guarantee amounts to P Nil (2019: P 1,137,490).

Notes to the Consolidated and Separate Financial Statements (continued)

21. 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 66

Members of key management

M. Mokgware (Chief Executive)

T. Kapaletswe

B. Mine

B. Luke

N. Katse

M. Setshwane

T. Mmoshe

P. Tladinyane

C. Phase

J. Isa - Molwane

A. Nyelesi

T. Mogopa

	Group		Authority	
	2020	2019	2020	2019
Related party balances	P	P	P	P
Amounts included in Trade and other receivables/ (Trade and other payables) regarding related parties as;				
Botswana Post	18,377,905	10,561,710	10,281,063	7,430,533
Botswana Fibre Network	2,866,812	3,775,603	747,341	1,509,434
Communications Regulators' Association of Southern Africa (CRASA) - BOCRA is CRASA Treasurer	2,938,986	2,818,611	1,883,735	2,157,689
	-	1,473,406	-	1,473,406
Other balances owing to related parties at year-end were:				
Universal Access and Service Fund Trust (subsidiary)	-	-	21,285,027	10,892,844

Notes to the Consolidated and Separate Financial Statements (continued)

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
21. RELATED PARTIES (CONTINUED)				
Related party transactions				
i) Board expenses				
Sitting allowances	263,781	218,331	204,381	172,431
Travelling allowances	647,525	1,091,895	576,473	698,078
Cell phone allowances	158,720	213,406	128,120	194,057
Conferences expenses	746,252	421,059	740,190	137,650
	1,816,278	1,944,691	1,649,164	1,202,216
ii) Sale of services rendered				
Botswana Telecommunications Corporation Limited	18,959,233	47,380,629	30,990,216	32,722,329
Botswana Post	1,618,711	1,823,586	543,224	756,167
Botswana Fibre Network	10,814,939	9,557,547	7,915,034	6,657,642
iv) Compensation to key management				
Remuneration paid	17,553,279	16,247,279	17,553,279	16,247,279
Other long-term employee benefits	2,188,535	2,091,705	2,188,535	2,091,705
	19,741,814	18,338,984	19,741,814	18,338,984

22. 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.

Notes to the Consolidated and Separate Financial Statements (continued)

22. RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

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.

Group	Less than 1 year	Between 1 and 2 years
As at 31 March 2020	P	P
Trade and other payables	17,908,799	-
As at 31 March 2019		
Trade and other payables	17,817,205	-
Authority	Less than 1 year	Between 1 and 2 years
As at 31 March 2020	P	P
Trade and other payables	13,273,569	-
Universal Access and Service Fund Trust	21,285,027	-
	34,558,596	-
As at 31 March 2019		
Trade and other payables	7,657,458	-
Universal Access and Service Fund Trust	10,892,844	-
	18,550,302	-

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 368 million (2019: P 295 million) and for Authority amounts to P 169 million (2019: P 153 million). These deposits are exposed to cash flow interest rate risk.

However, considering the short-term maturity between 14 and 91 days for these deposits, these risks are minimised.

Notes to the Consolidated and Separate Financial Statements (continued)

22. RISK MANAGEMENT (CONTINUED)

Cash flow interest rate risk - 2020

Financial Instrument	Current Interest Rate	Group	Authority
		Due in less than one year	Due in less than one year
		P	P
3 months fixed deposits	3.35%	39,600,547	39,600,547
3 months fixed deposits	4.50%	47,108,962	47,108,962
3 months fixed deposits	4.50%	54,748,325	54,748,325
3 months fixed deposits	3.75%	50,888,061	-
Stanlib money market fund	3.94%	148,791,727	-
Stanlib money market fund	3.94%	27,782,403	27,782,403
		368,920,025	169,240,237

Credit risk

Credit risk consists mainly of trade and other receivable, cash deposits and cash equivalents. Year-end trade receivables comprise mainly of three major operators from the telecommunication sector, amounting to P50.52 million for Group (2019: P35.73 million) and P32.53 million (2019: P 26.43 million) for the Authority

The following table contain credit risk exposure of trade receivable for which an ECL allowance is recognised.

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Trade receivables	64,541,469	50,369,300	41,690,193	36,967,428
less impairment	(3,826,642)	(4,027,967)	(2,857,172)	(3,346,509)
Trade receivables (net)	60,714,827	46,341,333	38,833,021	33,620,919

The following table contain credit risk exposure of other receivables after recognising the impairment charge.

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Other receivables	6,357,710	10,229,274	6,295,538	10,229,274
Deposits	54,007	54,007	54,007	54,007
Staff debtors	120,647	208,400	120,647	208,400
Receivable from CRASA	-	1,473,406	-	1,473,406
less impairment on other receivables	(235,129)	-	(235,129)	-
Total other receivable (net)	6,297,235	11,965,087	6,235,063	11,965,087

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. The following table contain credit risk exposure of cash deposits and cash equivalents

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Barclays Bank Botswana Limited	42,902,551	5,803,255	42,902,551	5,803,255
Stanbic Bank Botswana Limited	29,874,942	63,827,729	-	-
Bank of Baroda Botswana Limited	101,869,910	52,566,487	101,869,910	52,566,487
First National Bank of Botswana Limited	17,680,219	21,012,871	17,680,219	21,012,871
Standard Chartered Bank of Botswana Limited	57,089,408	145,836,274	4,024,934	98,264,861
Investment in Stanlib Money Market Fund	176,574,130	102,961,033	27,782,403	5,124,922
	425,991,160	392,007,649	194,260,017	182,772,396

Notes to the Consolidated and Separate Financial Statements (continued)

22. RISK MANAGEMENT (CONTINUED)

Foreign exchange risk

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

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P

23. FAIR VALUE MEASUREMENT

Investment property

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

Plot 4965, Extension 15, Village, Gaborone	10,100,000	9,900,000	10,100,000	9,900,000
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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 2020.

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

The independent valuation was carried out on 1 June 2020. Refer to details under note 3.

The investment property comprises of Plot 4965, Gaborone. The fair value of this property determined by independent valuers is P 10 100 000.

The fair value of this property is estimated based on the data on recently transacted properties duly adjusted to reflect the subject assets uniqueness.

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

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Opening balance	9,900,000	9,700,000	9,900,000	9,700,000
- increase in fair value of investment property	200,000	200,000	200,000	200,000
Balance at 31 March	10,100,000	9,900,000	10,100,000	9,900,000

24. EVENTS AFTER THE REPORTING DATE

The World Health Organisation Covid-19 was declared a world health emergency in January 2020. The outbreak caused wide-spread concern and its effect felt across the world. Botswana Government responded swiftly with varied measures to combat the impact of Covid-19. The Government declared a State of Emergency for a period of 6 months and an initial lockdown period of 28 days and subsequently a 14 day lockdown. These measures affected the operating activities of the Group resulting in some of the projects not being completed as had been anticipated. These events are viewed as non-adjusting in preparing the financial statements for the year ended 31 March 2020.

The Group has performed a Going Concern assessment of COVID-19 on the Group's operations and cash flows. In doing the assessment, Management considered two scenarios; a medium case scenario where projections were based on the results of the first quarter of the new year and a worst-case scenario assuming economic contraction of 13.1%. The analysis forecasts positive net income and the Group to remain solvent even under a worst-case scenario. The main source of revenue for the Group; being the fees paid by licensed communications operators, with the bulk of it derived from the telecommunications sector, is not expected to go down since this sector has seen an upward trajectory during the pandemic because of increased use of broadband services. Accordingly, Management and the Board are of the view that the effects of COVID-19 do not have a negative impact on the Group's ability to continue as a going concern.

Notes to the Consolidated and Separate Financial Statements (continued)

25. PRIOR PERIOD ADJUSTMENT

During the 2019/20 financial year audit, Authority noted the following prior period errors. These misstatements are individually and cumulatively material to the respective years of the Consolidated and Separate financial statements of the Authority. These errors have been corrected with retrospective effect in accordance with the requirement of IAS 8, Accounting policies, changes in accounting estimates and errors.

1.1 Revenue from Spectrum Licenses not recognised

During November 2017 an existing operator had applied for and subsequently been awarded (during the year) a Fixed Wireless Spectrum license ("License"). The annual fee related to the license, which amounted to P2,158,908, part of which had been paid as a non-refundable deposit at the time of application (P1,079,255), had not been recognised as revenue during the 31 March 2018 and 2019 financial years.

1.2 Adoption of IFRS 15 - day 1 adjustment error

The Authority adopted IFRS 15 during the 31 March 2019 financial year, with an initial date of application of April 1, 2018. In terms of the new standard the Authority opted to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at April 1, 2018.

Prior to the adoption of IFRS 15, the Authority recognised revenue arising from radio licenses, systematically over the license period. Where the licence period overlapped financial periods, the revenue relating to the unexpired license period was recognised as deferred revenue.

Upon the adoption of IFRS 15, all revenue contracts were reassessed, applying the principles of the new standard. Consequently it was concluded that radio licence allows the holder the right to access bandwidth/spectrum requiring the radio license fees to be recognised in full at the effective date of the license. On 1st April 2018, P1,944,989 of deferred radio license revenue recognised under the old standard, that should have been adjusted to Equity upon adoption of IFRS 15, had remained unadjusted in the deferred revenue account.

1.3 Unawarded spectrum license fees

During the 2019 financial year, the Authority accounted for a receivable with respect to a non-refundable fee of P1,208,765 applicable to a spectrum license tender applicant, with a liability equivalent to the same amount. However, the applicant never paid the fee and the Authority therefore decided to reject the application during the same year. When reversing the receivable, the amount was adjusted to revenue instead of the recognised liability, thereby understating revenue for the year ended 31 March 2019 by P1,208,765.

The above errors have been corrected with retrospective effect in accordance with the requirement of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effects of the restatement are summarised as follows.

Effect on Consolidated and Separate Statements of Comprehensive Income:

	2019	
	Group	Authority
	P	P
Revenue - as previously stated	161,579,746	118,283,881
Impact of restatement	3,367,673	3,367,673
Restated balance	164,947,419	121,651,554
Taxation - as previously stated	(1,832,759)	(1,832,759)
Impact of restatement	(740,888)	(740,888)
Restated balance	(2,573,647)	(2,573,647)

Notes to the Consolidated and Separate Financial Statements (continued)

25. PRIOR PERIOD ADJUSTMENT (CONTINUED)

Effect on Consolidated and Separate Statements of Financial Position :

	2019		2018	
	Group	Authority	Group	Authority
	P	P	P	P
Trade receivables - as previously stated	46,612,601	33,210,729	55,093,250	38,959,612
Impact of restatement	3,756,699	3,756,699	1,338,722	1,338,722
Restated balance (Note 6)	50,369,300	36,967,428	56,431,972	40,298,334
Other payables - as previously stated	15,034,083	4,874,336	3,791,939	3,629,031
Impact of restatement	(4,103,501)	(4,103,501)	(3,024,244)	(3,024,244)
Restated balance (Note 10)	10,930,582	770,835	767,695	604,787
Vat Payable	121,148	121,148	767,273	767,273
Impact of restatement	388,627	388,627	259,069	259,069
Restated balance (Note 10)	509,775	509,775	1,026,342	1,026,342
Tax Receivable - as previously stated	2,879,617	2,879,617	2,443,590	2,443,590
Impact of restatement	(1,643,745)	(1,643,745)	(902,857)	(902,857)
Restated balance	1,235,872	1,235,872	1,540,733	1,540,733
Universal Access and Service Fund- as previously stated	5,065,019	5,065,019	20,374,296	20,374,296
Impact on restatement	5,827,825	5,827,825	3,201,040	3,201,040
Restated balance (Note 9)	10,892,844	10,892,844	23,575,336	23,575,336

Effect on statement of cash flows:

	2019	
	Group	Authority
	P	P
Surplus for the year before tax- previously stated	12,915,695	6,897,778
Impact of restatement	3,367,673	3,367,673
Restated balance (Note 18)	16,283,368	10,265,451
Changes in working capital: Trade and other receivables- as previously stated	12,440,021	9,053,724
Impact of restatement	(3,204,487)	(2,748,746)
Restated balance (Note 18)	9,235,534	6,304,978
Changes in working capital: Trade and other payables- as previously stated	5,853,240	(3,730,918)
Impact of restatement	(949,697)	(949,697)
Restated balance (Note 18)	4,903,543	(4,680,615)

DETAILED INCOME STATEMENT

For the year ended 31 March 2020

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
				Restated
Revenue				
Turnover fees - Telecommunications	95,840,481	90,228,477	95,840,481	90,228,477
Turnover fees - Postal	1,009,297	1,109,995	1,009,297	1,109,995
Turnover fees - Broadcasting	1,277,846	910,510	1,277,846	910,510
Radio licence fees	22,035,224	18,548,010	22,035,224	18,548,010
System licence fees	8,901,076	7,437,768	8,901,076	7,437,768
Service licence fees	2,128,442	2,170,296	2,128,442	2,170,296
UASF Levy	50,308,222	43,295,865	-	-
Others	1,555,152	1,246,498	1,555,152	1,246,498
	183,055,740	164,947,419	132,747,518	121,651,554
Other income				
Gains on disposal of assets	128,337	24,370	128,337	24,370
Other income	2,985,036	1,876,698	2,963,742	1,876,698
Bad debts recovered	-	-	-	-
Rental income	440,023	461,667	440,023	461,667
	3,553,396	2,362,735	3,532,102	2,362,735
Interest received	12,867,133	12,027,733	5,955,182	6,223,132
Fair value adjustments	200,000	200,000	200,000	200,000
	13,067,133	12,227,733	6,155,182	6,423,132
Total income	199,676,269	179,537,887	142,434,802	130,437,421
Expenses (refer to page 107)	(147,329,492)	(163,254,519)	(121,933,611)	(120,171,970)
Surplus for the year before tax	52,346,777	16,283,368	20,501,191	10,265,451

The detailed income statement does not form part of the audit opinion expressed on page numbers 69 to 73.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Detailed Income Statement (continued)

For the year ended 31 March 2020

	Group		Authority	
	2020	2019	2020	2019
	P	P	P	P
Operating expenses				
Advertising	(2,467,546)	(3,004,230)	(2,084,522)	(2,302,419)
Assessment rates and municipal charges	(74,854)	(163,223)	(74,854)	(163,223)
Auditors remuneration	(235,042)	(217,883)	(171,275)	(163,308)
Impairment reversal/(charge) on trade receivables	201,325	(1,068,363)	489,337	(842,647)
Impairment charge on other receivables	(235,129)	-	(235,129)	-
Bad debt write-off	(361,244)	-	(361,244)	-
Bank charges	(163,717)	(134,216)	(152,441)	(125,357)
Board expenses	(1,816,278)	(1,944,691)	(1,649,164)	(1,202,215)
CERT costs	(51,183)	-	(51,183)	-
Cleaning	(371,388)	(481,438)	(371,388)	(481,438)
Computer expenses	(2,544,966)	(1,987,380)	(2,531,526)	(1,987,380)
Conference expenses	(8,373,860)	(7,649,550)	(8,130,120)	(7,479,972)
Consulting and professional fees	(6,102,985)	(10,047,301)	(6,116,588)	(10,018,851)
Consumables	(3,523)	(38,214)	(3,523)	(38,214)
Depreciation, amortisation and impairments	(14,781,293)	(14,138,129)	(14,483,550)	(13,785,673)
Donations	(2,235,222)	(678,536)	(2,235,222)	(678,536)
Employee costs	(53,733,101)	(52,479,243)	(53,733,101)	(52,479,243)
Entertainment	(5,281)	(10,712)	(5,281)	(10,712)
Functions hosted by Authority	(1,837,292)	(3,089,753)	(1,632,186)	(3,078,550)
Insurance	(710,909)	(637,935)	(675,005)	(602,032)
Internet expenses	(3,291,704)	(1,348,326)	(3,291,704)	(1,348,326)
Legal expenses	(1,191,423)	(478,230)	(1,191,423)	(478,230)
Magazines, books and periodicals	(179,426)	(110,370)	(179,426)	(110,370)
Motor vehicle expenses	(343,061)	(221,799)	(282,326)	(172,189)
Postage	(99,033)	(26,720)	(99,033)	(26,720)
Printing and Stationery	(1,070,624)	(996,575)	(833,594)	(991,696)
Project expenses	(22,812,263)	(40,166,674)	-	-
Protective clothing	-	(8,469)	-	(8,469)
QoS Monitoring Costs	(726,275)	(1,344,686)	(726,275)	(1,344,686)
Repairs and maintenance	(4,070,280)	(5,195,672)	(4,070,280)	(5,179,453)
Secretariat Costs	(590,330)	(514,138)	-	-
Security	(2,102,591)	(1,955,390)	(2,102,591)	(1,955,390)
Staff Recruitment expenses	(17,123)	(190,217)	(17,123)	(190,217)
Staff welfare	(1,854,754)	(1,670,340)	(1,854,754)	(1,670,340)
Subscriptions	(1,388,755)	(907,218)	(1,388,755)	(907,218)
Telephone and fax	(544,880)	(635,139)	(544,880)	(635,139)
Training	(5,601,981)	(4,954,153)	(5,601,981)	(4,954,153)
Training levy	(1,772)	104,766	(1,772)	104,766
Travel	(4,205,934)	(4,044,049)	(4,205,934)	(4,044,049)
Utilities	(1,333,795)	(820,323)	(1,333,795)	(820,323)
	(147,329,492)	(163,254,519)	(121,933,611)	(120,171,970)

The detailed income statement does not form part of the audit opinion expressed on page numbers 69 to 73.

