



BOCRA



**ANNUAL REPORT
2022**

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MISSION

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

VISION

A Connected and Digitally Driven Society.

VALUES

EXCELLENCE

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

PROACTIVENESS

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

INTEGRITY

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

PEOPLE

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





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Performance Highlights

FINANCIAL

GROUP

Revenue

P185.86 m

▲ 2.60%

F2021: P181.15 million

AUTHORITY

P141.78 m

▲ 6.31%

F2021: P133.36 million

Cash and Cash Equivalents

P747.24 m

▲ 54.51%

F2021: P483.63 million

P222.94 m

▲ 3.91%

F2021: P214.56 million

Surplus after Tax

P38.66 m

▲ 40.79%

F2021: P27.46 million

P29.33 m

▲ 35.60%

F2021: P21.63 million

Net Assets

P658.70 m

▲ 6.24%

F2021: P620.04 million

P332.23 m

▲ 3.10%

F2021: P322.23 million

HUMAN CAPITAL

Staff Complement

102 ^{48% Female}
^{52% Male}

as at 31 March 2022

Ratio of Women at

BOCRA EXCO 45.5%
BOCRA Board 37.5%

Qualifications

74.5%
Graduate and above



MOBILE BROADBAND
INCREASED FROM

1,523,545
in March 2018 to
2,435,485
in March 2022

74%
Commercial
broadcasting
coverage growth
against a target of 72%

96%
Prepaid mobile
telephony and
4% Post paid

Chairperson's Statement

During the first quarter of the period under review, the Board and Honourable Minister, Mr Thulagano Merafe Segokgo, signed a Shareholder Compact Agreement (SCA) as the basis for the Board's performance appraisal by the Minister on behalf of the shareholder, the Government of Botswana.

Ms. Tsaone Ruth Thebe
Board Chairperson



Through the Agreement, the Board took an oath to deliver on the strategic intent, strategic plans, and strategic objectives of BOCRA as underpinned by the strategic themes of competition, consumer protection, resource optimisation, universal access and service, stakeholder engagement, talent management, and market growth and development.

The signing of the SCA came at a time when the BOCRA 2019-2024 Strategic Plan was due for mid-term review. Hence, the Board set off to review the Strategy to align its Key Performance Indicators (KPIs) with market trends and emerging policy recommendations. The review helped to assure the Board that the Strategy remained relevant to drive BOCRA towards the realisation of its Vision, Mission, and Values by 2024, as it is predicated on the achievement of the National Broadband Strategy (NBS) and, by extension, the Government's digitisation drive.

Notwithstanding the foregoing, the Board revised the mobile broadband coverage performance indicator to population coverage with Long Term Evolution (LTE) or 4G mobile network services, excluding 3G coverage. This adjustment sought to align the measure with minimum speeds as envisaged by the NBS which would require, at the minimum, 4G network to achieve. Similarly, the KPIs for objectives relating to Regulatory and Tariff Frameworks were revised to Throughput on LTE network. The initial KPIs for these objectives had been achieved by the second instalment of the Strategic Plan.

In a bid to forge strategic alliances with other similarly placed bodies, locally, regionally, and internationally, the Board signed a Letter of Intent (LOI) with the

The Board has reasonable assurance that baring COVID-19 disruptions, BOCRA is on course to achieve its strategic objectives as set out in the 2019 - 2024 Strategic Plan.

↑90%
Performance achievement of organisational objectives

25years
of regulatory experience shared between TRAI and BOCRA for the two distinct markets.

Indian regulator of the communications sector, the Telecommunications Regulatory Authority of India (TRAI). The Letter of Intent formalised working relations with the Board of TRAI and established official channels for collaboration on communications regulatory issues. LOI identifies possible areas of collaboration inclusive of an exchange programme for capacity building, approach to regulation of Quality of Service, and the enforcement of regulatory requirements among others. In line with the Agreement, TRAI invited the Board to the commemoration of its silver jubilee anniversary, which the Board honoured. Notably, both TRAI and BOCRA have been in existence for 25 years, making the two comparable in terms of regulatory experience for the two distinct markets.

The Board has reasonable assurance that baring COVID-19 disruptions, BOCRA is on course to achieve its strategic objectives as set out in the 2019-2024 Strategic Plan. BOCRA's contribution towards national imperatives, through the Universal Access and Service Fund (UASF) is encouraging. I therefore wish to thank the UASF Board of Trustees for pursuing the course of digital transformation as espoused by His Excellency the President, Dr. Mokgweetsi Eric Keabetswe Masisi. Mobile network upgrades and schools' ICT and Internet connectivity efforts across the country continued to drive the country towards His Excellency's vision.

I am grateful to Board Members for dedicating their time and attention to Board business whenever required. I want to personally thank Mr. Onkagetse Pusoentsi, who retired from the Board at the end of his tenure during the reporting period. His contribution to Board matters, particularly legal matters, was highly valuable.



Board of Directors

Ms. Tsaone Ruth Thebe



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

Prof. Joseph Monamati Chuma (PhD)



- 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)

Ms. Tsholofelo Bogosi



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

Mr. Onkagetse Pusoentsi



- Bachelor of Laws Degree (University of Botswana)

Dr. Gape Kaboyakgosi



- PhD in Public Policy (Australia National University)
- MPA (Syracuse University, USA)
- BA (University of Botswana)

Mr. Galeboe Mmelesi



- BSc (University of Botswana)

Ms. Kago Mmolawa



- Master's Degree in Public Administration - Human Resources (University of Botswana)
- Postgraduate Diploma in Management (Henley Business School)
- BA Social Sciences (University of Botswana)

Mr. Martin Mokgware



- MA Transport Economics (University of Leeds, UK)
- Postgraduate Diploma Telecommunications Regulation (University of Westminster, UK)
- BA Economics (University of Botswana)

Chief Executive's Statement

This reporting period, which is at the midway point in the implementation of the 2019-2024 BOCRA Strategic Plan, provides a pivotal point from which to look back and forward on the Authority's performance vis-a-vis its set strategic objectives.

Mr. Martin Mokgware
Chief Executive



A detailed organisational performance is chronicled in this report. Overall, BOCRA registered a 90% performance of its annual organisational objectives, despite the slight decline relative to the previous year. The surge in demand for broadband continued through the COVID-19 era as working from home became normalised.

Mobile broadband coverage increased as mobile network operators expanded 3G and 4G coverage countrywide, following the acquisition of International Mobile Telecommunications (IMT) spectrum and subsidy by UASF. As a result, LTE population coverage increased from 56% to 90%. The expansion of Fibre to the Home (FTTH) infrastructure and the increase in FTTH demand saw an improvement in fixed broadband subscriptions, as households with fixed broadband increased from 15% to 18%. Along with this, an average download speed of 21Mbps was attained for the year, an improvement that is attributed to upgrades of existing sites and the erection of new ones. Meanwhile, the commercial radio broadcasting sector coverage reached 74% of the population, aided by the installation of shared FM transmitters which were funded by UASF.

Market access and competitiveness is one objective that drives communications regulation. BOCRA closely monitors market competitiveness through the performance of the Mobile Voice, Mobile Broadband Internet, Fixed Broadband, and the Terrestrial Radio broadcasting markets. BOCRA also monitored the competitiveness of the commercial broadcasting market using advertising revenue, which showed no market dominance among the three commercial radio broadcasters.

Mobile broadband coverage increased as mobile network operators expanded 3G and 4G coverage countrywide, following the acquisition of International Mobile Telecommunications (IMT) spectrum and subsidy by UASF.

↑90%
increase in LTE population coverage

21Mbps
average download speed was achieved, as a result of upgrades of FTTH sites

The growth of the Country Code Top Level Domain (ccTLD) has been fluctuating. A great number of deletions continued to be experienced, as registrants failed to timeously renew their domain names. The Authority revised some ccTLD policies to enhance the management of the domain names and to improve their usage.

Quality of Service was yet another area that BOCRA closely monitored using the Customer Satisfaction Index (CSI) metric to measure the satisfaction of customers with regards to the quality of services offered by licensees, frequency of communication, and the perceived value of services. The satisfaction Index achieved a target score of 4.2 during the year, indicating a relatively high consumer satisfaction derived from regulated services.

The COVID-19 era witnessed a drop in the employee engagement index globally. Notwithstanding the global trend, BOCRA attained 69% employee engagement index, which fared well against global and regional benchmark scores of 65% and 61.2%, respectively.

Through the UASF, BOCRA continued to facilitate universal connectivity in line with national aspirations of achieving a digital economy. Mobile networks have been upgraded to broadband capacity in the Kweneng district. During the next reporting period, focus will be on the Southern and North-West districts. The aim is to facilitate the achievement of meaningful universal connectivity by the end of the Strategic Plan period in 2024.

I wish to thank the BOCRA Board for its guidance and staff for its dedication towards the delivery of the mandate for which we have been established.



Executive Management



Seated from Left: Joyce Wema Isa-Molwane, Martin Mokgware and Maitseo Ratladi

Standing Mid-row from Left: Tebogo Mmoshe, Cynthia Jansen, Bonny Mine and Aaron Nyelesi

Standing Back-row from Left: Bathopi Luke, Peter Tladinyane, Thapelo M. Mogopa and Murphy Setshwane

Executive Management Qualifications

Martin Mokgware **Chief Executive**

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

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

LLB, University of Botswana.

Maitseo Ratladi **Director Broadband & Universal Service**

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

Tebogo Mmoshe **Director Licensing**

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

Cynthia Jansen **Chief Engineer Networks & Quality of Service**

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

Bonny Mine **Director Finance**

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

Aaron Nyelesi **Director Broadcasting and Corporate Communications**

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

Bathopi Luke **Director Technical Services**

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

Peter Tladinyane **Director Corporate Services**

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

Thapelo M. Mogopa **Director Strategy and Projects**

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

Murphy Setshwane **Director Business Development**

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



Governance

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Corporate Governance

The Communications Regulatory Authority (CRA) Act, 2012, grants the Minister responsible for the communications sector the powers to appoint a Board for the Authority comprising seven (7) non-executive directors. In terms of the Act, the Chief Executive, also appointed by the Minister on recommendation by the Board, forms part of the Board as an ex-officio member.

In fulfilling its mandate, the Board derives guidance from the CRA Act, the Board Charter and the Shareholder Compact Agreement. These documents guide the Board's decision-making processes, ensuring good corporate governance as it formulates strategies and annual plans.

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

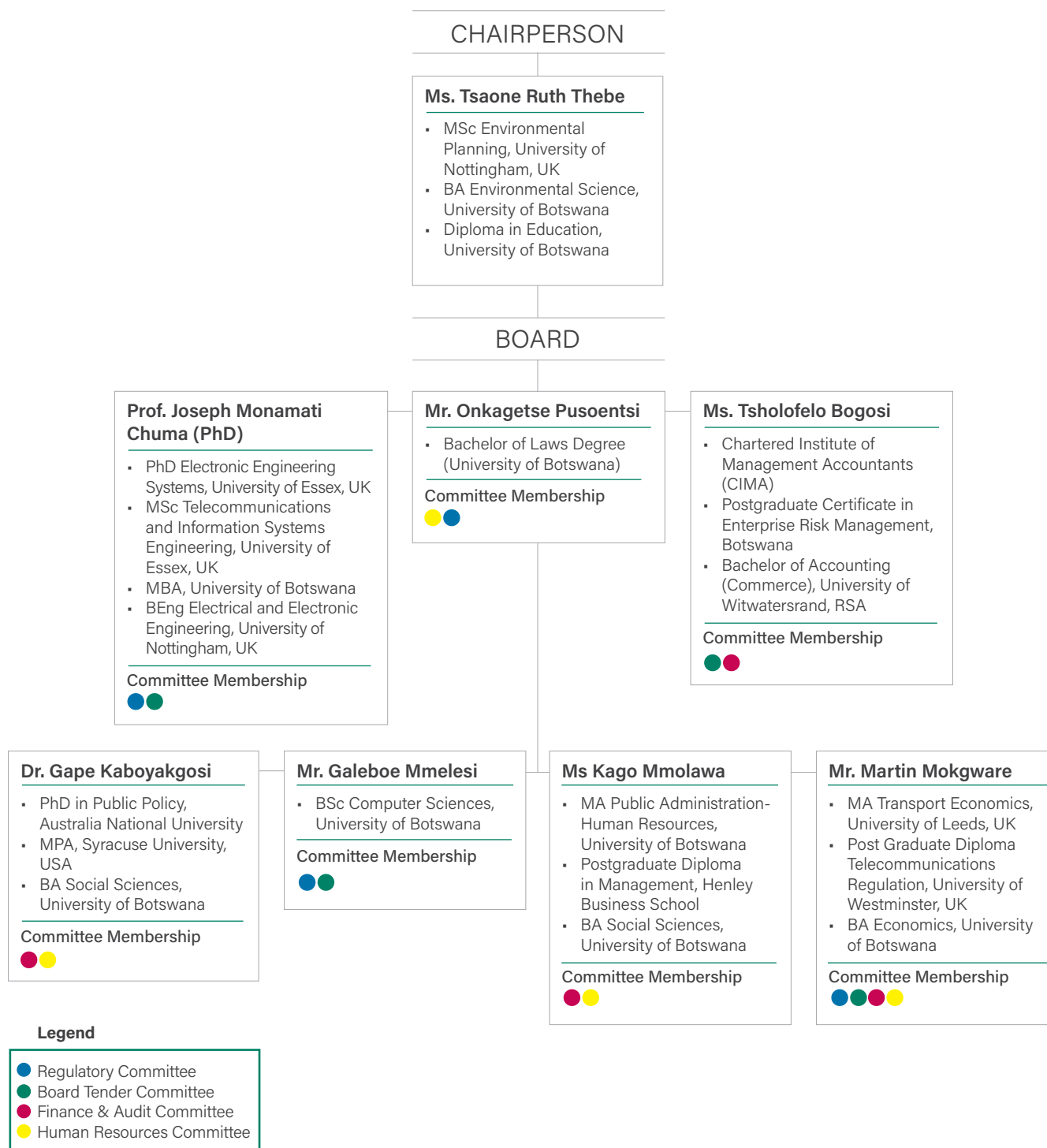
- 1 Ensuring and promoting universal access of communication services while establishing ways of enhancing performance in the sector,
- 2 The protection and promotion of consumers in the regulated sector,
- 3 Ensuring effective regulation and monitoring the performance of the regulated sectors,
- 4 Process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

COMPOSITION OF THE BOARD

The Board of Directors is made up of the following seven non-executive members

- Ms. Tsaone Ruth Thebe, Board Chairperson, *appointed on 1 February 2020*
- Prof. Joseph M. Chuma, Board Vice-Chairperson, *re-appointed on 1 September 2020*
- Mr. Onkagetse Pusoentsi, *re-appointed on 1 June 2018 (retired 31 July 2021)*
- Dr. Gape Kaboyakgosi, *re-appointed on 1 September 2020*
- Mr. Galeboe Mmelesi, *re-appointed on 1 September 2020*
- Ms. Tsholofelo Bogosi, *appointed on 1 February 2020*
- Ms. Kago Mmolawa, *appointed on 1 February 2020*
- Mr. Martin Mokgware, *BOCRA Chief Executive, ex-officio member*

COMPOSITION OF THE BOARD (Cont.)





Corporate Governance (continued)

BOARD COMMITTEES

Section 20 of the CRA Act states that the Board may establish subcommittees to delegate functions in pursuance of its responsibilities to the Authority. There are four Board committees that have been assigned different responsibilities and conferred with a range of powers under their respective Terms of Reference. The composition of these Committees is indicated below:

Regulatory Committee

Chair:
Prof. Joseph Chuma

Members:
Mr. Galeboe Mmelesi
Mr. Onkagetse Pusoentsi

Advises the Board on regulatory and policy issues and the fulfilment of BOCRA's mandate as encapsulated in the Act.

Board Tender Committee

Chair:
Mr. Galeboe Mmelesi

Members:
Prof. Joseph Chuma
Ms. Tsholofelo Bogosi

The Committee maintains the responsibility for adjudicating and approving the procurement of goods and services valued between P2 and P5 Million.

Finance & Audit Committee

Chair:
Ms. Tsholofelo Bogosi

Members:
Dr. Gape Kaboyakgosi
Ms. Kago Mmolawa

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

Human Resources Committee

Chair:
Mr. Onkagetse Pusoentsi

Members:
Dr. Gape Kaboyakgosi
Ms. Kago Mmolawa

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

Board Meeting Attendance & Sitting Allowance: April 2021 – March 2022

| Board Members | Board | Regulatory Committee | Board Tender Committee | Finance & Audit Committee | Human Resource Committee | Sitting Allowance |
|-------------------------|-------|----------------------|------------------------|---------------------------|--------------------------|-------------------|
| Ms. Tsaone R. Thebe | 6/7 | - | - | - | - | P13,500.00 |
| Prof. Joseph Chuma | 6/7 | 4/4 | 6/6 | - | - | P28,800.00 |
| Dr. Gape Kaboyakgosi | 6/7 | - | - | 5/5 | 8/8 | P34,200.00 |
| Mr. Galeboe Mmolese | 7/7 | 4/4 | 6/6 | - | - | P30,600.00 |
| Ms. Tsholofelo Bogosi | 7/7 | - | 6/6 | 5/5 | - | P32,400.00 |
| Ms. Kago Mmolawa | 5/7 | - | - | 4/5 | 7/8 | P28,800.00 |
| Mr. Onkagetse Pusoentsi | 1/1 | 1/1 | - | - | 1/1 | P5,400.00 |
| Mr. Martin Mokgware | 6/6 | 3/4 | 4/4 | 1/1 | 6/6 | nil |

Note:

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

BOARD ACTIVITIES

1

STRATEGIC PARTNERSHIP WITH INDIA

As part of BOCRA's Strategic Plan, the Authority endeavours to enter strategic partnerships that would augment its ability to regulate efficiently and build capacity. The signing of a Letter of Intent (LoI) with the Telecommunications Regulatory Authority of India (TRAI) in June 2021 is one such initiative. This partnership will run for a period of three years. The Board Chairperson signed the LoI on behalf of BOCRA, with the Chief Executive as witness. The LoI will be the guiding document for cooperation and assistance in regulatory areas of mutual interest to the two Regulators, such as in Audit of Billing where India has had great experience and expertise. The LoI is at a high level but encompasses all areas such as legal, technical, and regulatory strategies, including exchange programmes.

In May 2022, Board Members were invited to attend TRAI's 25th Anniversary in New Delhi, India which they duly accepted and honoured.

2

CORPORATE SOCIAL INITIATIVES

In response to a national call to assist villages that were gravely affected by COVID-19, Board Members visited villages in the Central and North-East districts in August of 2021. During the visit, the Board engaged with community leaders on the impact of COVID-19 on their districts and provided masks and sanitizers to the communities.

3

MID-TERM STRATEGIC PLAN REVIEW

Consistent with the CRA Act, the Board was required to undertake a review of the Strategy halfway through the 2019-2024 Strategic Plan period. The aim of the review was to appreciate the progress made and consider any changes necessary going forward. The Board of Directors and Executive Management attended a Strategic Plan Mid-Term Review in Ghanzi in September 2021.

3

TRAINING

This financial year, Board Members were trained on finance for non-financial managers as well as cybersecurity tips to safeguard against cybercrime.





Organisational Performance

The 2021/22 financial year marked the end of the third year of the 2019 – 2024 BOCRA Strategic Plan. The highlight of the year was the Mid-term Review of the BOCRA Strategic Plan.

The Review was successfully completed with no major changes to the Strategic Plan as it was still aligned with the Authority's strategic intent. Minor changes were made to a few Key Performance Indicators (KPIs) to align them with market trends and emerging policy recommendations.

The mobile broadband coverage indicator, for example, was revised to population coverage with Long Term Evolution (LTE). The adjustment was made to ensure that the indicator was aligned with minimum speeds as recommended by the National Broadband Strategy (NBS), which could only be achieved on 4G networks at the minimum.

BOCRA continued to work towards attaining the Strategic Plan objectives as the year progressed and COVID-19 restrictions were eased. A total of 21 KPIs were used to gauge performance towards the attainment of the strategic objectives for the financial year 2021/2022. During the reporting period, the Authority attained 19 KPIs, representing 90% performance. Table 1 shows the strategy performance dashboard.

Authority's Targets Achieved

The Authority performed well and achieved most of its targets, ending with a 90% achievement rate for the year.



Organisational Performance

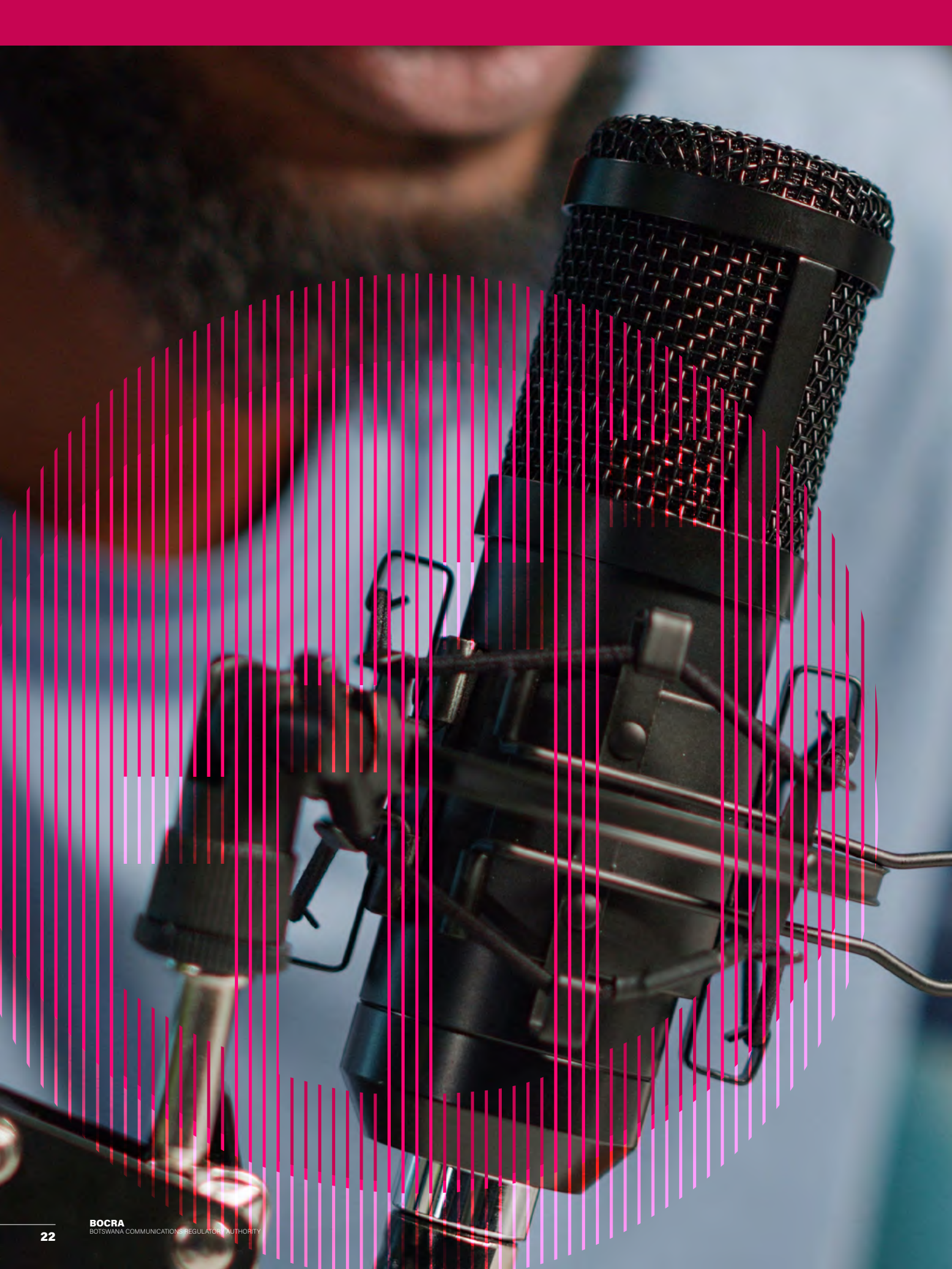
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Table 1: Strategy Performance Dashboard

| Perspectives | No | Strategic Objective | KPI (Measure) | Performance 2020/21 | Target 2020/21 | Actual 2021/22 | Performance Indicator |
|------------------|-----|---|---|---------------------|----------------|----------------|-----------------------|
| CUSTOMER | C1 | IMPROVE CONSUMER PROTECTION | Download speed/throughput LTE network | - | ≥15 Mbps | 21 Mbps | |
| | C2 | IMPROVE CONSUMER SATISFACTION | Consumer satisfaction index | 4.0 | 4.2 | 4.2 | |
| | C3 | IMPROVE ACCESS AND AFFORDABILITY OF BROADBAND SERVICES | Price of 2GB per month (BWP) | P95.00 | P69.00 | P69.00 | |
| | | | Price of fixed 4Mbps per month (BWP) | - | P436.00 | P436.00 | |
| | | | % Population with LTE | - | 64% | 90% | |
| | | | % Households with fixed broadband | 8.35% | 16% | 18% | |
| | | | % Population coverage (terrestrial radio) | 70% | 72% | 74% | |
| FINANCIAL | F1 | IMPROVE MANAGEMENT OF FINANCIAL RESOURCES | % Budget variance | 15% | ±10% | 20% | |
| | | | % Collection of long outstanding fees | 75% | 80% | 81% | |
| INTERNAL PROCESS | IP1 | IMPROVE COMPETITIVENESS TO THE MARKET | HHI (Mobile voice) | 3774 | 3758 | 3694 | |
| | | | HHI (Mobile Broadband Internet) | 4158 | 4158 | 4226 | |
| | | | HHI (Fixed Broadband) | - | 2415 | 2153 | |
| | | | HHI (Terrestrial Radio) - Advertising revenue | - | 3392 | 3390 | |
| | IP2 | IMPROVE MANAGEMENT OF REGULATORY RESOURCES | % Adherence to Spectrum roll out obligations | - | 75% | 100% | |
| | | | # Of domain names in use | - | 13,000 | 11,029 | |
| | IP3 | INCREASE RESEARCH AND STUDIES IN THE REGULATORY ENVIRONMENT | # Of studies conducted | 13 | 16 | 18 | |
| | | | # Of new regulatory instruments | 5 | 6 | 7 | |
| PEOPLE | IP4 | IMPROVE STRATEGIC RELATIONSHIPS | # Of initiatives completed | - | 1 | 3 | |
| | P1 | IMPROVE EMPLOYEE ENGAGEMENT | Staff engagement index | - | 73% | 69% | |
| | P2 | IMPROVE EMPLOYEE PERFORMANCE | % Staff exceeding performance threshold | 43% | ≥20% | 65% | |
| | | | % Staff below performance threshold | 0% | ≤3% | 0% | |

LEGEND

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



Reviews

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Overall Performance Analysis

BROADBAND SPEEDS

Throughput on LTE Network was used as one of the indicators for measuring the Improvement of Consumer Protection objective. The Throughput criteria measures the average download speed for LTE between the end user and the network. The performance on this KPI against set target is shown in Figure 1. An average download speed of 21Mbps was attained for the year, exceeding the targeted 15Mbps. The improvement is attributed to upgrades of existing sites and the erection of new ones, which resulted in improved download speeds.

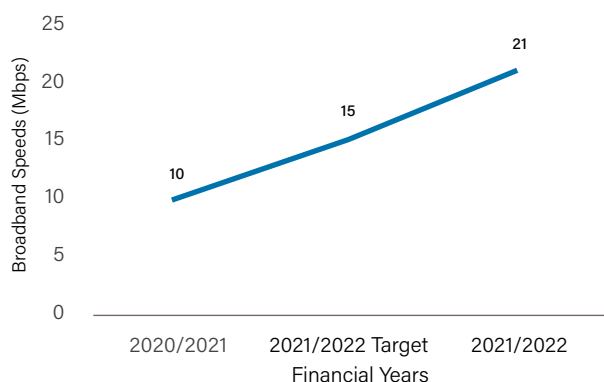


Figure 1: LTE Throughput for 2021/22

CONSUMER SATISFACTION INDEX

BOCRA uses the Customer Satisfaction Index (CSI) to measure the satisfaction of customers regarding the quality of services offered by licensees, the frequency of communication, and the perceived value of services among others. The satisfaction of consumers was measured on a 5-point Likert scale and a target score of 4.2 that was set for the FY 2021/2022 was achieved, as shown in Figure 2. This score is indicative of high consumer satisfaction derived from regulated services.

A consumer satisfaction index target score of **4.2% was achieved**

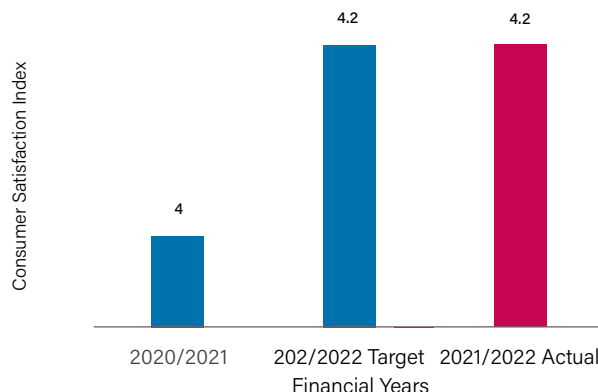
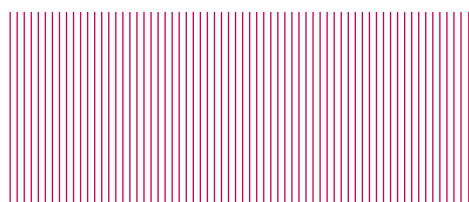


Figure 2: BOCRA Consumer Satisfaction Index 2021/22

IMPROVE ACCESS TO SERVICES

Access to communication services is enhanced through several ways. These include the imposition of service rollout in spectrum licensing, licensing of more operators, and various development projects funded by the UASF.

The FM Expansion project funded by the UASF continued to bear fruit for the commercial radio broadcasting market. The project, which benefitted the Southern District, resulted in the commercial radio broadcasting coverage growing from 70% to 74% against a target of 72%, as illustrated in Figure 3.

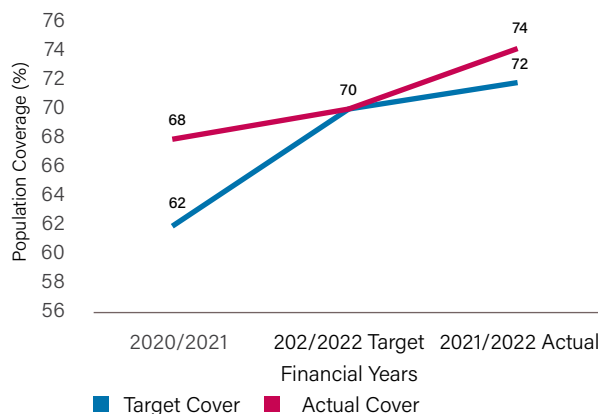


Figure 3: Terrestrial Radio Population Coverage 2019-2022

Overall Performance Analysis

(Continued)

A significant increase in mobile broadband coverage was also realised as operators expanded their 3G and 4G networks across the country. The network expansion project funded by UASF contributed to positive results as the LTE population coverage increased from 56% to 90%, against a target of 64%. Fixed broadband subscriptions increased from 15% to 18% during the year, exceeding the targeted 16%. The expansion of Fibre to the Home (FTTH) infrastructure contributed to the growth. Figure 4 depicts growth in fixed broadband and LTE.

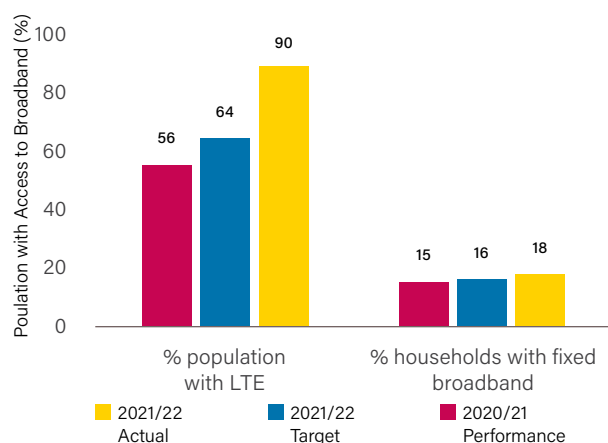


Figure 4: Accessibility to Broadband Services: LTE & Fixed Broadband 2021/22

IMPROVE THE MANAGEMENT OF FINANCIAL RESOURCES

The "Improve the Management of Financial Resources" strategic objective is measured by the Authority's adherence to its approved budget and ability to recover long outstanding regulatory fees. Negative effects of COVID-19 continued to result in underspending on operational matters, while efforts to recover outstanding fees bore fruits. This is depicted in Figures 5 and 6.

81% collection rate
against a target of 80%

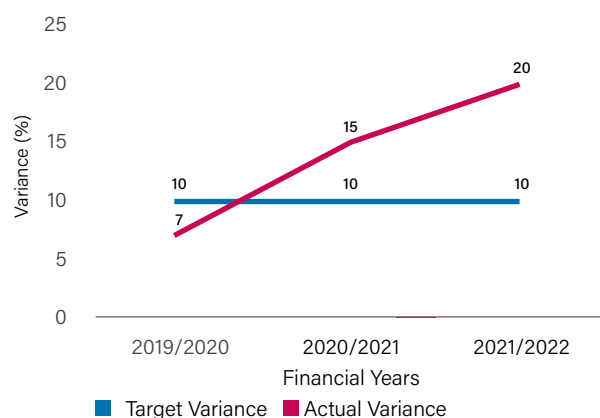
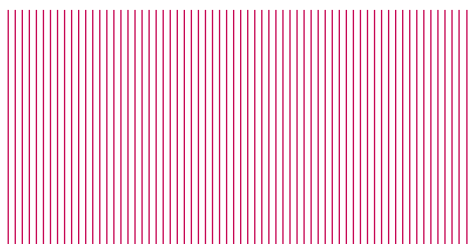


Figure 5: Budget Variance 2019-2022

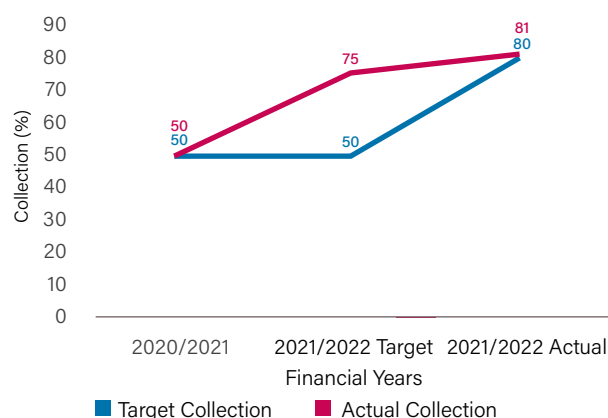


Figure 6: Regulatory Fee Collection Rates, 2021-2022

A budget variance of 22% was recorded for the year, against a target of +10%. The higher variance was due to underspending on operational activities but not on major projects. Collection efforts for long outstanding fees were intensified and significant recoveries were made during the year, attaining an 81% collection rate against an 80% target. This was an improvement of six percentage points on the 75% realised in the previous year.



Overall Performance Analysis (continued)

MARKET COMPETITIVENESS

This objective is measured by four KPIs being the market performance of Mobile Voice, Mobile Broadband, Fixed Broadband and Terrestrial Radio. However, for the year under review, only fixed broadband and terrestrial radio parameters were assessed in line with the strategic plan. The Authority uses the Herfindahl-Hirschman Index (HHI) to measure competitiveness in regulated sectors based on market shares. The HHI ranges from 0 to 10,000, where a figure close to 0 depicts a perfect competition, and 10,000 a monopoly. The desirable HHI is always a downward movement from 10,000 towards 0 as it aims to mimic a perfectly competitive market. All four KPIs were within the performance thresholds for the year. Performance for the fixed broadband and terrestrial radio markets are shown in Figure 7.

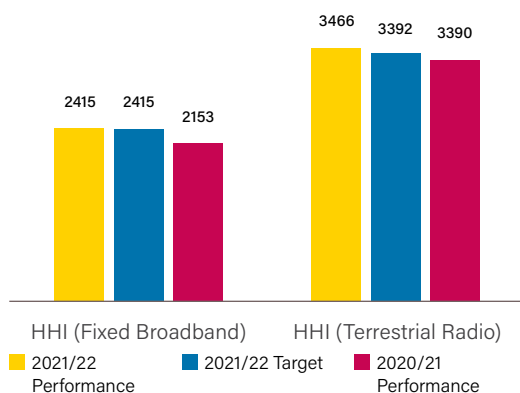


Figure 7: Fixed Broadband and Terrestrial Radio Market Competition, 2021/22

More Internet Service Providers (ISPs) were licensed for the provision of fixed broadband. Competition in this market was intensified as the newly licensed ISPs captured some of the consumers by introducing affordable and attractive packages.

The market share in the terrestrial radio segment was measured by advertising revenue. The market saw the last reporting period market leader, Yarona FM, lose some of its market share to both Gabz FM and Duma FM. As COVID-19 restrictions eased, commercial broadcasters realised increased advertising and sponsorship, though the revenue was evenly distributed as corporates took their adverts to all the radio stations for wider coverage.

Domain Name Usage

Figure 8 depicts a marginal increase in domain name usage compared to the previous year. A total of 11,029 domain names were in use as at year end, against a targeted total of 13,000. A great number of deletions were experienced as registrants failed to timeously renew their domain names. The Authority revised some ccTLD policies to enhance the management of domain names. BOCRA also embarked on domain name education and awareness campaigns.

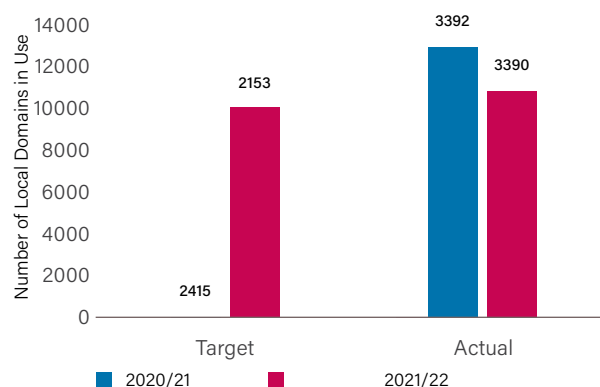


Figure 8: Local Domain Name Usage, 2021/22

RESEARCH AND DEVELOPMENT

The strategic intent is to conduct research to better understand the market and inform regulatory interventions. Five research studies were successfully conducted and two regulatory instruments were developed during the year. Therefore, 16 cumulative studies have been conducted and seven regulatory instruments developed, against a target of 16 studies and six regulatory instruments.

Completed and published studies conducted during the period under review include the Broadband Facts and Figures, Citizen Economic Empowerment paper, Mobile Money trends in Botswana, and Affordability of Fixed and Mobile Broadband in Botswana. Further, some regulatory instruments were put in place in response to market changes. These include the Guidelines on Repair Service Centres which were developed in line with Type Approval framework. The Guidelines will serve to provide guidance to repair centres to ensure that devices are always compliant to type approval frameworks.

Overall Performance Analysis (Continued)

EMPLOYEE ENGAGEMENT

The COVID-19 era witnessed a drop in the engagement index globally. Figure 9 shows the attainment of 69% engagement index, against a target of 73%. Despite not achieving the set target, the Authority performed well against global and regional benchmark scores. The Authority's 69% score exceeded the global score of 65% and the Africa score of 61.2%.

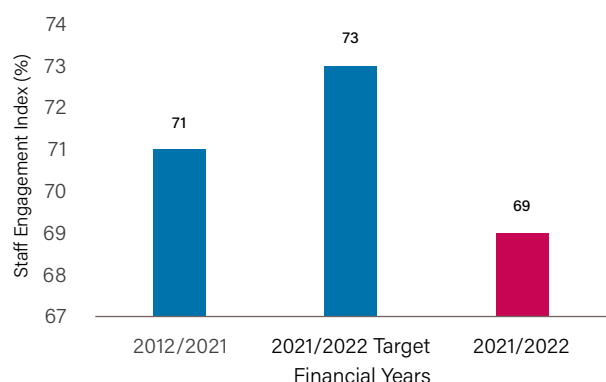


Figure 9: Staff Engagement Index, 2021/22



THE AUTHORITY'S SCORE
OF

69%
exceeded the global score
of 65% and the Africa
score of 61.2%.

IMPROVE EMPLOYEE PERFORMANCE

The strategic objective that tracks employee performance was measured by two KPIs, which were staff exceeding performance thresholds and staff below performance thresholds. During the reporting period, 65% of staff exceeded the performance threshold of >20%. This performance represented a 22% improvement on the previous year's performance, where 43% of staff had exceeded thresholds. Consistent with the previous year, none of the staff members performed below the performance target threshold of at most 3%. Figure 10 shows the performance of staff over the three-year period.

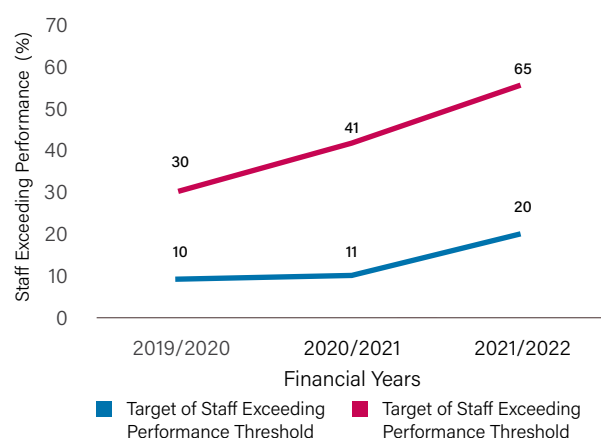


Figure 10: Staff Performance, 2019-22

Several initiatives were put in place to ensure that employee efforts continued to be aligned to the Authority's strategic intent. These include a robust cascading to ensure alignment to departmental and organisational plans, regular performance reviews at departmental and employee level, and the vetting of performance contracts by the Calibration Committee to ensure the alignment of employee performance to departmental and organisational strategic direction.

65% of Staff of staff exceeded the performance threshold of >20%

This performance represented a 22% improvement on the previous year's performance, where 43% of staff had exceeded thresholds.



Market Review

ICT MARKET PERFORMANCE REVIEW

TELECOMMUNICATIONS MARKET STRUCTURE

The telecommunications market in Botswana continued to be dominated by three main operators offering a variety of services primarily at retail level, including fixed and mobile telephony, internet service and data, value-added services, as well as international services. The three operators were Botswana Telecommunications Corporation Limited (BTC), Mascom Wireless Botswana (Pty) Ltd (Mascom), and Orange Botswana (Pty) Ltd (Orange). In addition to these, there was Botswana Fibre Networks (BoFiNet) which provided wholesale services including backhaul connectivity and internet. The market also comprised several ISPs which offered value-added services and internet.

MOBILE TELEPHONY MARKET SEGMENT

Mobile telephony subscriptions continued to grow remarkably due to convenience that mobile platforms offer consumers. Mobile networks have become a necessity of life for everyday communication, for efficient business operations, and service delivery enhancement across all sectors of the economy. The trend for mobile telephony growth over the preceding five years is illustrated in Figure 11.

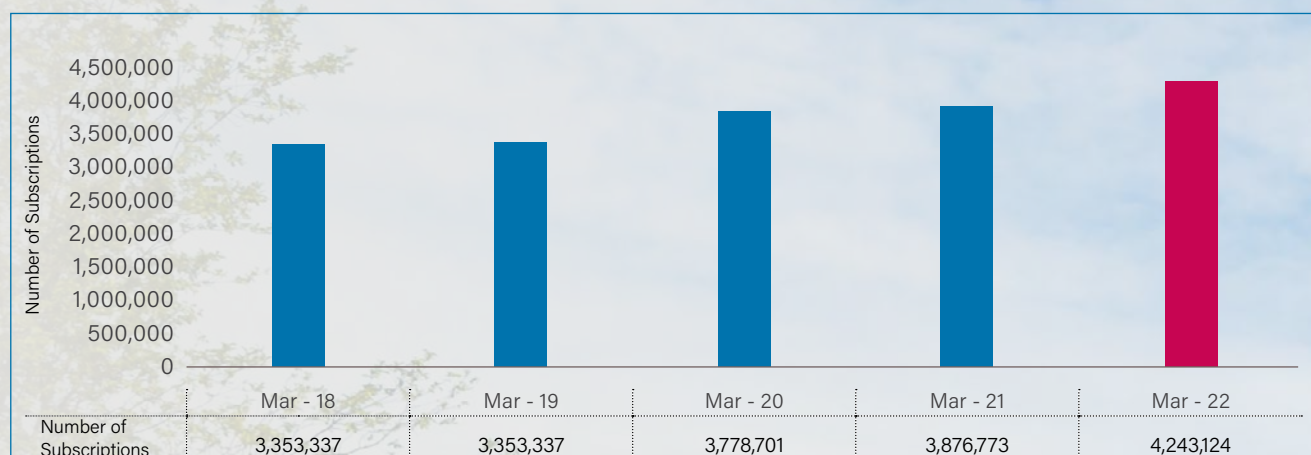


Figure 11: Mobile Telephony Subscriptions for 5 years

The five-year period demonstrated a steady growth in subscriptions, showing a 27% increase from 3,353,337 subscriptions in March 2018 to 4,243,124 subscriptions in March 2022. From the previous year ending March 2021, there was an increase of 9.4% in subscriptions. The mobile telephony market experienced intense competition as consumers enjoy different packages offered by the three operators. Operators also reported an increased demand for social media applications.

Mobile tele-density stood at 210% during the period under review, compared to 191% registered in the previous year. Over the past five years between March 2018 and March 2022, mobile tele-density grew by a remarkable 44%.

THE FIVE-YEAR PERIOD
DEMONSTRATED A STEADY
GROWTH IN SUBSCRIPTIONS

27%
increase in
subscriptions

SUBSCRIPTIONS
INCREASED FROM

3,353,337
in March 2018 to
4,243,124
in March 2022

MOBILE TELEDENSITY
GREW BY

44%
over five years

As in the previous years, Mascom Wireless continued to lead the mobile telephony market share as measured by active mobile subscriptions. Figures 12 and 13 depict market shares of the three operators for the periods ending March 2021 and March 2022. As at March 2022, Mascom's market share stood at 43% of all mobile subscribers, Orange at 39%, and BTC at 18%. Mascom's market share decreased by 2 percentage points from 45% recorded in the previous year. Orange market share increased by 1 percentage point from 38% and BTC market share increased by 1 percentage point from 17%. The increase in forces of competition such as prices, new services, promotions, and commensurate consumer demand have played a significant role in the above market share changes.

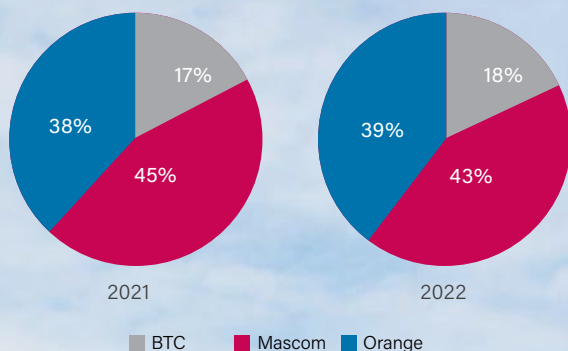


Figure 12: Mobile Telephony Market Share 2021

Figure 13: Mobile Telephony Market Share 2022

AS AT MARCH 2022, MASCOM'S MARKET SHARE DECREASED BY

2%

while Orange and BTC each gained 1%.



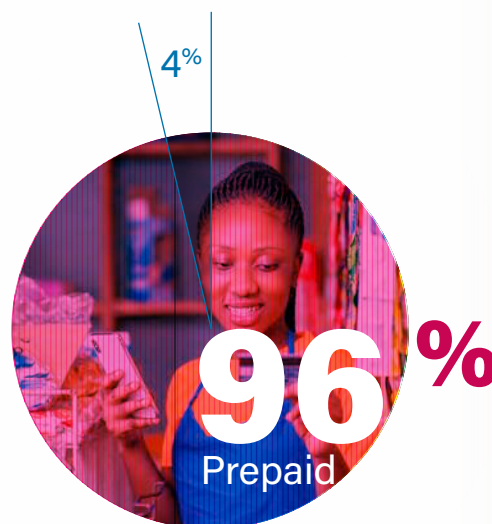
Market Review (continued)

MARKET SHARE OF PREPAID AND POST-PAID MOBILE TELEPHONY

In the current period ending March 2022, the share between Prepaid and Post-paid mobile telephony subscriptions stood at 96% and 4% respectively, as demonstrated in Figure 14. This represents a slight shift as the split between prepaid and post-paid in the previous year was at 97% and 3%, respectively. The marginal growth in post-paid subscriptions can be partly attributed to attractive packages offered by operators. Although the usage charges for post-paid services are generally cheaper than those for prepaid services, consumers prefer prepaid services for the convenience of tracking their usage while avoiding any contractual obligations.

96% Prepaid mobile telephony and 4% Post-paid

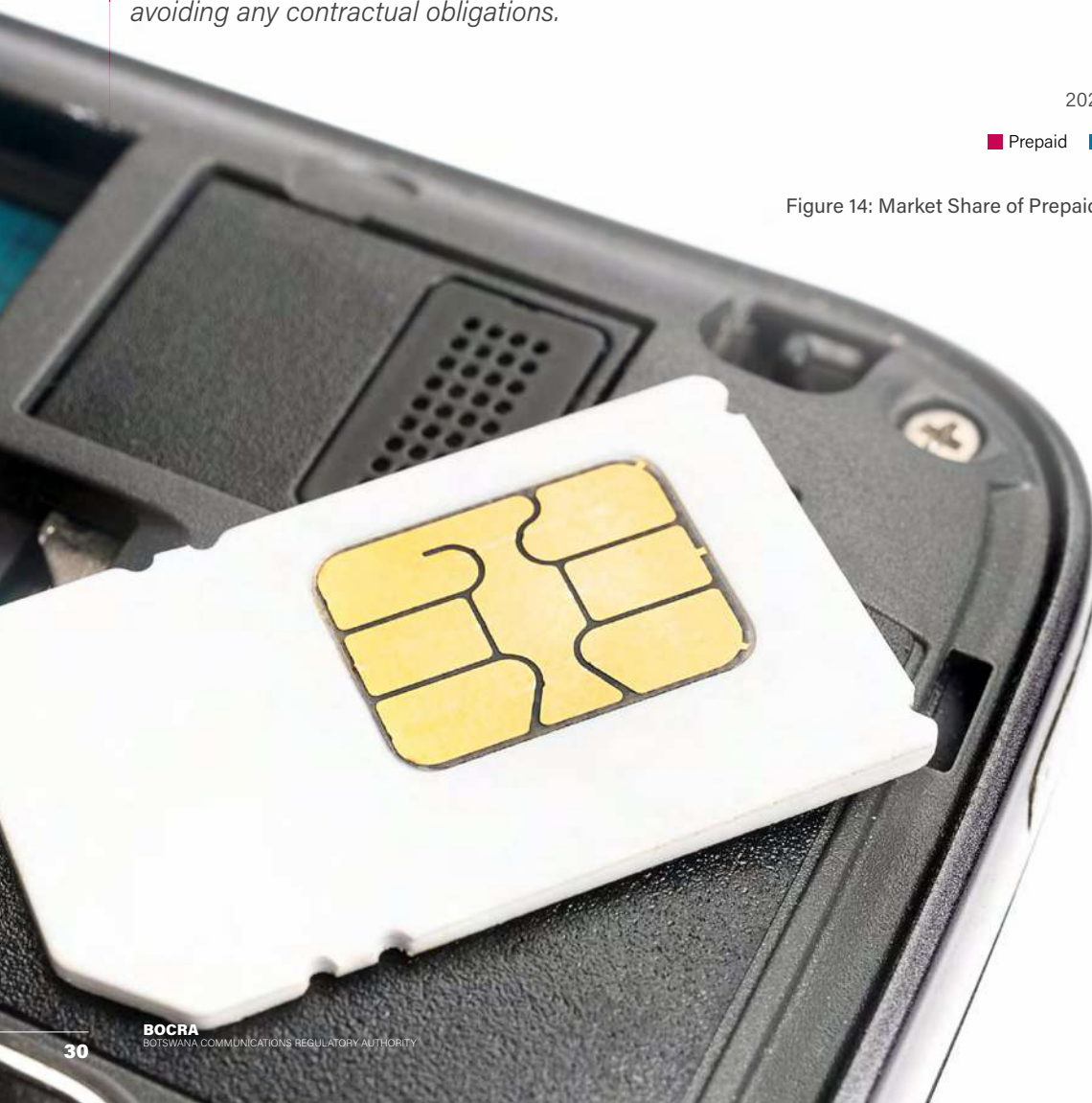
consumers prefer prepaid services for the convenience of tracking their usage while avoiding any contractual obligations.



2022

■ Prepaid ■ Post-paid

Figure 14: Market Share of Prepaid and Post-paid



FIXED MARKET SEGMENT

Fixed telephony subscriptions offered solely by BTC stood at 90,158 compared with 139,930 recorded the year before, representing a significant decline of 35%. The decrease was attributed to disconnections of some customers for the non-payment of bills. Tele-density for fixed telephony was recorded at 4%, representing a three-percentage point decrease from 7% registered in March 2021. The expected long-term market trend is that there may be a further decline in subscriptions as consumers favour mobile technology for various reasons, including cost, flexibility, mobility, and diversity of value-added services. The trend for fixed telephony subscriptions from March 2018 to March 2022 is illustrated in Figure 15, showing a decline in subscriber base over the five-year period.

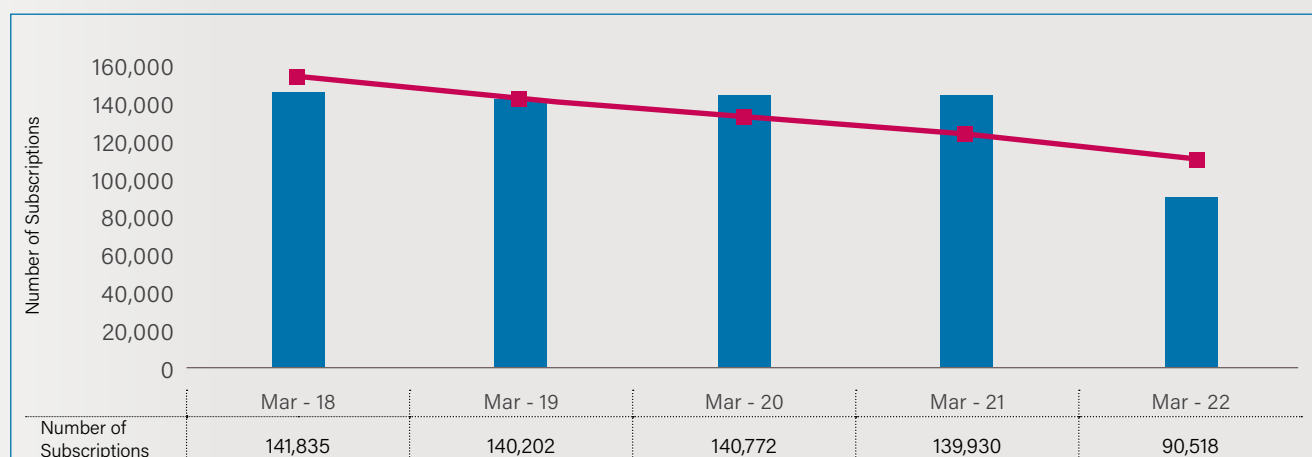


Figure 15: Total Fixed Telephony Subscriptions from March 2018 to March 2022

**FIXED TELEPHONY
SUBSCRIPTIONS OFFERED
SOLELY BY BTC STOOD AT**

90,158
compared with 139,930
recorded in 2021

**TELE-DENSITY FOR FIXED
TELEPHONY DECREASED
FROM 7% TO**

4%





Market Review (continued)

INTERNET UPTAKE

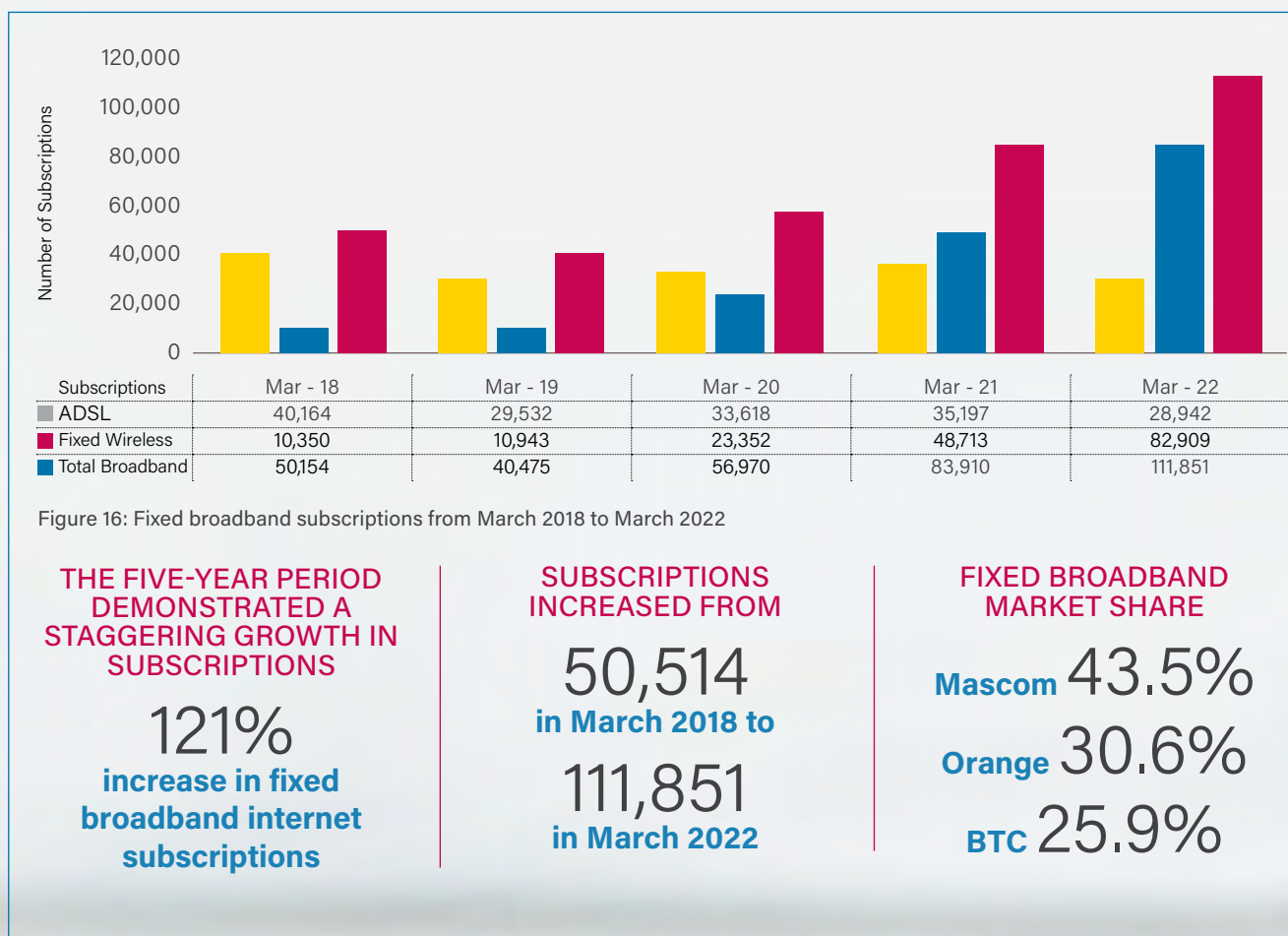
FIXED BROADBAND INTERNET

The access to fixed broadband has proven to be essential for reliable, high speed, and high-capacity internet. In this regard, market trends indicate that access and usage of fixed broadband will increase over time: firstly, as a complimentary service to mobile wireless internet, and secondly as a solution for bandwidth-intensive applications and services. The preceding five-year period demonstrated a staggering growth in subscriptions, showing an approximate 121% increase from 50,514 subscriptions in March 2018 to 111,851 in March 2022.

BTC offers, among others, a fixed broadband product named Asymmetric Digital Subscriber Line (ADSL) at retail and

wholesale level, with a market share of 25.9% of the total fixed broadband while Mascom and Orange hold 43.5% and 30.6% respectively. ISPs offer ADSL as resellers of the BTC service. Most ISPs offer the fixed wireless internet because they use free spectrum in the Industrial, Scientific, and Medical (ISM) bands for last mile access.

Figure 16 represents the number of fixed broadband subscriptions to ADSL and Fixed wireless, as well as the total fixed broadband subscriptions, respectively.



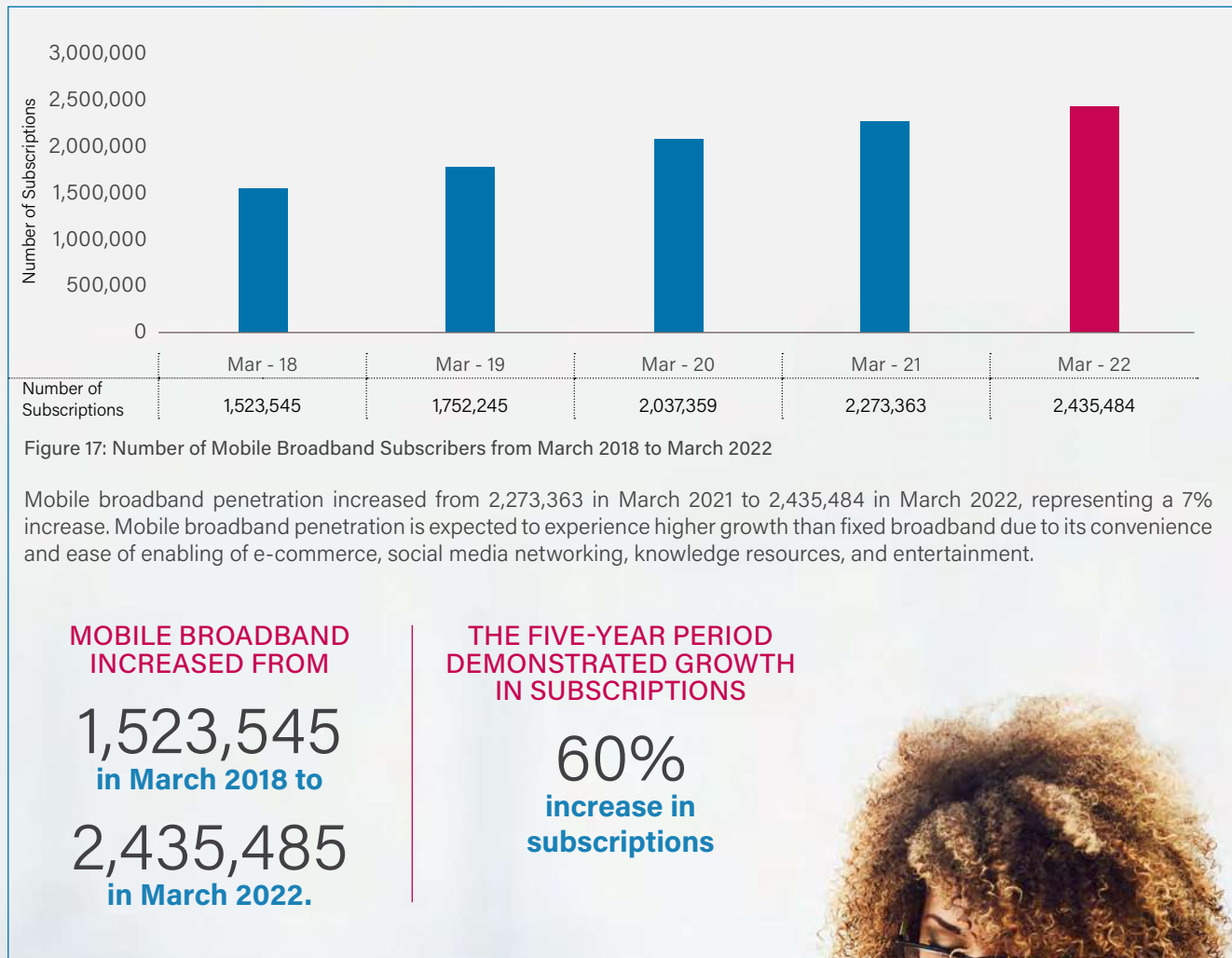
ADSL uptake declined from 35,197 recorded in the previous year to 28,942 for the year ending March 2022. In the five-year period, ADSL subscriptions have been fluctuating with subscriptions reaching 40,164 in March 2018 before declining to a low 28,942 recorded in the current year. The decline can be primarily attributed to a database clean-up exercise by BTC

validating subscription records. By comparison, fixed wireless subscriptions grew substantially from 48,713 registered in March 2021 to 82,909 in March 2022. This increase was due largely to the growth in new products and services introduced by mobile operators as compared to the previous years.

MOBILE BROADBAND MARKET

A significant portion of the population has access to and use mobile broadband as operators continue to increase their coverage of mobile broadband services. Operators developed consumer driven packages and provide own brand smartphones as well as alternative brands smartphones which contributed to increased access and usage. Figure 17

represents the number of mobile broadband subscriptions over the past five years. Mobile broadband experienced a steady growth from 1,523,545 recorded in March 2018 to 2,435,485 recorded in March 2022. This represents a significant increase of approximately 60% over the five-year period.





Market Review (continued)

MOBILE MONEY SERVICES

All the three mobile operators were players in the mobile money market, together with Botswana Post, which began offering the service in 2018.

ORANGE LED A MARKET SHARE OF

53%

Mascom 36%,
then BTC 9%

MOBILE MONEY ACCOUNTS SUBSCRIPTIONS INCREASED BY

95%

from March 2018 to
March 2022

BTC AND BOTSWANA POST INCREASED THEIR MARKET SHARE

Orange and Mascom's
market share decreased

SUBSCRIPTIONS INCREASED FROM

851,719

in March 2018 to

1,662,843

in March 2022

As illustrated in Figure 18, Orange led at 53% of the market share, followed by Mascom at 36%, then BTC at 9%, and Botswana Post at 2%. BTC and Botswana Post increased their market share from March 2021 to March 2022, while Mascom and Orange had their market shares decreased. This trend suggests increasing competition as smaller players made inroads into the market.

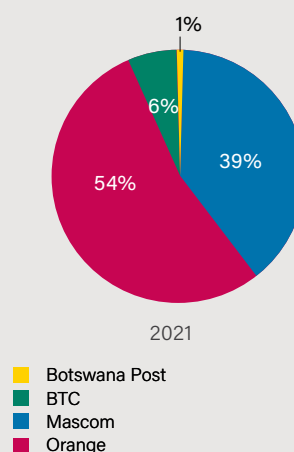


Figure 18: Mobile Money Market Share 2021

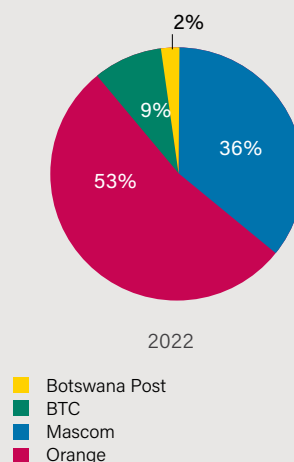
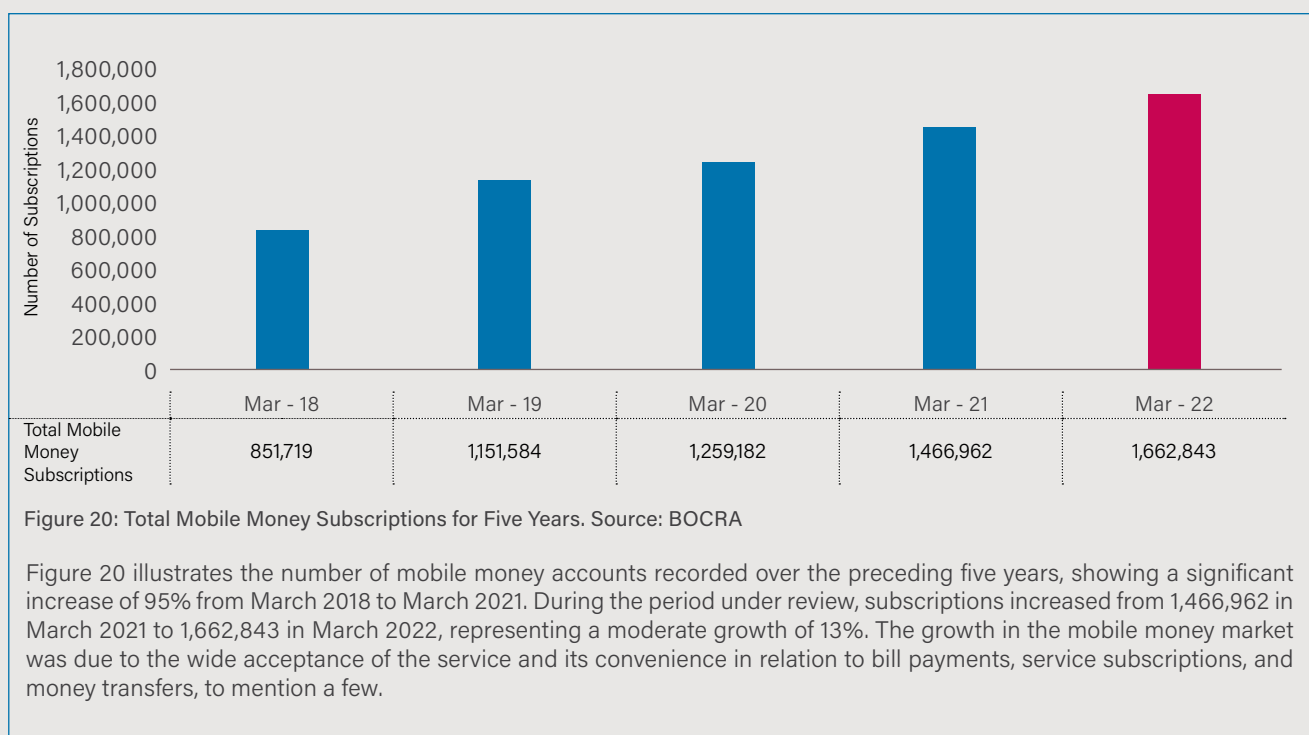


Figure 19: Mobile Money Market Share 2022

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



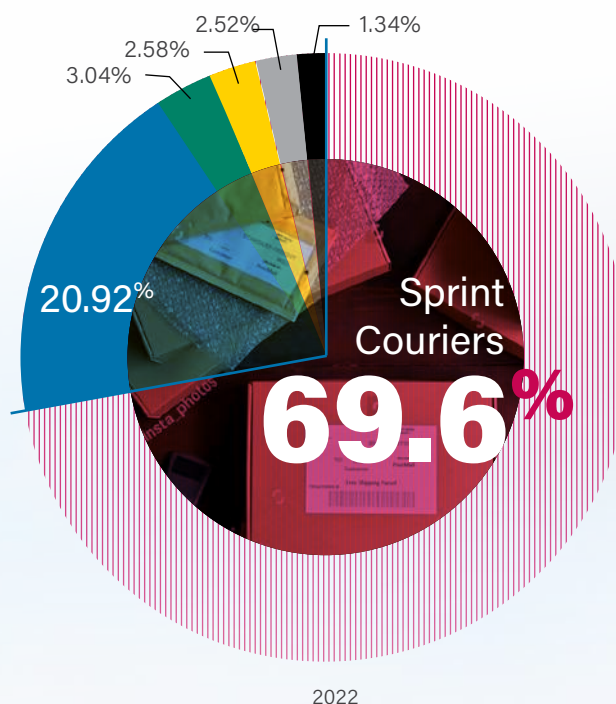


Market Review (continued)

POSTAL SECTOR PERFORMANCE REVIEW

COMMERCIAL POSTAL OPERATORS' MARKET SHARE

Figure 21 depicts the market share of commercial postal operators (couriers) measured by the number of items carried by each operator during the period ending March 2022. As in the previous financial year, Sprint Couriers (Pty) Ltd continued to lead accounting for 69.6% of the market share, followed by Botswana Postal Services Limited at 20.9%. In the third spot is DHL International Botswana (Pty) Ltd accounting for 3% and Aramex Botswana holding 2.5% of the market share on the fourth spot. Ram Transport Botswana (Pty) Ltd occupied the fifth spot holding 1.3% of the market share. The aggregated operators labelled as 'Others' account for 2.6% of the market share. These are operators which individually hold less than 1% of the market share.



**SPRINT COURIERS
LED A MARKET
SHARE OF**

69.6%

**MOVEMENT
OF LETTERS
AND PARCELS
DECREASED BY**

41%

due to COVID-19

**DOMESTIC
MAIL ITEMS
CONSTITUTED OF**

91.4%

**of the total mail
volume**

**LETTER MAIL AND
PARCEL MAIL
DECREASED FROM**

23,358,417

in March 2021 to

13,847,587

in March 2022

- Sprint Couriers
- Botswana Post
- DHL International Botswana
- Others
- Aramex Botswana
- Ram Transport Botswana

Figure 21. Commercial Postal Operators' Market Share for the Period Ending March 2022

TOTAL MAIL VOLUME FOR THE POSTAL SECTOR

The analysis of mail volumes recorded between the period ending March 2021 and March 2022 shows a decrease of 41% in the movement of letters and parcel items. The decrease was due to COVID-19 pandemic on postal operators' business. During the period ending March 2022, the postal market recorded a total of 13,847,587 mail items, inclusive of both letter mail and parcel mail, compared to a total of 23,358,417 mail items registered for the period ending March 2021.

Figure 22 illustrates that there was a high movement of letter mail items as compared to parcel mail items. Domestic letter mail items constituted 91.4% (12,651,207 mail items) of the total mail volume, while international letter mail items accounted for 1.4% (194,404 mail items). Domestic parcel mail items accounted for 6.7% (930,967 mail items) while international parcel mail constituted 0.5% (71,009 mail items) of the total postal mail volume.

Domestic letter items recorded a substantial decrease of 8,011,216 (39%) mail items from a total of 20,662,423 recorded for the year ending March 2021. Similarly, international letter mail items registered a substantial decline of 900,234 (82%) mail items from a total of 1,094,638 recorded for the previous financial year. Movement of parcels also experienced a remarkable decline, having recorded a decrease of 435,885 (32%) for domestic parcel items and 163,495 (70%) for international parcel items.

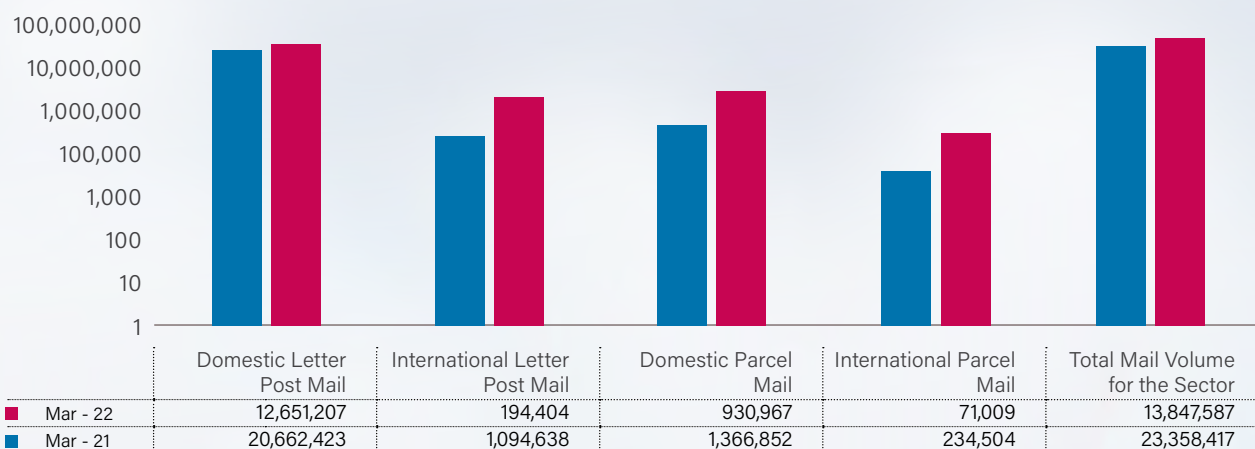


Figure 22: Total Mail Volumes for the Period Ending March 2022

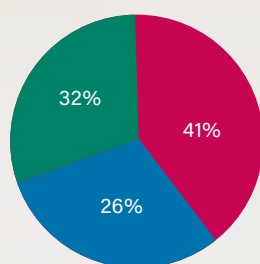


Market Review (continued)

BROADCASTING SECTOR PERFORMANCE REVIEW

FM RADIO BROADCASTING MARKET SHARE

Radio broadcasters' market share performance was monitored using advertising revenue. Duma FM held the highest market share performance of 41%, followed by Yarona FM with 32%, and Gabz FM with 26% market share. Table 3 shows the market share performance of the three stations.



2022

■ Duma FM ■ Yarona FM ■ Gabz FM

Figure 23: FM Broadcasting Market Share April 2021 to March 2022

MONITORING OF BROADCASTING SERVICES

Pursuant to the Authority's consumer protection mandate, BOCRA acquired a Broadcast Monitoring System which enables the monitoring of broadcasters' service provision for quality of service. The system creates regulatory value by independently monitoring the performance of broadcasters to ensure compliance with licence conditions. In keeping with international best practice, it enables among others the real-time viewing of channels and listening to radio, recording, archiving selected channels, and monitoring local content versus international content.

Although the system is scalable, for the period under review, it was configured to monitor Service Availability Rate and Local Content Quota in Gaborone only. Over time, it will be enabled to carry out broadcasting services monitoring in other parts of the country.

PURSUANT TO THE AUTHORITY'S CONSUMER PROTECTION MANDATE, BOCRA ACQUIRED A BROADCAST MONITORING SYSTEM WHICH ENABLES THE MONITORING OF BROADCASTERS' SERVICE PROVISION FOR QUALITY OF SERVICE.

LOCAL CONTENT QUOTA

Commercial broadcasters were monitored for compliance to local content quota requirements in line with their licence conditions. Local Content Quota for radio broadcasting was calculated as the total percentage of local music aired over the overall percentage of music played by a particular station over a period. In terms of the licence requirements, radio stations were obligated to achieve a minimum of 40% local content performance.

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

COMMERCIAL RADIO
BROADCASTERS ACHIEVED THE
SET MINIMUM LOCAL CONTENT
QUOTA OF
40%
performance



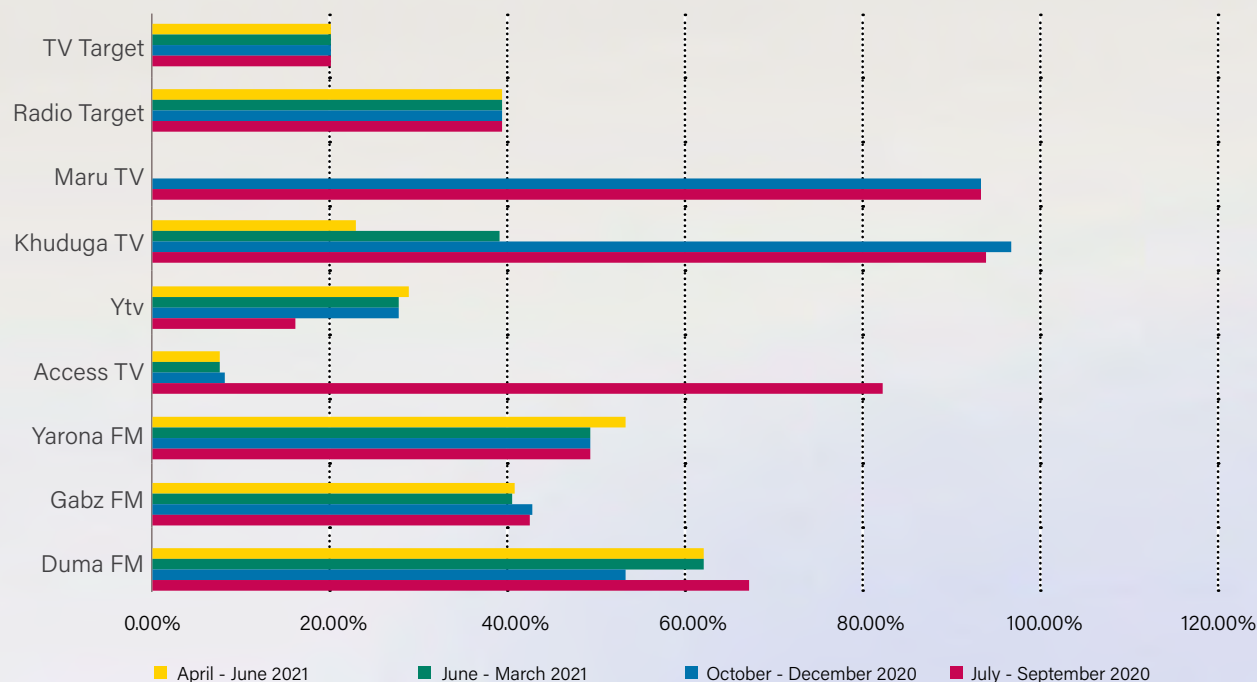


Figure 24: Local Content Performance 2021/2022

TELEVISION
STATIONS
SURPASSED THE
20%
local content
threshold

The Commercial Radio Broadcasters achieved the set minimum local content quota of 40% performance throughout the year. Duma FM achieved an average annual performance of 63%, followed by Yarona FM at 55%, and Gabz FM at 41.1%.

Equally, television stations surpassed the 20% local content threshold. Ytv registered an annual average performance of 29.8% local content quota which it attributed to inhouse production of most of its content. Khuduga TV and Access TV followed with 24.9%, and 23.5% respectively.





Market Review (continued)

SERVICE AVAILABILITY RATE

BOCRA also monitored the operations of commercial broadcasters for compliance, based on the set 99% minimum Service Availability Rate (SAR). SAR is defined as a percentage of time when the broadcasting service is available for access by consumers. SAR for the period under review is given in Figure 25.

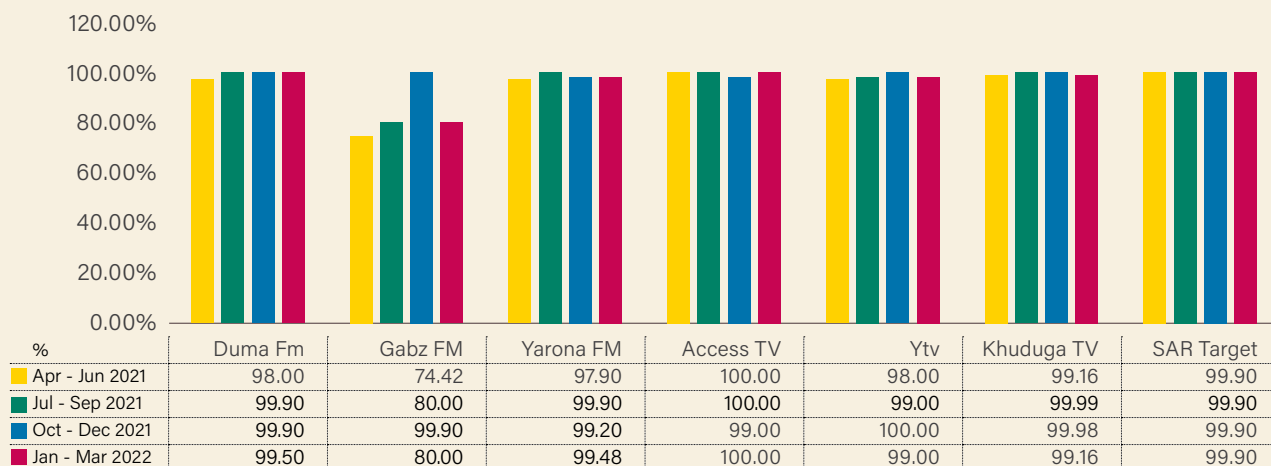


Fig 25: SAR performance for 2021/22

The SAR for commercial radio broadcasters improved over the reporting period. However, Gabz FM reported having challenges in attaining the SAR of 99%. This is because its Orapa transmission site experienced interference caused by two-way radios in the area. The problem was resolved by relocating the site. Duma FM and Yarona FM registered an average performance of 99.3% and 99.1%, respectively.

Television stations attained the set threshold of 99% SAR during this reporting period.

DUMA FM AND YARONA FM REGISTERED AN AVERAGE PERFORMANCE OF

99.3%
and
99.1%
respectively

Gabz FM
REPORTED HAVING CHALLENGES IN ATTAINING THE REQUIRED 99% AVERAGE MINIMUM PERFORMANCE

TELEVISION STATIONS ATTAINED THE SET THRESHOLD OF

99%
SAR during this reporting period

ROLL-OUT OBLIGATIONS

The FM radio stations had committed to a roll-out plan which is depicted in Table 6 as “expected coverage” during their licensing period. The stations made a slight increase during the year, compared to the previous year, following the installation of shared transmitters at Mabutsane, Malau, Senyamadi, and Phitshane Molopo villages.

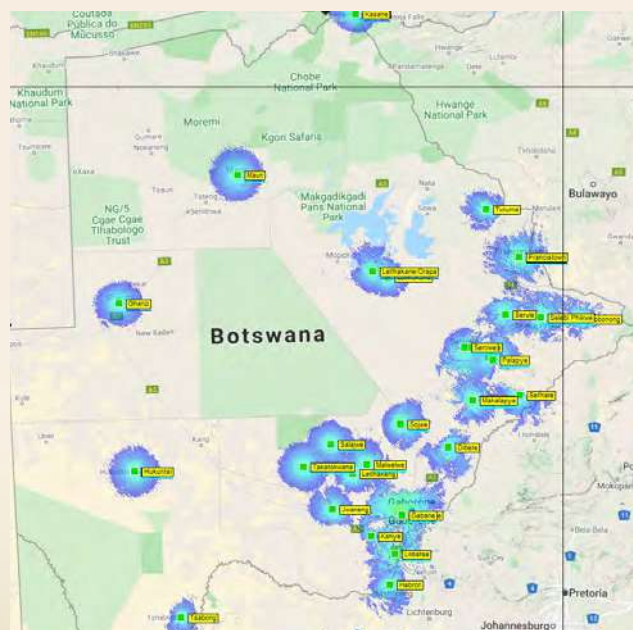
| FM Radio Stations | Apr-Jun 2021 | Jul-Sept 2021 | Oct-Dec 2021 | Jan-Mar 2022 | % Expected Coverage |
|-------------------|--------------|---------------|--------------|--------------|---------------------|
| Duma FM | 78.00% | 78.00% | 78.00% | 81.26% | 92.00% |
| Gabz FM | 74.99% | 74.99% | 74.99% | 78.25% | 91.00% |
| Yarona FM | 69.13% | 69.13% | 69.13% | 72.39% | 92.00% |

Table 2: Percentage FM Population Coverage

FM BROADCASTING EXPANSION

BOCRA, through the UASF, implemented FM broadcast signal expansion in the Southern District. This involved the supply and installation of integrated FM transmitters in the villages of Mabutsane, Malau, Senyamadi, and Phitshane Molopo. The project introduced commercial radio broadcast services to the villages and their cluster catchment areas, covering a population of more than 66,000. The commissioning of the project led to a 3.3% increase in population coverage by commercial radio stations.

Figure 27: The combined coverage for the three commercial broadcasters





Market Review (continued)

Table 3: Transmitter Locations for FM radio stations

| Duma FM | Gabz FM | Yarona FM |
|-------------|---------------|---------------|
| Lobatse | Gaborone | Lobatse |
| Palapye | Lobatse | Mahalapye |
| Serowe | Mahalapye | Palapye |
| Maun | Palapye | Selebi Phikwe |
| Mahalapye | Selebi Phikwe | Orapa |
| Francistown | Serowe | Gaborone |
| Gaborone | Francistown | Francistown |
| Orapa | Maun | Maun |
| Jwaneng | Orapa | Serowe |
| Kanye | Kasane | Hukuntsi |
| Ramatlabama | Tsabong | Sojwe |
| Kasane | Ghanzi | Malwelwe |
| Ghanzi | Hukuntsi | Salajwe |
| Serule | Sojwe | Takatokwane |

| Duma FM | Gabz FM | Yarona FM |
|------------------|------------------|------------------|
| Sefhare | Malwelwe | Mabutsane |
| Bobonong | Salajwe | Senyamadi |
| Molepolole | Takatokwane | Malau |
| Letlhakeng | Mabutsane | Phitshane Molopo |
| Tutume | Senyamadi | |
| Hukuntsi | Malau | |
| Sojwe | Phitshane Molopo | |
| Malwelwe | | |
| Salajwe | | |
| Takatokwane | | |
| Mabutsane | | |
| Senyamadi | | |
| Malau | | |
| Phitshane Molopo | | |



Figure 28: Integrated FM Transmitter System

FM BROADCASTING SIGNAL
EXPANSION IN SOUTHERN
DISTRICT LED TO AN
INCREASE OF

3.3%

in population coverage by
commercial radio stations



Figure 29: Shelter housing the Integrated FM at Senyamadi Transmitter System

DEVELOPMENT OF LOCAL CONTENT

Through the UASF, BOCRA hired 20 media graduates to facilitate the development of local content in line with the Memorandum of Agreement (MoA) signed between the UASF and the Department of Broadcasting Services (DBS) in the previous reporting period. The media graduates' employment started in April 2021. They were placed under the apprenticeship of the DBS for a period of three years to gain practical experience across the various areas of television production. The programme was officially launched by Hon. Thulagano Merafe Segokgo, the Minister of Communications, Knowledge & Technology, together with Hon. Dumezweni Mthimkhulu, Assistant Minister of State Presidency (Figure 30).

During the reporting period, the media graduates were exposed to entrepreneurial courses in Business Management and Television Production to upskill them on the requisite skills for running a broadcasting business. On the one hand, the Business Management training provided the graduates with the skills and knowledge required for organising, planning, and analysing business activities involved in efficiently managing a broadcasting business. The television Production course, on the other hand, introduced the media graduates to aspects of developing and monetising quality content for the local and international market.

As part of their training, the media graduates pitched ideas around the development of a documentary based on UASF connectivity projects and their impact on beneficiary learners and communities, BOCRA Silver Jubilee Anniversary, and a game show. These ideas were considered for future productions.



Figure 30: Group photo of media graduates Programme launch at DBS

BROADCASTERS' STAKEHOLDER ENGAGEMENT

BOCRA held operational meetings with commercial broadcasters to appreciate their operational challenges and to establish possible regulatory interventions required to facilitate them. The main issues of engagement centred around adherence to local content quota requirements, rollout obligations, SAR, and the payment of regulatory fees. The engagements revealed that broadcasters' revenue sources were negatively impacted by the COVID-19 pandemic. Broadcasters made a collective plea seeking relief from paying licence fees and UASF levy fees. Upon further engagements with individual broadcasters on the matter, it was revealed that the post-COVID relief was no longer needed as business slowly returned to normalcy and revenues improved.

20 media graduates were hired by BOCRA to facilitate the development of local content in line with THE MEMORANDUM OF AGREEMENT (MOA) SIGNED BETWEEN THE UASF AND THE DEPARTMENT OF BROADCASTING SERVICES (DBS) IN THE PREVIOUS REPORTING PERIOD.



Licensing

PROVISIONAL LICENCE

The Authority introduced, in April 2022, provisional/short-term licences across all the three sectors. The provisional licences carry a two-year validity period which is extendable to a 15 year long term licence once all roll out obligations have been fulfilled. Two (2) provisional licences were issued in the year under review.

BROADCASTING LICENSING

As at March 2022, commercial broadcasting licensees numbered at 12. During the period under review, the Authority renewed all the three commercial FM broadcaster's licences, Duma FM (Pty) Ltd (Duma FM), Your friend (Pty) Ltd t/a Gabz FM, and Yarona FM (Pty) Ltd (Yarona FM). The licences are valid for 15 years.

Six (6) broadcasters were authorised to carryout online streaming. BOCRA also issued Authorisation Letters for Online Broadcasting Services. Five of the Six Authorisation Letters were issued for online radio broadcasting to the Catholic Diocese of Gaborone, QAA Pty Ltd, Choppies Distribution Centre, Repentance Call (Pty) Ltd, and Good Foot Development (Pty) Ltd t/a So Heavenly Radio. One (1) Authorisation Letter was issued to Mohlomi Media (Pty) Ltd to offer Internet Protocol Television (IPTV) services. As a result, the total number of online broadcasting services increased from 20 to 26, comprising 16 Online Radio and ten IPTV.

Table 4: Number of licensed broadcasters as at March 2022

| Service Category | Types | Access | Licenses | 2021 | Q1 | Q2 | Q3 | Q4 |
|--|-------------|--------------|---|------|----|----|----|----|
| SUBSCRIPTION MANAGEMENT SERVICES PROVIDER | SATELLITE | SUBSCRIPTION | Multichoice Botswana Harrington square t/a Star Times Media core-t/a Urban tv | 3 | 3 | 3 | 3 | 3 |
| FM RADIOS | TERRESTRIAL | FTA | Duma FM Gabz FM Yarona FM | 3 | 3 | 3 | 3 | 3 |
| ANALOGUE TELEVISION | TERRESTRIAL | FTA | E Botswana/ Ytv | 1 | 1 | 1 | 1 | 1 |
| DIGITAL TERRESTRIAL TELEVISION (CSP) | TERRESTRIAL | FTA | Access TV Khuduga TV | 2 | 2 | 2 | 2 | 2 |
| SATELLITE | SATELLITE | FTA | On Air News Maru Ovy Network | 3 | 3 | 3 | 3 | 3 |
| ONLINE RADIO | ONLINE | | Various | 11 | 12 | 14 | 14 | 16 |
| IPTV | ONLINE | | Various | 9 | 10 | 10 | 10 | 10 |



CAMPUS RADIO LICENSING FRAMEWORK

In line with the recommendations of the consultative National Broadcasting Conference (NBC) held in October 2018, and the subsequent market review which assessed the status of FM broadcasting in Botswana, BOCRA developed the Campus Broadcasting Licensing Framework.

The objective of the Framework is to provide guidelines on the licensing of broadcasting targeted exclusively at tertiary institutions. This would allow these institutions to establish training platforms for media students to gain practical experience in readiness for the market. The Framework covers parameters for campus broadcasting including programming, broadcasting technology, coverage, funding, code of practice, licence validity period, licence fees, and monitoring among others. The availability of the Framework will pave way for the licensing of campus stations to be implemented during the next reporting period.

ICT LICENSING

BOCRA issued 15 Services and Applications Provider (SAP) licences, one Network Facilities Provider (NFP) licence, and two Private Telecommunications Network (PTN) licences. Furthermore, the Authority cancelled both SAP and NFP licences for Williams Consulting (Pty) Ltd t/a Kasane Computers. The cancellation reduced the total number of SAP licences to 114 and NFP licences to 47. PTN licences increased by 67% from 3 to 5. Tower Management licences remain unchanged at March 2022.

Figure 31 depicts a comparison of the number of licences issued during the financial years 2020/21 and 2021/22, respectively.

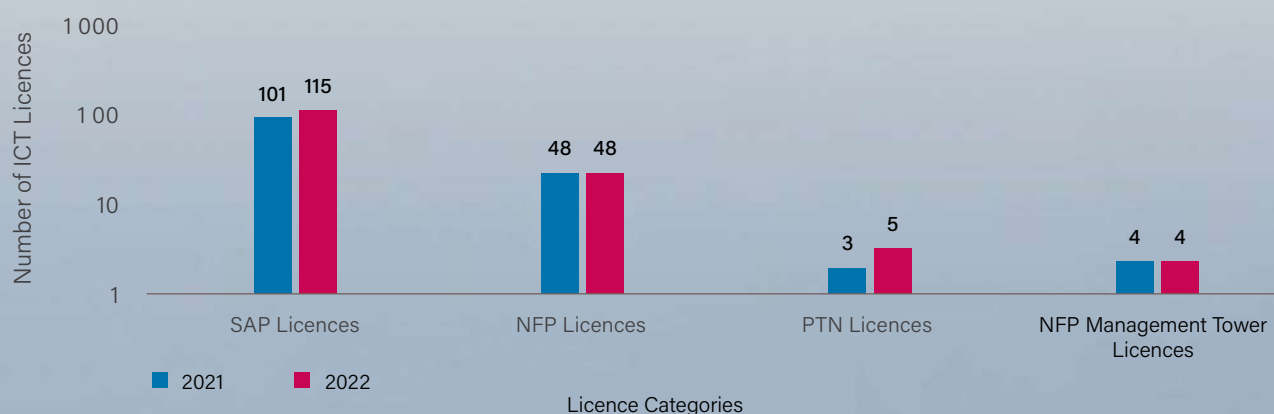


Figure 31: The total Number of ICT Licences as at March 2022





Licensing (continued)

RADIO LICENCES

During the year under review, BOCRA issued 302 new radio licences compared to 350 issued the previous year, as depicted by Figure 32.

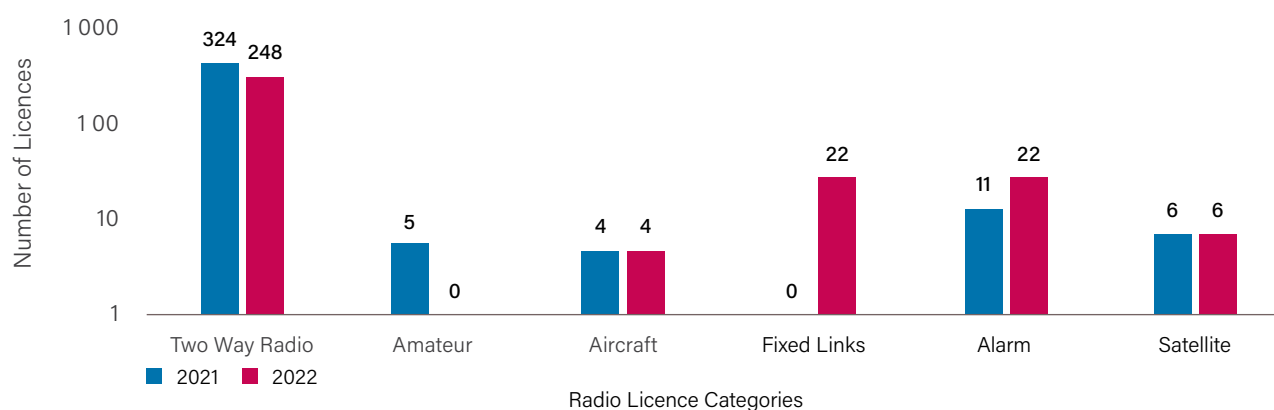


Figure 32: The number of Radio Communication Licences Issued during the 2021/22 Financial Year

At the end of March 2022, the total number of active licences stood at 1,063 compared to 1,024 recorded in March 2021. Meanwhile, four licences were terminated. Three of the terminated licences were because of transfers to other entities, while the remaining licence was surrendered by the holder when removed from the database, as shown in Table 5.

Table 5: Radio Licences statistics as at March 2022

| Licence | Active | Terminated |
|-------------|--------|------------|
| Land Mobile | 975 | 4 |
| Aircraft | 52 | 0 |
| Amateur | 1 | 0 |
| Fixed links | 7 | 0 |
| Alarm | 22 | 0 |
| Satellite | 6 | 0 |

1,063
ACTIVE RADIO
LICENCES

4
LICENCES
TERMINATED BY
END OF MARCH
2022



POSTAL LICENCES

BOCRA issued 5 Commercial Postal Operator licences which increased the total number of licensed Commercial Postal Operators from 29 reported in the previous period to 34.

From a total of 34 licensed Commercial Postal Operators, nineteen offer both domestic and international courier, express and parcel services, three offer international courier, express and parcel services only, while 12 companies offer domestic express courier, and parcel services only.

Table 6 presents the market segmentation of Commercial Postal Operators by service offering.

Table 6: Market Focus for Each Licensed Postal Operator as at March 2022

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

34
LICENSED
COMMERCIAL
POSTAL
OPERATORS

19
COMPANIES
OFFER BOTH
INTERNATIONAL
AND DOMESTIC
COURIER
EXPRESS AND
PARCEL SERVICES

12
COMPANIES
OFFER DOMESTIC
COURIER
EXPRESS AND
PARCEL SERVICES

3
COMPANIES
OFFER
INTERNATIONAL
COURIER
EXPRESS AND
PARCEL SERVICES



Technical Services

TYPE APPROVAL

BOCRA approved new electronic communications equipment that entered the market in line with Type Approval Guidelines 2016 and as per the requirements of the CRA Act

A total of 1,079 electronic communication equipment were type approved during the year 2021/2022. Figure 33 is a graphical representation of a comparative statistic of the type approved communication devices per quarter.

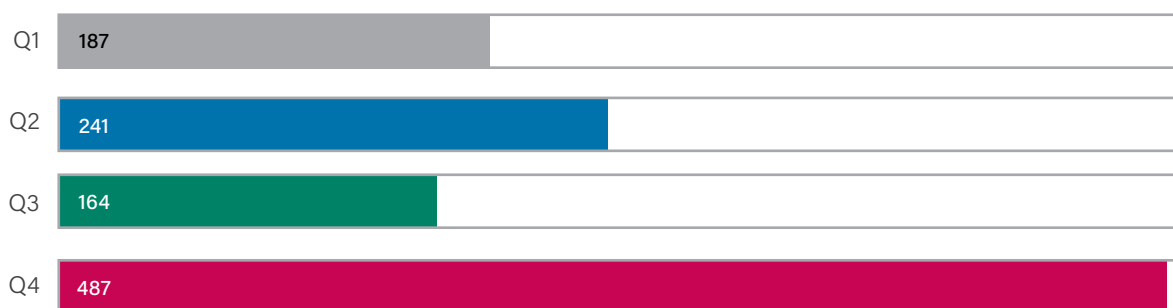


Figure 33: The number of Type Approved Devices - 2021/22

There was a significant increase in the number of Type Approval equipment/devices in quarter four (Q4) of 2021/22. This increase is attributable to market recovery following the decline caused by the slowdown effects of COVID-19 in the previous years.

TYPE APPROVAL REPAIR SERVICES PROVIDERS' GUIDELINES

The Type Approval Repair Services Providers' Guidelines were developed to ensure that consumers are accorded satisfactory after sales support. These Guidelines were implemented effective April 2022.

A TOTAL OF
1,079
electronic communication
equipment were type
approved during the year
2021/2022

BOCRA ALLOCATED
SPECIAL NUMBERS
AND SHORT CODES IN
ACCORDANCE WITH THE
FOLLOWING CATEGORIES:
Toll Free Numbers,
USSD Codes,
and Short Codes

TYPE APPROVAL REPAIR
SERVICES PROVIDERS'
GUIDELINES WERE
DEVELOPED
to ensure that
consumers are
accorded satisfactory
after sales support.

NUMBERING MANAGEMENT

Numbering Management involves the administration of the different numbering resources. These include mobile numbers which are used to provide mobile telephony services including Voice Communications, Short Messages, and Data. Numbering resources also include Machine-To-Machine (M2M) Numbers which are used for automated data transmission and measurements between mechanical or electronic devices.

The International Telecommunication Union (ITU) requires member states to submit their National Numbering Plans on an annual basis to advise other member states of allocated number resources to facilitate global interconnection. BOCRA submitted Botswana's National Numbering Plan to the ITU, thus advising the Union of new numbering allocations in line with the ITU Operational Bulletin No 1244, 15.V.2022.

SPECIAL NUMBERS AND SHORT CODE NUMBERS

The Special Numbers and Short Code Numbers (Reference is made to the National Numbering Plan) are a group of numbers used for product promotions or leased to third parties by mobile service providers. BOCRA allocated Special Numbers and Short Codes in accordance with the following categories: Toll Free Numbers, USSD Codes, and Short Codes as shown in Figure 34, which summarises numbers allocated per quarter.

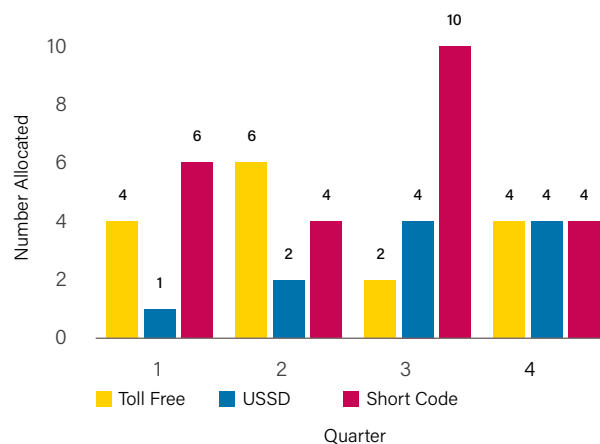


Figure 34: Special Numbers and Short Code Number categories allocated during 2021/22

The notable increase in the allocation of Short Codes and USSD Codes in Quarter 3 was in line with the usual trend where Short Codes are mainly used for promotions during the festive season and decline thereafter. This explains the increase in Quarter 3 and the subsequent decrease in Quarter 4.





Technical Services (continued)

MACHINE TO MACHINE (M2M) NUMBERS

Machine-to-Machine (M2M) Numbers is a resource that provides for direct data transfers between devices using wired or wireless networks. Examples include modems, Automatic Teller Machines (ATMs), and Points of Sale (POS) terminals. A total of 70,000 Machine-to-Machine (M2M) Numbers were allocated to BTC and Mascom Wireless as per Table 7.

Table 7: Machine to Machine Numbers Allocated to MNOs for FY 2021/22

| Mobile Operator | Machine to Machine Number (M2M) | Total Number Allocated |
|-----------------|---------------------------------|------------------------|
| BTC | 89 0005 0000 to 89 0008 9999 | 40,000 |
| Mascom Wireless | 89 0015 0000 to 89 0017 9999 | 30,000 |
| Total: | | 70,000 |

VOICE OVER INTERNET PROTOCOL (VOIP) NUMBERS

Voice Over Internet Protocol (VoIP) is a group of technologies for the delivery of voice communications and multimedia over the internet. Therefore, VoIP Numbers are used to enable the provision of such service(s). A total of 11,000 VoIP Numbers were allocated to Devaki and Mascom Wireless as per Table 8.

Table 8: Allocated VoIP numbers

| Mobile Operator | Machine to Machine Number (M2M) | Total Number Allocated |
|-----------------|---------------------------------|------------------------|
| Mascom Wireless | 79 270 000 to 79 279 999 | 10,000 |
| Devaki (Comsol) | 79 127 000 - 79 127 999 | 1,000 |
| Total: | 31,000 | 11,000 |

NUMBER AUDIT

BOCRA conducted a Number Audit to assess how number resources were allocated and utilised by service providers. The audit was also meant to ensure the efficient and effective management of numbering resources. The results are shown in Table 9 which shows long range numbers for traditional services and Table 15 which shows the status of Special Numbers, respectively. As at 31 March 2022, the operators had fully completed the M2M migration exercise to align with the National Numbering Plan on Mobile and M2M numbers only.

Table 9: Number Audit Results FY 2021/22

| Number Type | Number Range | Number Capacity | Allocated Numbers | Free Numbers |
|---------------------------|---|-----------------|-------------------|--------------|
| Fixed Numbers | 2X XXXXX to 6X XXXXX | 5 Million | 2,140,000 | 2,860,000 |
| Mobile Numbers | 71 XXX XXX to 78 XXX XXX; 81 XXX XXX to 85 XXX XXX | 13 Million | 7,200,000 | 5,800,000 |
| VoIP Numbers | 79 XXX XXX | 1 Million | 107,000 | 893,000 |
| Machine-2-Machine Numbers | 86 XXXX XXXX to 89 XXXX XXXX | 400 Million | 170,000 | 399,830,000 |

The Number Audit revealed that less than 10% of VoIP and M2M numbers were allocated to service providers. Fixed Numbers had less than 50% allocated, while Mobile Numbers had more than 50% allocated.

Table 10: Number Audit for Unique Numbers and Short Code Numbers FY 2021/22

| Number Type | Number Range | Allocated Numbers |
|-------------------|---|-------------------|
| USSD Codes | *1XX*XXX#; and *2XX*XXX# | 389 |
| Short Code Type A | 110-116; 99X; and 91X | 40 |
| Short Code Type B | 16XXX; 17XXX; 18XX; 18XXX and 19XXX | 283 |
| Short Code Type C | 100-104; 120-124; 10XX; 11XX; 12XX; 13XXX; 14XXX; 15XXX | 411 |
| Toll Free Numbers | 0800 XXX XXX; 08XX XXX XXX | 487 |

The Number Audit of Special Numbers and Short Code Numbers indicated that Toll Free Numbers, USSD Codes, and Short Code Type C (which is a cross network number service) are popular with MNOs. They are normally leased out to third parties by the operators.

MOBILE NUMBER UTILISATION

By the end of the financial year 2021/22, a total of 7,200,000 Mobile numbers were allocated as per the Audit Exercise of 2021/22. The respective MNOs mobile number allocations are shown in Table 11.

Table 11: Mobile Number Allocations 2021/22

| Operator | Numbers Allocated | Number Utilisation | Percentage Utilisation |
|--------------|-------------------|--------------------|------------------------|
| Mascom | 3,000,000 | 2,257,916 | 75.3% |
| Orange | 2,800,000 | 2,482,160 | 88.6% |
| BTC | 1,400,000 | 835,679 | 59.7% |
| Total | 7,200,000 | 5,575,755 | 77.4% |

Table 11 shows that an average of 77.5% of the numbers allocated to MNOs were utilised, which complies with the Number Code of Conduct (CoC). The CoC provides that a 75% utilisation threshold for the service area must be achieved.

Orange had the highest average mobile number utilisation rate of 88.7%, followed by Mascom with 75.3%, and BTC at 59.7%. The Authority engaged BTC on the low number utilisation rate with a view to improving the same.

The average of 77.4% for the period under review is a decline compared to the average utilisation of 79.8% in 2020/21. This decline could partly be attributed to the exercise conducted in 2020/21 which moved Machine-to-Machine (M2M) services from using the mobile numbering services range.

Previously, MNOs used numbering blocks reserved for Mobile Numbers for M2M services, a practice that resulted in the near depletion of Mobile numbering range. The Authority then directed the MNOs to migrate the M2M services from 8 digits Level 7 to 10 digits Level 8 to free the mobile numbering block. The exercise resulted in the release and return of some of the mobile numbers which were occupied by the M2M services to the Authority, as a measure for efficient management of scarce resources.

ELECTROMAGNETIC FIELDS (EMF) RADIATION MEASUREMENT

The Electromagnetic Field (EMF) radiation was measured in sampled areas across the country. The purpose of the measurement was to ensure that the public was protected against possible harmful radiation emitted from cellular base stations as per the national, regional, and international requirements, and in compliance with the International Commission on Non-Ionising Radiation Protection (ICNIRP) Guidelines.

The EMF measurements were conducted in a total of 39 base stations in Gaborone, Phakalane, Tlokweng, Selibe Phikwe, Francistown, Lobatse, Kanye, and Tsabong. Reference is made to Figure 35, being an exposure histogram for the measured points in all the sampled areas.



Technical Services (continued)

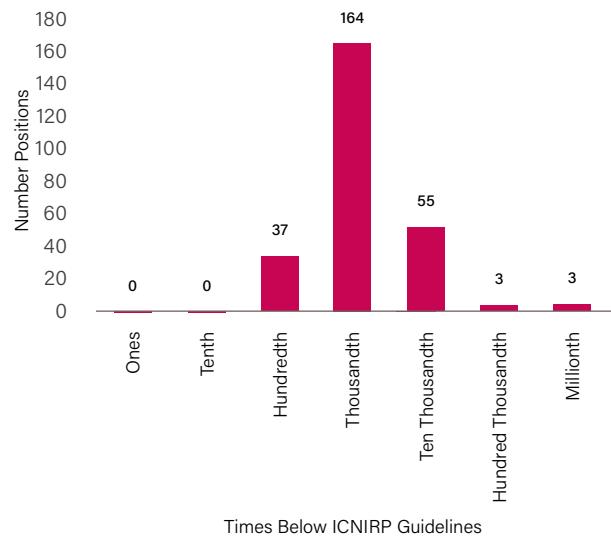


Figure 35: EMF radiation measurements

Measurements results show that all the 262 (37+164+55+3+3) measurement positions were below the 0.08W/Kg health and safety standard set by ICNIRP. This means that the Base Stations are safe for humans and the surrounding environment.

REGISTERED DOMAIN NAMES (.BW)

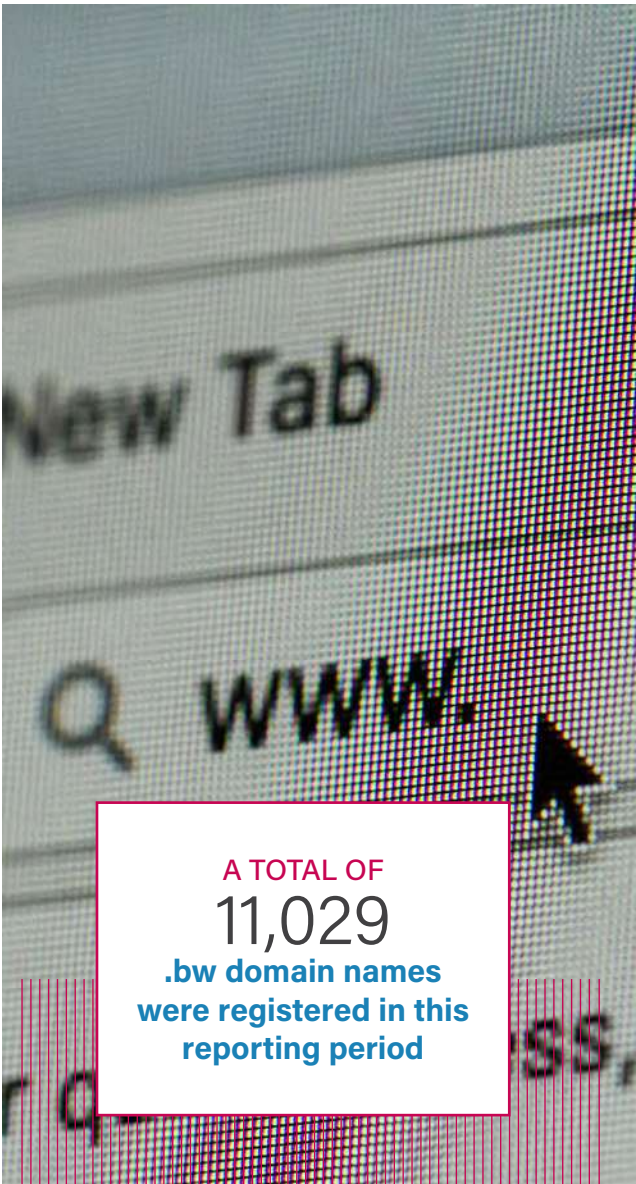
A total of 11,029 .bw domain names were recorded as at March 2022, compared to 10,409 recorded in the previous reporting period. This represents an increase of 620 registered domain names.

Six Phishing Uniform Resource Locators (URLs) were recorded and resolved during this period. “Phishing is the fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords and credit card numbers”. It is a problem because it tarnishes the reputation of the .bw domain name space if .bw domains are used for phishing. Phishing is usually targeted at different organisations.

Table 12 and Figures 36 summarise the Domain Name Registrations and Deletions.

Table 12: Domain Name Registrations.

| Finacial Year | 2021/22 |
|---|---------|
| Total number of Domain Names as at March 2021 | 10,409 |
| Net growth | 620 |
| Total Domain Names as at March 2022 | 11,029 |



Conversely, the Authority recorded a total of 2,211 deletions compared to 1,072 deletions recorded in the prior period, which continued to retard domain name growth. The high number of deletions were mainly due to the failure by registrants to renew their domains. Meanwhile, a total of 87 Registrars were registered during the period under review.

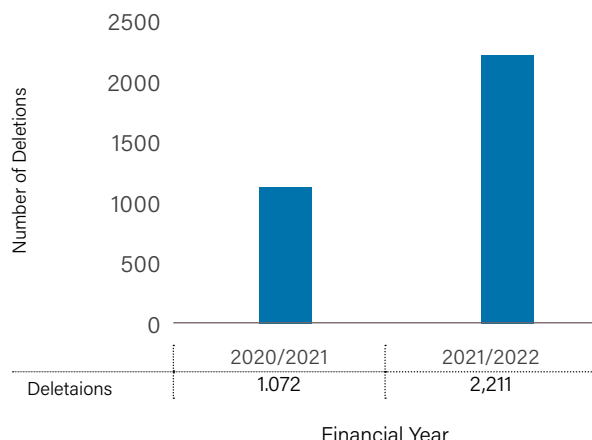


Figure 36: .bw domain name deletions per financial year

GENEVA 84 (GE84) OPTIMISATION OF FM BROADCASTING PLAN

The ITU in conjunction with the Africa Telecommunications Union (ATU) initiated a process for the optimisation of the Geneva 84 (GE84) plan for Africa. The main purpose of the process was to optimise the radio broadcasting frequency plan and identify new frequencies for FM analogue sound broadcasting. BOCRA submitted a total of 32 iterations. The iterations were Botswana's demands for the modification of FM broadcasting frequencies, after taking into consideration the demands from neighbouring countries. The optimisation exercise resulted in Botswana securing a total of 372 new FM broadcast frequencies.

BROADCASTING SERVICE SATELLITE ORBITAL SLOT FOR BOTSWANA

BOCRA embarked on a process of obtaining a suitable Broadcasting Service Satellite (BSS) Orbital Slot for Botswana as part of the implementation of WRC-19 Resolution 559. Obtaining a suitable BSS orbital slot is meant to replace the current one which has since been rendered unusable due to low aggregate carrier-to-noise ratio caused by interference from other satellite networks launched over the years. To obtain a suitable BSS orbital slot, coordination of the newly identified orbital position is critical. During the year, BOCRA engaged in coordination with affected and affecting countries for the identified orbital position and successfully managed to secure the slot.

INTERNATIONAL MOBILE TELECOMMUNICATIONS (IMT) SPECTRUM

In its implementation of the IMT Roadmap, BOCRA released five frequency bands being IMT450, IMT800, IMT2100, IMT2600, and IMT3500 through a competitive process. The release of these bands enabled operators to access the spectrum to increase capacity in their existing networks and further give operators the opportunity to roll out more IMT services. Through this release process, IMT800 and IMT2100 were fully assigned, while IMT3500 was partially assigned. The assignment was completed in December 2021.

SPECTRUM MONITORING

BOCRA monitored the use of spectrum resources in Botswana. The main aim of spectrum monitoring was to ensure that this scarce resource was used efficiently and effectively. BOCRA undertook a monitoring exercise to check whether Orange Botswana complied with its spectrum licence obligations in the 2300 MHz band. The monitoring exercise measured a total of 119 mobile base stations throughout Botswana. This exercise revealed that Orange Botswana had fully complied with the rollout obligation for the year 2020/21.

SPECTRUM ASSIGNMENT

During the year, a total of five broadcasting frequencies were assigned to Duma FM to improve signal coverage in Shakawe, Nata, Gweta, Lerale, and Shoshong. Further, all the three commercial broadcasters (Duma FM, Yarana FM, and Gabz FM) were assigned a total of 12 more frequencies to improve broadcasting coverage in the southern part of Botswana.

In addition to the assigned broadcasting frequencies, a total of 34 point-to-point microwave links were assigned to MNOs and other operators.

**.BW DOMAIN NAMES
NET GROWTH AS AT
MARCH 2022**

620



Computer Security Incident Response Team (CSIRT)

Since the establishment of the Computer Security Incident Response Team (CSIRT), the facility issued multiple security service alerts and reminders to its constituents and other critical national information infrastructures concerning different cyber-attacks.

Through CSIRT, BOCRA detected several cyber-attacks targeted at Botswana, which included malware propagation, website defacements, leaked email credentials, ransomware, and online scammers to mention but a few.

The CSIRT through its honeypot registered 682,091 attacks, 620 leaked credentials, 53,484 Botnet infections, and 33,156 vulnerabilities on its constituents. The CSIRT registered 530 drone Botnet incidents and 680 home routers were found to be vulnerable to attacks. Four companies experienced ransomware attacks which disrupted their daily operations. In response, the CSIRT embarked on cybersecurity awareness campaigns which included radio, television interviews, guest lectures, meetings, and seminars to apprise constituents of potential threats to their organisations.

CSIRT REGISTERED

682,091
attacks

620
leaked
credentials

53,484

Botnet infections, and

33,156
vulnerabilities on its
constituents.

CSIRT REGISTERED

530

drone Botnet
incidents and

680
home routers were found
to be vulnerable
to attacks.



Network Quality of Service

Quality of Service (QoS) and Quality of Experience (QoE) for communications services in Botswana is monitored through network performance reports received from service providers and analysing the same in line with the prevailing QoS/QoE Guidelines of January 2020 to determine adherence to set standards. A list of selected Key Performance Indicators (KPIs) were monitored over the year. These were Drop Call Rate, Congestion Rate, Network Availability, SMS Delivery Success Rate, Call Set Up and Success Rate, and Handover Success Rate.

QoS performance for the whole year indicated a good steady performance from all operators, except for SMS Delivery Success Rate for Orange, which was slightly below target. Compared to the first three quarters of the year, Quarter Four was least affected by continuous nationwide power interruption, which normally resulted in the poor performance of networks. The results below were computed from averaging the monthly performance of each site.

Network Performance

The Authority continued to monitor network performance of MNOs against the set target and the following KPIs were recorded.

Network Drop Call and Congestion Rate

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

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

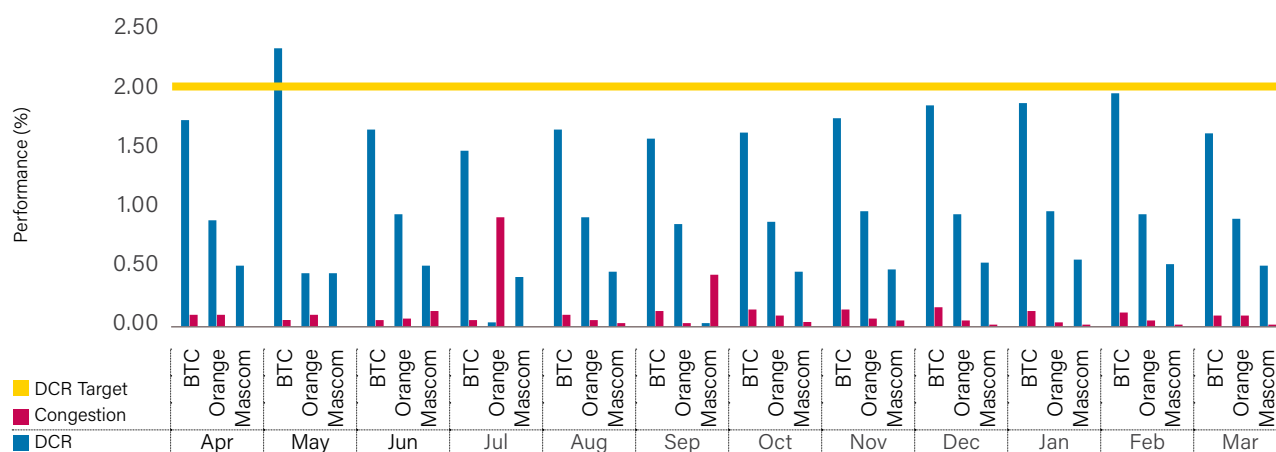


Figure 37: Monthly Drop Call and Congestion Rate

All the operators recorded good performance for Voice Drop Call and Congestion Rate over the year, except for the month of May where BTC recorded a Drop Call Rate of 2.3% against the set 2% standard. Network improvements made by operators during the year helped to address increase in traffic volumes and changes in traffic patterns.



Network Quality of Service (continued)

Network Availability and SMS Delivery Success Rate

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

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



Fig. 38: Monthly Network Availability and SMS Delivery Success Rate

Orange maintained a good Network Availability performance rate while Mascom and BTC had challenges in meeting the set target. Mascom and BTC managed to meet the set SMS Delivery Success rate target while Orange was challenged to meet the target. In most rural villages and settlements, subscribers were occasionally off-line due to power issues, leading to low SMS delivery.

Call Setup Success Rates and Handover Success Rate

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

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

Network Quality of Service
(Continued)

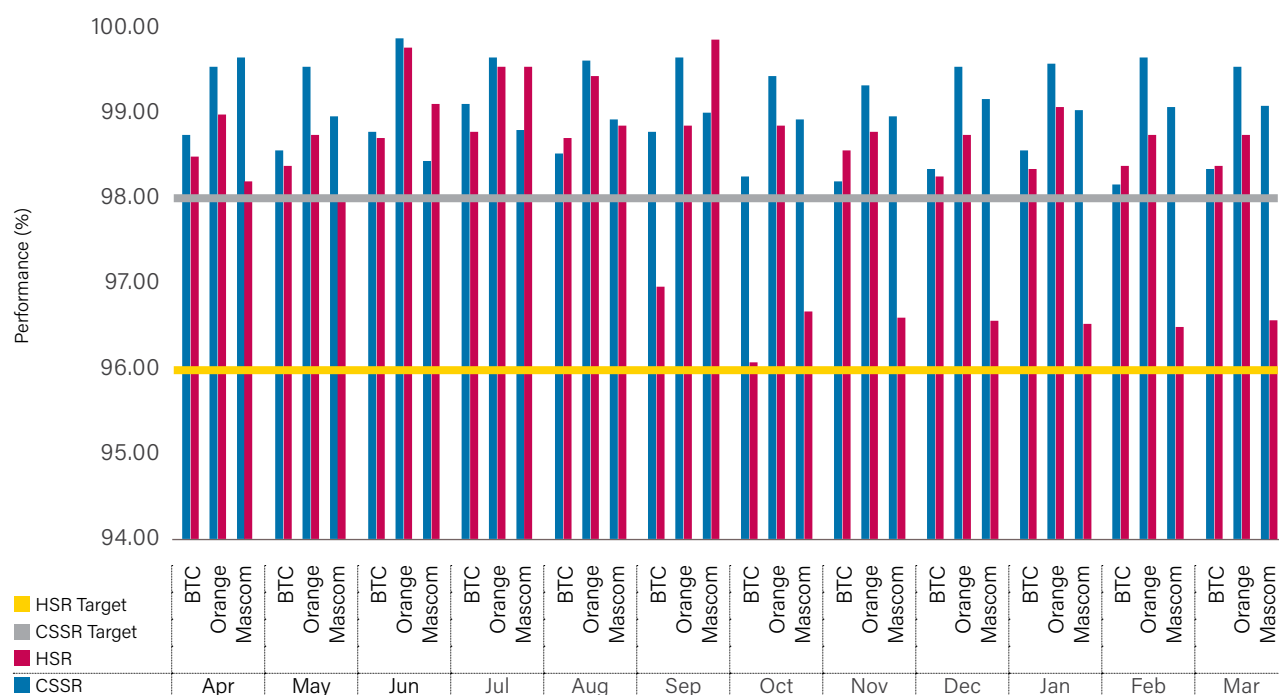


Fig. 39: Monthly Call Setup Success Rate & Handover Success Rate

All operators performed above target for Call Setup and Handover Success Rates all year round. There was a 2.6% increase in 2G base stations that made a significant improvement in the quality of service, due to wider coverage distance offered by 2G.

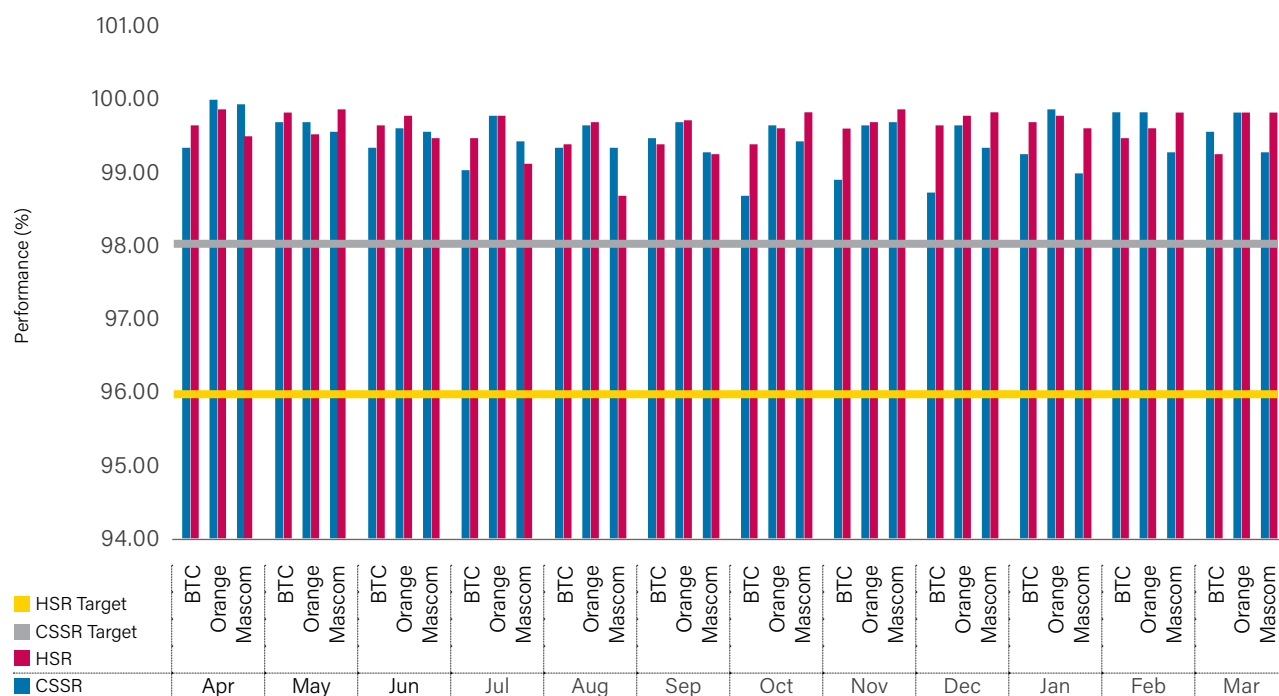


Fig. 40: Monthly Data 3G & 4G Call Setup and Handover Success Rate

All operators maintained a good performance for Data Call Setup Success Rate and Handover Success Rate for the whole year, following network expansions that were carried out during the year.



Network Quality of Service (continued)

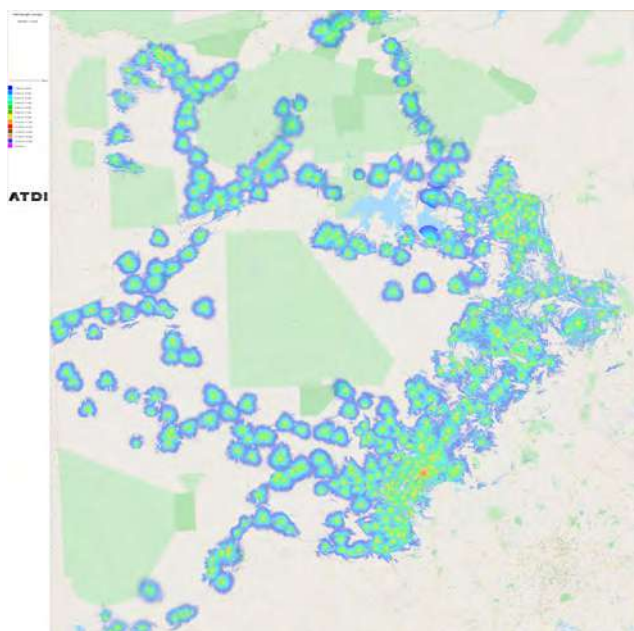
Rollout of Base Station

The MNOs expanded their networks to address the ever-changing demands, improve network performance, and close existing gaps. Compared to the previous year, the number of 2G base stations increased from 2,268 to 2,326 (2.6%). Over the same period, 3G base stations increased from 1,648 to 1,746 (5.9%), while 4G base stations increased from 1,359 to 1,613 (18.7%). The growth in 4G was driven by the need to increase user throughput to allow for high-speed downloads. Table 12 indicates the number of base stations per technology.

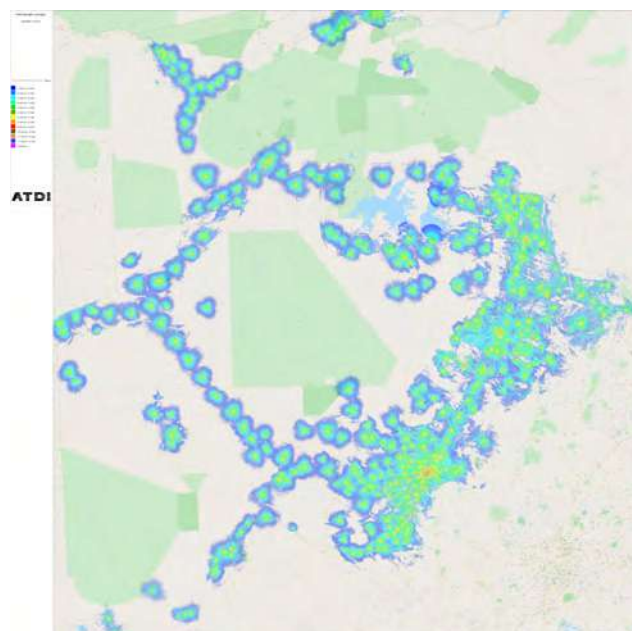
Table 12: Number of Base Stations by Technology

| Base Station | Operator | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 |
|--------------|----------|-------------|-------------|-------------|-------------|-------------|
| 2G | BTC | | 629 | 646 | 649 | 649 |
| | Orange | | 664 | 671 | 682 | 685 |
| | Mascom | | 980 | 990 | 992 | 992 |
| Total | | 2268 | 2273 | 2307 | 2323 | 2326 |
| 3G | BTC | | 195 | 198 | 201 | 209 |
| | Orange | | 651 | 659 | 682 | 685 |
| | Mascom | | 857 | 842 | 848 | 852 |
| Total | | 1648 | 1703 | 1699 | 1731 | 1746 |
| 4G | BTC | | 449 | 479 | 522 | 508 |
| | Orange | | 420 | 423 | 432 | 435 |
| | Mascom | | 555 | 597 | 605 | 670 |
| Total | | 1359 | 1424 | 1499 | 1559 | 1613 |
| 5G | Mascom | | 0 | 0 | 0 | 5 |
| Total | | 0 | 0 | 0 | 0 | 5 |

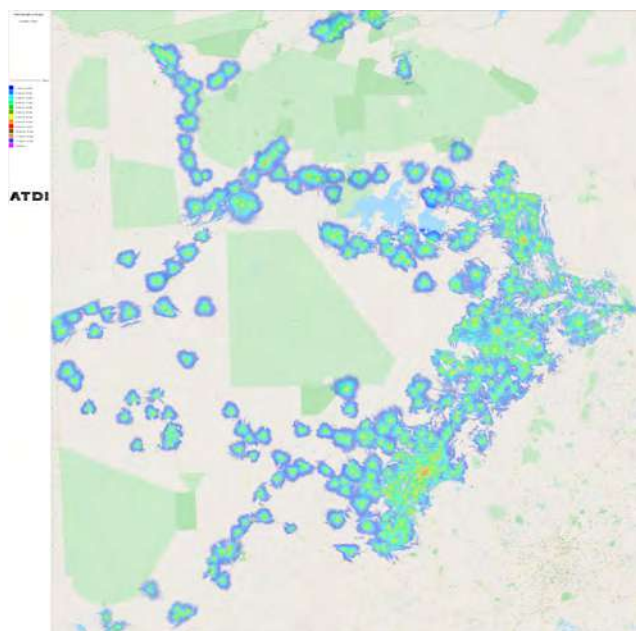
2G NETWORK COVERAGE MAPS



BTC 2G

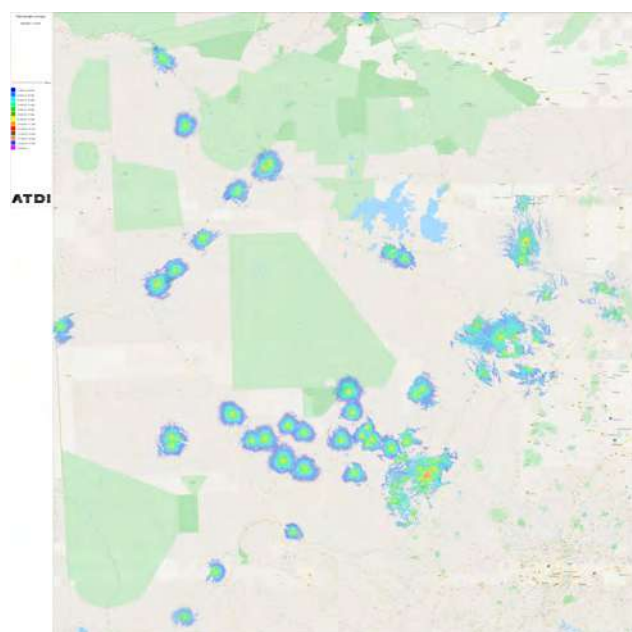


Orange 2G

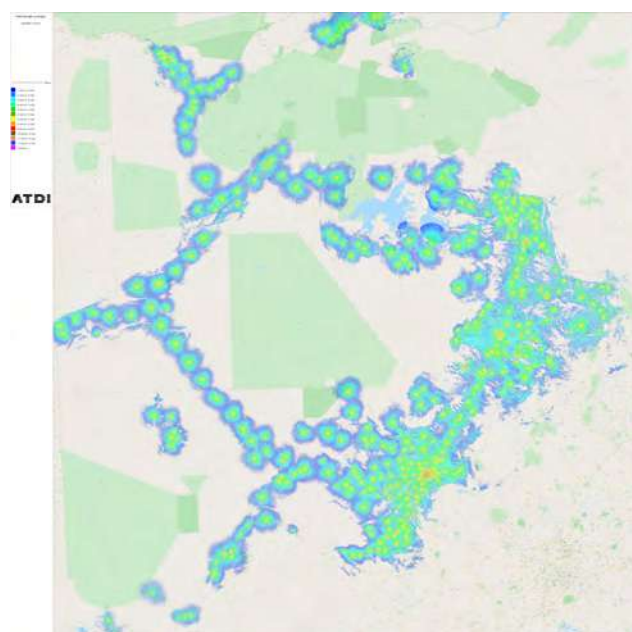


Mascom 2G

3G NETWORK COVERAGE MAPS



BTC 3G



Orange 3G

THE NUMBER OF 4G
BASE STATIONS INCREASED
FROM

2,268

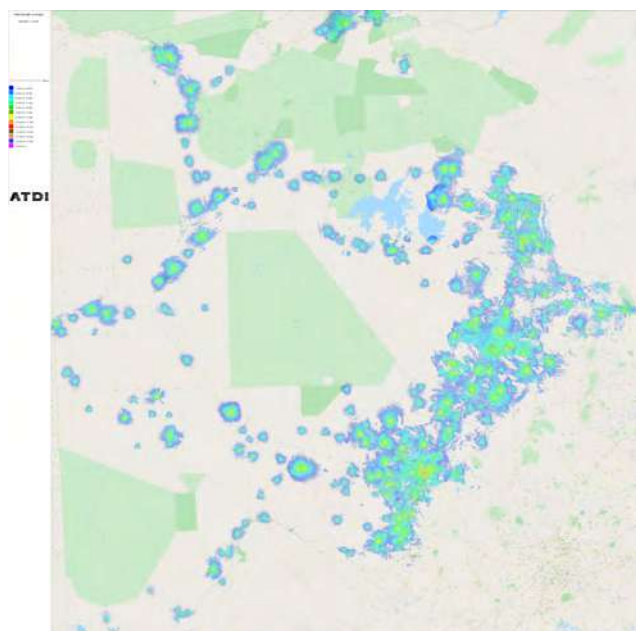
to

2,326

(2.6%)



Network Quality of Service (continued)



Mascom 3G

3G BASE STATIONS
INCREASED FROM

1,648

to

1,746

(5.9%)

4G BASE STATIONS
INCREASED FROM

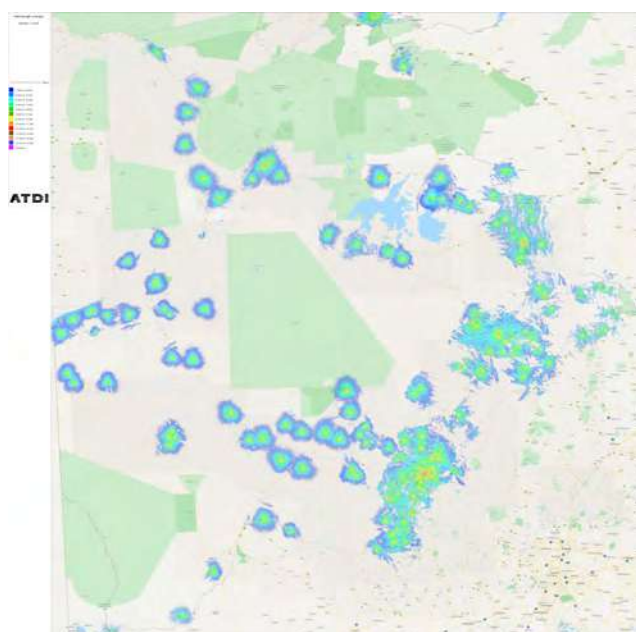
1,359

to

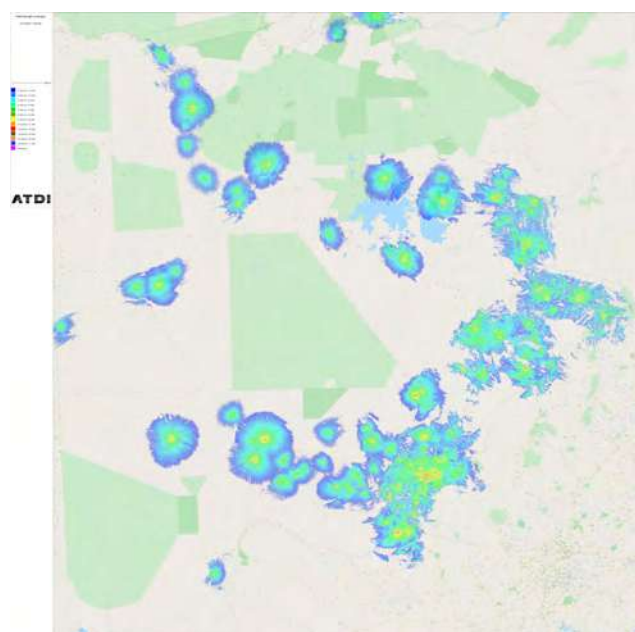
1,613

(18.7%)

4G NETWORK COVERAGE MAPS

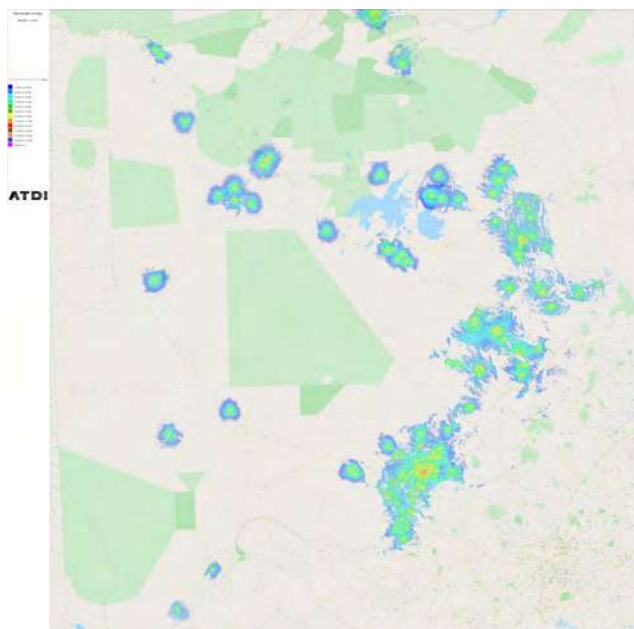


BTC LTE



Orange LTE

Network Quality of Service (Continued)



Mascom LTE

Audit of Base Stations



Fig. 41: A Typical Base station

In September 2021, BOCRA embarked on an Audit of Base Stations (BS) exercise with the objective of creating a database that would enhance the monitoring of network performance, including a closer look into individual BS capability to support served communities. The project also aimed at assisting in addressing issues of network redundancy plans against power failures and other interruptions. The project was implemented in phases. Phase 1 was completed in March 2022 with a total of 715 sites that are not co-located covered (shown in Figure 42). Phase 2 will be implemented in the next financial year.

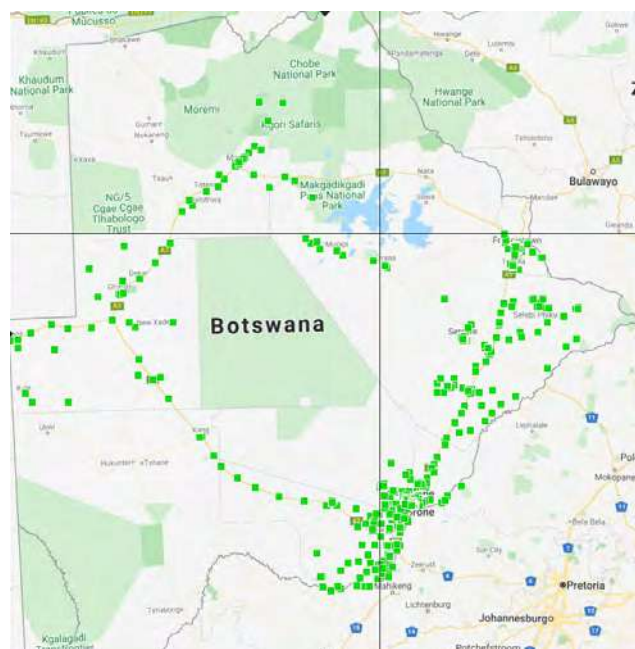


Figure 42: The audit of Base stations

Key findings of Phase 1 of the Project revealed that:

- i** Indoor BS deployment was still very low among operators.
- ii** There was poor network performance on 3G base stations.
- iii** Vandalism and theft of batteries were observed in a significant number of sites. Figure 41 depicts one of the audited sites.



Compliance and Monitoring

In line with the provisions of the CRA Act, BOCRA is mandated to monitor the performance of the regulated sectors in relation to quality, standards of services, and competition. Furthermore, BOCRA promotes the interest of consumers, purchasers, and other users of the services in the regulated sectors. The Authority carried out appropriate enforcement action against non-compliant licensees by engaging in complaints resolution, investigations, and monitoring the compliance of licensees.

Complaints Resolution

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

Complaints Received During the Fiscal Year

BOCRA received 27 complaints during this reporting period. As depicted in Figure 43, this was a relatively low number when compared with the previous four years.

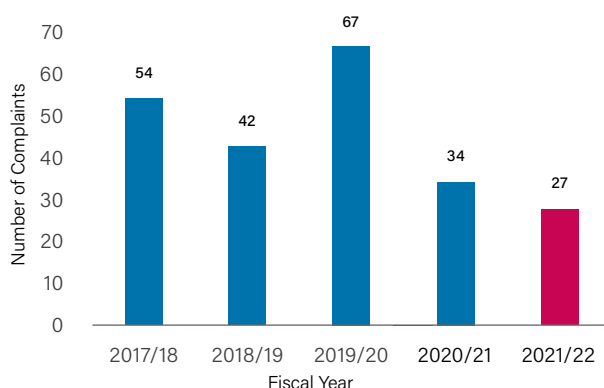


Figure 43: Five-year trend analysis of registered complaints

Figure 44 indicates that Mobile Money complaints remained a challenge to the consumers, followed by internet complaints. Consumers reported low to unavailable internet connection from operators, a challenge that was attributed to congestion at homes since most people started working from their homes because of the COVID-19 pandemic. Some complaints relating to interconnection and anti-competition reached BOCRA, despite interventions made by the Authority to the operators to interconnect with one another in a fair and reasonable manner. To this end, the Authority facilitated the resolution of two interconnection complaints.

Despite challenges of some complaints taking longer to be resolved because of their complexity, the Authority managed to resolve 26 out of 27 reported complaints, attaining a 96.3% complaints resolution rate. A detailed analysis of the type of complaints registered with the Authority and the frequency thereof is captured in Figure 44.

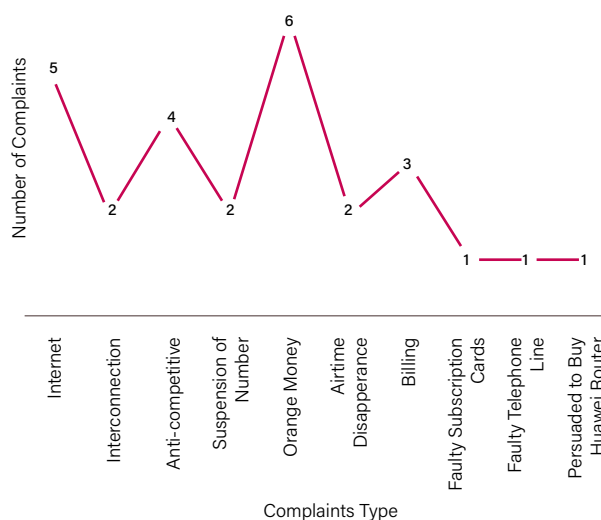


Figure 44: Types of complaints registered against regulated entities

Orange and BTC registered the most complaints, with each registering 37% of the complaints received. Mascom followed with 15% and MicroTeck with 4% of the complaints received. Most of the complaints were resolved. The illustration is in figure 45.

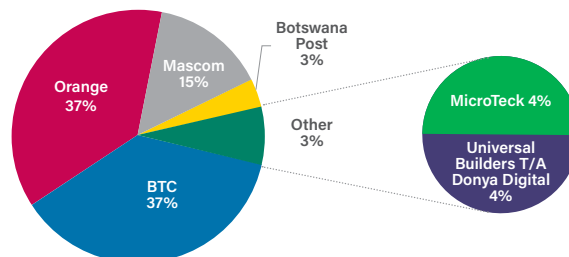


Figure 45: % complaints registered per operator

Type Approval Inspections

The Authority in conjunction with the Botswana Police Service and Competition and Consumer Authority (CCA) conducted Type Approval inspections in all planned areas. The inspections were done to ensure compliance with the provisions of the Act. Despite the movement restrictions imposed by COVID-19, five Type Approval inspections were conducted in Gaborone, Maun, Ghanzi, Kasane and Kazungula. Six monitoring exercises were executed in Molepolole, Tsabong, Kang, Hukuntsi, Shakawe, and Gumare areas.

Table 13 provides a detailed summary of inspections conducted during the year, as well as the number of entities visited, and the number of confiscated gadgets per area visited.

Table 13: Type Approval-Inspection Statistics

| Date | Inspection Areas | # Of Entities Inspected | # Of Entities Charged | # Of Entities Fully Paid Up | # Of Confiscated Gadgets |
|-----------------------|------------------|-------------------------|-----------------------|-----------------------------|--------------------------|
| 12 – 14 June 2021 | Gaborone | 7 | 6 | 6 | 174 |
| 28 August 2021 | Molepolole | 9 | 0 | 0 | 17 |
| 12 – 14 October 2021 | Tsabong | 13 | 0 | 0 | 0 |
| 12 – 15 February 2022 | Maun | 21 | 6 | 6 | 79 |
| 16 February 2022 | Shakawe | 11 | 4 | 4 | 64 |
| 17 February 2022 | Gumare | 10 | 1 | 1 | 1 |
| 15 – 19 March 2022 | Ghanzi | 24 | 6 | 5 | 52 |
| 14 March 2022 | Kang | 7 | 0 | 0 | 0 |
| 15 March 2022 | Hukuntsi | 7 | 0 | 0 | 0 |
| 21 – 24 March 2022 | Kasane | 10 | 6 | 5 | 130 |
| 24 – 25 March 2022 | Kazungula | 7 | 3 | 2 | 12 |
| TOTAL | | 126 | 32 | 24 | 529 |

All non-compliant entities were charged civil penalties in the range of P1,000.00 to P2,000.00 for failure to comply with type-approval requirements. BOCRA continues to carry out inspections and monitoring exercises to protect consumers against harmful communication gadgets in line with the Act.





Compliance and Monitoring (continued)

Compliance Audits

During the period under review, BOCRA assessed the level of compliance of 14 licensees in the Postal and ICT sectors. A total of 48 licensees were reviewed for compliance between the 2019/20 and 2021/2022 reporting periods. The implementation of audit action items was also monitored and tracked throughout the year across all sectors including broadcasting. As with the previous reports, the audit areas examined during the period included consumer protection, the payment of fees, performance reporting, products and packages, tariffs, and rollout obligations. An additional parameter on compliance to QoS standards in the ICT sector was also interrogated. Overall, the average compliance rate of engaged licensees was 55% across all the reviewed sectors. Although the average compliance rate remained low, the Authority registered a 5% increase in comparison with the 2020/21 financial year. Figure 46 illustrates the compliance rate trend analysis over a three-year period, commencing in the 2019/20 financial period.

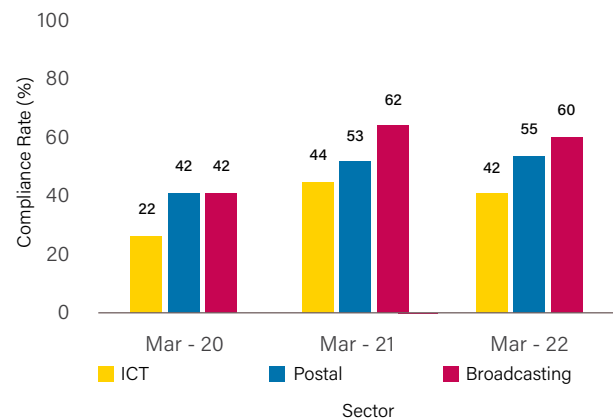


Figure 46: Compliance Rate Trend Analysis

Compliance Rate Key:

| | |
|--------|-------|
| High | > 75% |
| Medium | ≥ 60% |
| Low | ≤ 50% |

As per the illustration at Figure 46, the overall compliance rate has been steadily increasing across all the reviewed sectors over the three years. One of the key findings of the spot checks is that there was a general lack of understanding and knowledge by reviewed licensees regarding their obligations under the CRA Act of 2012 and Licence Conditions. To address this, the Authority continually engages reviewed licensees on their level of compliance, with enforcement action to be taken against persistent non-compliant operators.

Enforcement

The Authority reviewed and monitored the compliance of registered security companies. From a selection of eight security companies identified for review, the Authority recovered P3,198,297.30. All the eight companies monitored for payment of licence and alarm fees paid, constituting 100% recovery of outstanding licence fees from these security companies. The Authority also dealt with 12 non-compliant licensees which had outstanding licence fees. By 31 March 2022, eight of the 12 licensees had paid their licence fees, with four remaining indebted to BOCRA. These were escalated to the Enforcement Committee. A total of P42,237.00 was collected out of the P990,773.44 that was owing from the 12 noncompliant licensees. BOCRA was still pursuing the balance as at the end of the reporting period.

A TOTAL OF
48
licences were
reviewed for
compliance between
2019 and 2022
reporting periods

OVERALL, THE AVERAGE
COMPLIANCE RATE OF
ENGAGED LICENSEES
55%
across all
viewed
sectors

THE AUTHORITY
REGISTERED A
5%
increase in
compliance
compared to the
2019 reporting
period

Business Continuity Plans and Disaster Recovery

BOCRA Business Continuity Management (BCM)

During the period under review, the Authority facilitated a refresher BCM awareness training for staff. The training was meant to equip staff with skills to be in a better position to respond to a crisis, to prevent fatalities and ensure the survival of the organisation.

Furthermore, a drill exercise was undertaken to test BOCRA's preparedness to withstand a disaster. The Authority also reviewed its BCM processes to ensure that they were up to date with organisational developments. Lastly, the BOCRA Crisis Management and Communications Plan was developed to provide guidance on communication with both the external and internal parties during a crisis.

Sector BCM

The Authority provided guidance to licensees in terms of submissions as per the Business Continuity and Disaster Recovery Guidelines. At the end of the reporting period, out of 25 engaged licensees, only 11 licensees had submitted the required reports, thus attaining 44% compliance rate, against a target of 30%. Continuous engagements followed to ensure that all the licensed entities had procedures and plans in place to be invoked during a crisis and to ensure that critical services were recovered within the shortest possible time. Additionally, the procedures were meant to assist with restoring service availability to a normal state within a tolerable period.





Universal Access & Services

The Authority through the UASF implemented projects during the year for the benefit of the unserved and underserved communities in different locations across the country. The projects included the provision of devices, training of some disadvantaged groups, and the expansion of voice and broadband networks.

ICTs and Training for People Living with Disabilities

Four centres for the disadvantaged were provided with desktops, DSTV subscriptions, television sets, and training according to their needs. In addition, Lorato House Rescue Centre for Children was provided with educational tablets. Table 14 provides a list of beneficiaries and their locations, donated items, and training offered.

Table 14: Beneficiaries of ICT Devices and Training

| Centre | Location | Sponsorship | Short Term Training for employees |
|--|--|--|---|
| Annestine School for Children with Disabilities | Molepolole Village, Kweneng District | Desktops, Television Sets, DSTV Subscription | Early Childhood Education Food safety |
| Cheshire Foundation | Mogoditshane Village, Kweneng District | Desktops, Television Sets, DSTV Subscription | Basic First Aid |
| Tshidilo Stimulation Centre | Maun Village, North-West District | Desktops, DSTV Subscription | Basic First Aid Intermediate First Aid |
| Lorato House Rescue Centre for Children | Maun Village, North-West District | Educational Tablets, Desktops, DSTV Subscription | Emotional Intelligence |

Voice and Mobile Broadband Networks for Rural Areas

The end of the reporting period saw a total of 47 villages in the Kweneng District provided with voice and mobile broadband networks (4G).

The UASF undertook projects for the deployment of voice and mobile broadband networks (4G) in 67 villages in the Southern District and 45 villages in the North-West District. The project is envisaged to be completed in the 2023/24 financial year.



Stakeholder Engagement

In line with the President's Reset Agenda and Digital Transformation trajectory, BOCRA engaged various public(s) to inculcate mindset change and contribute to the public's readiness to embrace ICTs and use them in a productive and safe manner.

During the reporting period, COVID-19, under various mutations such as Omicron and the Delta variant, affected everyone as people were forced to deal with rapidly changing circumstances and threats.

In view of the prevailing COVID-19 challenges, BOCRA held most of its commemorations online to comply with the COVID-19 health protocols imposed by the COVID-19 National Taskforce.

Consultation on Infrastructure Sharing Guidelines

BOCRA convened a stakeholder consultation forum at the behest of the then Ministry of Transport and Communications, and pursuant to the action items from the communications sector Sub-HLCC group. The purpose of the forum was to review the Infrastructure Sharing Guidelines issued by BOCRA some years ago, with a view to modernising them to consider some of the latest changes to the communications regulatory landscape.

During the forum, some stakeholders held the view that the Guidelines were not effective as they were not legally binding. They held strongly that they should be made mandatory to compel, particularly the bigger market players like MNOs, to share their infrastructure.

The MNOs themselves held the view that the Guidelines were currently working well for them on a commercial basis.

Among its recommendations, the Forum called on the Ministry to consider making the Guidelines mandatory so that they are legally binding. This consultation was recorded and shared with the stakeholders for further comments.

Engagement with the Department of Broadcasting Services

BOCRA paid the Department of Broadcasting Services (DBS) a courtesy visit, the purpose of which was to appreciate the progress of the Local Content Development project, the performance of the media graduates, and the challenges and/or successes of the project. The media graduates were given the opportunity to share their experiences on the project thus far and suggest improvements that could be made to the project programme.

The media graduates gave positive feedback that already they were capable of handling most of their assignments with minimal supervision. However, they cautioned that their ability to carry out such assignments should not disadvantage them by curtailing the rotation-based programme they were introduced to at the start of the programme, which they attached high importance to. They reported that the delay in obtaining personal computers limited their potential to do more.

BOCRA noted the feedback and committed to addressing all outstanding challenges to ensure that the programme achieved its intended objectives.



UASF COMMENCED DEPLOYMENT OF VOICE AND MOBILE BROADBAND NETWORKS IN

67 villages

IN THE SOUTHERN DISTRICT AND

45 villages

IN THE NORTH-WEST DISTRICT



Stakeholder Engagement (continued)

Engagement meetings with industry players

BOCRA often participates in stakeholder consultation exercises which allows the Authority to consider the views, opinions, and interests of the various communications industry and business stakeholders. In December 2021, BOCRA hosted a Stakeholder Consultative meeting at Travel Lodge to discuss the status of implementation of the Passive Infrastructure sharing Guidelines and the Directive on sharing of infrastructure.

The overarching reason for the consultative meeting was to explore the recommendations by the SUB High Level Consultative Committee (HLCC) members to review progress on the implementation of the current Infrastructure Guidelines such as:

- the relevance of the National Broadband Strategy given the changes that have occurred since it was announced; and
- the Passive Infrastructure Sharing Guidelines and ease of collaboration and facilitation of access to the infrastructure.

Stakeholders lamented the need to make the Guidelines more binding for all market players regardless of the size to ensure equitable access to the available infrastructure. They proposed the establishment of Tower Management Companies to lead in the provision and management of infrastructure, whilst service providers focused on the core mandate of providing service.

Furthermore, stakeholders called for the sharing of more active parts of the infrastructure in preparation for evolving market requirements such as the Fourth Industrial Revolution. Stakeholders also advocated for:

- Cost-based pricing structure for the Infrastructure Sharing Agreements,
- The need to avail information or a catalogue of infrastructure available for sharing including the locations and capacity of the resources, and
- More engagements to deliberate on the growth of the industry and the challenges that they experience.

STAKEHOLDERS LAMENTED THE NEED TO MAKE **THE GUIDELINES MORE BINDING FOR ALL MARKET PLAYERS** REGARDLESS OF THE SIZE TO ENSURE EQUITABLE ACCESS TO THE AVAILABLE INFRASTRUCTURE.

Electrical and Electronic Waste Workshop

Working in collaboration with the ITU, the United Nations Environment programme, the Department of Waste Management and Pollution Control, BOCRA hosted a consultation workshop to develop a National Strategy in the Management of Waste from Electrical and Electronic Equipment in Botswana. This Strategy seeks to address, among others, the challenge of e-waste to the environment and the opportunities of a circular economy that Small-to-Medium-Enterprises can realise as products that have reached their End-of-Life cycle are captured, sorted, and recycled, instead of being dumped into landfills.

Engagement of Local Authorities

BOCRA met with administrative leaderships of Kweneng, South-East, and Southern Districts to consult and address, among others, issues relating to UASF mobile network upgrades, schools internet connectivity project, FM broadcasting transmission network expansion, and the tribal administration offices internet connectivity.

During these addresses, BOCRA presented on the rollout of the UASF rural and schools connectivity programme and the challenges that service providers face relating to:

- Accessing land for construction of new transmission sites,
- Environmental Impact Assessments Reports requirements,
- BOCRA mandate regarding licensing, spectrum management, consumer protection, broadcasting regulation, postal regulation, and the internet; and
- The role of the UASF in facilitating the rollout of communications services to the unserved and underserved communities.

BOCRA also delivered virtual addresses to the Goodhope Sub-District Council, Mahalapye Sub-District Council, North-East District Council, Letlhakeng Sub-District Council, Okavango Sub-District Council, and the North-East District Council.

The addresses focused on BOCRA's wider mandate including mobile money concerns, internet speed, hidden identity calls, and calls for the licensing of community broadcasting, among others. They were also used to apprise some of the councils of impending UASF network upgrades and schools internet connectivity projects due to be implemented in their areas. In addition to relaying the information, the addresses were used to solicit the support of the affected local authorities in facilitating the implementation of the projects.

The councillors appreciated the engagement and encouraged BOCRA to make it a regular practice to address district councils on ICT developments. The process empowers councillors with the knowledge to respond to questions raised by their electorates.

Meeting with Broadcasters

The extended State of Public Emergency has had a negative impact on the public. This situation peaked around the month of August 2021 with Botswana experiencing a spike in COVID-19 related deaths. Some members of the public have taken to social media networking platforms to voice their grievances. BOCRA received complaints about such instances and how these activities could inadvertently give platform and credibility to the issues that these personalities were making. In a proactive move, BOCRA convened a meeting with all the broadcasters to discuss the issue and agree how it could collaborate with broadcasters to help resolve future issues.

Consultation on Type Approval Verification Guidelines

In preparation to implement Type Approval Verification Guidelines in April 2022, BOCRA started engaging with representatives of the MNOs to discuss the guidelines. The first of such meetings was held in August 2021 to start the consultations. The consultations were intended to promote awareness about the Type Approval Verification Guidelines and usage among the key stakeholders. This is to ensure that the exercise will be rolled out smoothly with limited challenges during implementation.

Media workshop on cybersecurity

October is internationally recognised as the month of Cyber Awareness. BOCRA, in collaboration with the European Union (EU) delegation to Botswana, the then Ministry of Transport and Communications, BOCRA CSIRT Team, UNICEF Office in Botswana, Botswana International University of Science and Technology (BIUST), and the Competition and Consumer Authority hosted a month-long national cyber awareness campaign under the theme "Cybersecurity – A Shared Responsibility".

The objective of the campaign was to create an awareness for the need for cyber security and to create a culture of shared security. During this campaign, the media was identified as a critical stakeholder in driving public awareness in addressing and reporting on highly technical ICT issues. In this regard, the stakeholders organised a 2-day training workshop which was attended by 45 media practitioners and addressed by 14 speakers from a wide range of professional and technical angles. It addressed various issues including cybersecurity policy, legal and regulatory matters, technical applications, network and data security, cybercrime, consumer protection, fake news and online misinformation, the protection of children online, and internet usage perspectives.

World Telecommunication Standardisation Assembly

BOCRA attended the 4th African Telecommunication Union (ATU) and Telecommunication Standardization Assembly Group (TSAG) meetings, respectively, as part of its final preparations for the World Telecommunication and Standardisation Assembly (WTSA-20). Subsequently, BOCRA attended the WTSA-20 held in Geneva – Switzerland in March 2022. WTSA is a conference of the ITU's Standardisation Bureau that is held every four years. The conference defines the next period of study for the Bureau that focuses on international ICT standards which are critical in ensuring interoperability of ICTs by enabling global ICT networks and devices to speak the same language.

The WTSA-20 considered several resolutions comprising new and amended resolutions addressing the latest technological advancements. It also considered several resolutions which include:

- Encouraging the creation of National Computer Incident Response Teams,
- Countering and combating misappropriation and misuse of Numbers,
- Electro Magnetic Exposure measurement, and
- Combating counterfeit telecommunication/information and communication technology devices.

Most of the resolutions were amended to align them with the latest technological advancement. These Resolutions called for ITU to continue studying the issues further and to develop technical standards on how to address the ever-evolving technology developments and challenges.

Botswana positioned herself to benefit from the WTSA conference particularly on the issues of cybersecurity and standards.

STAKEHOLDERS ORGANISED A
2-day training
WORKSHOP WHICH WAS
ATTENDED BY
45 media
PRACTITIONERS AND
ADDRESSED BY
14 speakers
FROM A WIDE RANGE OF
PROFESSIONAL AND
TECHNICAL ANGLES.



Commemorations

01

20 Years Celebrations of Tsodilo Hills World Heritage Site



In December 2021, BOCRA joined local and international organisations, the public sector, civil society, and the public in Tsodilo village in the North-West District, to celebrate 20 years of Tsodilo Hills as a United Nations Educational Scientific and Cultural Organisation (UNESCO) World Heritage site.

Tsodilo Hills were declared a national monument in 1927 and gained their UNESCO World Heritage Sites listing in 2001. The celebrations included a tour of the Tsodilo Hills and museum, folktales, and poetry on the history of the hills, cultural song and dance, entertainment, and exhibitions by different organisations.

BOCRA in partnership with BTC sponsored the four-day-celebrations with free highspeed Wi-Fi Internet. BOCRA also provided The Tsodilo Hills World Heritage Centre with ICT devices that included laptops, desktops, and a multimedia projector.



02

Girls in ICT Day 2021

The Girls in ICT Day is commemorated annually on the fourth Thursday of April. The Day was declared by the ITU to celebrate girls and young women in ICT to encourage them to pursue studies and careers in the technology sector. To commemorate the Day, BOCRA hosted a panel of women who shared their experiences and success stories in the telecom and ICT industry. The open discussion was themed "Fostering Gender Diversity in the ICT industry".

The women sensitised one another on the need to promote gender balance to attract and retain women in the ICT sector. They deliberated on barriers and challenges they faced as they progressed through the corporate and private ladder to leadership positions.

03

World Telecommunication and Information Society Day 2021

The World Telecommunication and Information Society Day (WTISD) is celebrated annually on 17 May to commemorate the founding of the ITU. The 2021 commemoration was held under the theme "Accelerating Digital Transformation in challenging times" under the auspices of the then Ministry of Transport and Communications. The commemoration centred around a webinar led by Hon. Thulagano M. Segokgo, Minister of Transport and Communications, who updated the nation on available digital solutions while facing the COVID-19 pandemic. The event also included a panel discussion where industry players, academia, and research institutions discussed opportunities that ICTs promise, as well as the challenges that the country and the ICT sector face.

04

World Post Day 2021

World Post Day is commemorated annually on 9 October to create awareness on the role of the postal sector in people's and businesses' everyday lives, and its contribution to the social and economic development of countries. The 2021 World Post Day was commemorated in Ramotlabaki village in the Kgatleng District under the theme "Innovate to recover". The humble Post Office was hailed as one of those unsung heroes as postal men and women worked tirelessly behind the scenes during the national lockdown instituted to control the spread of the corona virus, often exposing themselves to the virus, to make sure that mail, parcels, and packages reached their destination on time.

The commemoration involved the unveiling of a newly constructed Post Office for Ramotlabaki village, which until then, relied on postal services from nearby villages. The post office was launched by Mr. Martin Mokgware, BOCRA Chief Executive, who was the guest speaker for the Commemoration. Mr. Mokgware used the opportunity to pledge support to the postal sector through UASF funding for the construction of similar postal office buildings for other localities that were still without postal services.

04

World Radio Day 2022

World Radio Day (WRD) is commemorated annually on the 13th of February. The day was proclaimed by UNESCO to raise awareness about the importance of radio.

World Radio Day 2022 (WRD 22) was commemorated under the theme "Radio and Trust". The theme of trust emphasized the role of radio as an effective method of conveying messages to the public, especially efforts to combat the COVID pandemic. Led by the Ministry of Transport and Communications, the broadcasting sector, UNESCO, and BOCRA convened in Letlhakeng village in the Kweneng District to commemorate the Day and discuss the role of radio in information dissemination to the public. Speakers at the ceremony included a representative of the Ministry responsible for Transport and Communications, Deputy Permanent Secretary in the Ministry of Presidential Affairs, UASF Board Member, and the BOCRA Chief Executive.

The UASF leveraged on the event to launch the FM broadcasting transmission sites which it funded to expand broadcasting signal for commercial radio stations to cover Takatokwane, Malelwe, and Salajwe areas in the Kweneng region. Stakeholders participated in a panel discussion on the theme of the day to share and highlight its importance.



Strategic Collaboration & Cooperation

BOCRA collaborates with other organisations locally, regionally, and internationally to enable it to effectively discharge its mandate of regulating the ever-evolving digital landscape. Collaboration allows the Authority to work and share information with stakeholders that are critical to its operations. During this reporting period, BOCRA entered formal relations with various institutions discussed below.

Shareholder Compact Agreement Signing

During the reporting period, BOCRA hosted a Shareholder Compact Agreement signing ceremony between the Ministry of Transport and Communications (MTC) and three of its parastatal bodies being Botswana Fibre Networks (BoFiNet), Botswana Post, and BOCRA. The Agreements were signed by the Minister, Hon. Thulagano M. Segokgo, M.P. and Chairpersons of the Boards of the three organisations.

The Shareholder Compact Agreements align organisational objectives with ministerial and the national vision and set out performance measures that enable the Ministry to track how well the Boards were delivering on their respective organisational mandates.

BOCRA/TRAI Letter of Intent

BOCRA signed a Letter of Intent with the Telecommunications Regulatory Authority of India (TRAI). The Letter of Intent formalised the relationship between the two regulatory bodies and established official channels for collaboration on regulatory issues of mutual interest. In the terms of the objectives of the Letter of Intent, the two entities identified issues that they could work together on, including an exchange programme for capacity building, approach to the regulation of Quality of Service, and the enforcement of regulatory requirements among others. BOCRA will use the collaboration to tap into the regulatory experience of TRAI in regulating a developing but huge Indian communications market. Issues of internet governance relating to Internet Quality of Service are some of the issues that BOCRA stands to benefit from.

Regulatory Exchange Programme

BOCRA hosted a two-week exchange programme for an employee of the Malawi Communications Regulatory Authority (MACRA) in March 2022. The programme aimed to

achieve the enhancement of the employee's knowledge on the establishment and management of UASF, connectivity initiatives, strategic partnerships, financial stability, and institutional development.

The exchange programme underscored the international recognition of Botswana's efforts towards achieving universal access to communications services, which are worth benchmarking against.

BOCRA-BURS Memorandum of Understanding

BOCRA and BURS signed a Memorandum of Understanding (MoU) that formalised the working relationship concerning the importation of the Electronic Communications Equipment/ Devices. The MoU will facilitate the realisation of the Type Approval requirements and processes.

BOCRA's mandate includes Type Approving all communications equipment destined to operate in Botswana to ensure that they use the correct frequencies as assigned by BOCRA, to avoid interfering with other communication equipment. Furthermore, that the equipment propagates the right levels of electromagnetic fields to avoid causing health problems to users. The MoU will therefore help with the monitoring of communications equipment that come through Botswana borders.

BOCRA and BURS have formalised relations to collaborate on areas such as:

- The enforcement of Type Approval requirements as goods enter our borders,
- Undertaking investigations, research, enforcement, awareness campaigns,
- Consulting each other on a regular basis on matters of mutual interest,
- Assisting each other to ensure that the communication devices imported for use in the communications sector are compliant with national and international standards and have met tax requirements; and
- Proactive information sharing and assistance in research and analysis on whatever the other party may be engaged in, and so forth.

Consumer Education

Electronic platforms

COVID-19 prevalence increased the use of digital media. This phenomenon also saw children and minors being introduced to networked devices and social networking platforms to do schoolwork and communication. Faced with the COVID-19 pandemic, which made face to face consumer awareness and education campaigns unviable, BOCRA leveraged on commercial radio broadcasting and social media platforms to continue consumer education on the various aspects of its mandate.

BOCRA employed an extensive use of radio broadcasting to deliver a total of forty weekly interviews over state and commercial radio broadcasters. Topical issues and frequently asked questions in the areas of Type Approval of communications equipment, Computer Incidence Response Team (CSIRT) and its role in addressing cybersecurity issues, Universal Access and Service Mandate, Quality of Service, licensing, consumer rights and other regulatory issues were discussed.

Television also played a major role in BOCRA's consumer education drive with Ytv accounting for a total of 16 interview broadcasts. In addition, BOCRA delivered seven more television interviews through Primetime Media and BTv. Furthermore, a documentary that showcased UASF mobile network upgrades and schools internet connectivity and their impact on schools in the Kgalagadi area was produced.

Print media equally played a part as BOCRA interacted with the medium through responses to questionnaires from media houses and well as through the issuance of public notices, clarifications, or information sharing.

National Cyber Awareness Campaign

BOCRA, in collaboration with the Ministry of Transport and Communications, and ICT stakeholders, hosted the first month long National Cybersecurity Awareness campaign under the theme "Cybersecurity – A Shared Responsibility" to raise awareness and educate the public on issues relating to cyber hygiene and security, Critical National Infrastructure, etc. The initiative was held to commemorate October as the Cybersecurity Awareness month.

The commemoration culminated in a 3-day workshop hosted by BOCRA and officiated by the Honourable Minister of Transport and Communications, Hon. Thulagano Merafe Segokgo, alongside HE Jan Sadek, Ambassador of the European Union to Botswana and SADC.

The workshop featured local and international speakers through a combination of physical and online presentations on the various aspects of cybersecurity, focusing on the theme "Do Your Part. #BeCyberSmart." Most of the presentations were geared towards encouraging the youth, who constitute the majority of consumers of ICT services, particularly social media, to exercise due care to avoid falling victim to cybercrime.

The workshop was broadcast live on Facebook and pre-recorded for post event television coverage.

Safer Internet Day Commemoration

BOCRA partnered with a civil society Non-Governmental Organisation called inFuture Foundation in conducting a month-long public education campaign on safer internet use. The campaign leveraged various information dissemination avenues including social media platforms, broadcasting stations, and newspapers to target the public and civil society in a drive to train their mindset to be cyber security conscious. The campaign culminated in a Cyber Smart competition which challenged participants, mainly young people, to propose cybersecurity-oriented solutions in a competition that had prizes to be won.

Exhibitions

Despite COVID-19 challenges, BOCRA reached out to the consumers of communications services through selective consumer education-oriented exhibitions at public places such as shopping malls. The exhibitions served to 'take BOCRA to the People' and allow members of the public, who otherwise would not have had the opportunity to access BOCRA, the opportunity to engage with the Regulator on common issues of concern regarding ICT services.

Exhibitions were held in Shakawe, Maun, and Tsodilo during the UNESCO commemoration of the 20th anniversary of Tsodilo Hills as a World Heritage Site. On this occasion, BOCRA through the UASF sponsored internet access for the site and Wi-Fi for public access.

The Tsodilo Hills World Heritage Site was targeted as part of the wider North-West District communications network upgrades and internet connectivity project by the UASF but was prioritised to facilitate the commemoration.

School Addresses

During the period under review, BOCRA delivered addresses at several schools where it was invited to officiate during prize giving ceremonies. Poloka Primary School, Makaleng Primary School, McCarthys Rust Primary School, Struizendam Primary School, Matsiloe Community Junior Secondary School, and Masunga Senior Secondary School benefitted from these addresses.

On these occasions, BOCRA delivered messages that aimed at encouraging students to make deliberate efforts to pursue careers in ICTs. At the same time, the messages sought to conscientize students against wasting their valuable study time on unproductive social media engagements. Lastly, students were encouraged to be cyber smart and avoid falling victim to cybercrime.



Corporate Social Investment

Construction of ICT Laboratories

BOCRA through the UASF, partnered with the Kweneng District Council to construct model computer laboratories at Molefe and Ditshegwane Primary Schools situated in Kopong and Ditshegwane Villages, respectively.

The laboratories that were built as an extension of the greater Kweneng District project that covered 47 villages, served to pilot and demonstrate the viability of providing computer laboratories to primary schools. They came complete with internet connectivity, computers, printers, and related gadgets including smartboards.

The buildings comprised a large computer room accommodating no less than 30 students, a server room, a facilitator's room, a resource centre room with couches, photocopiers, smartboards, and toilets. The laboratories have burglar doors and windows and air-conditioning.

Dikgotla ICT Installation and Internet Connectivity

In line with its universal service mandate, BOCRA identified tribal administrations as one of the underserved public entities in the country. The Authority therefore commenced a project to connect a total of 12 tribal administration offices in Salajwe, Motokwe, Takatokwane, Ditshegwane, Moshaweng, Lentsweletau, Khudumelapye, Sojwe, Mankodi, Hatsalatladi, and Mantshwabisi in the Kweneng District to the internet and supply them with computers and printers.

Regrettably, the project was severely impacted by the global slowdown production of computer chips because of COVID and could not be completed within the reporting period. The project will only be completed during the 2022/23 reporting period.

Goodhope Sub-District Schools painting

During its tour of the Southern District in preparation for the implementation of the mobile network upgrades and schools' computerisation project, the UASF Board of Trustees identified two primary schools that were overdue for maintenance.

Subsequently, The Fund, in collaboration with the Goodhope Sub-District Council, implemented a project to rehabilitate paint work for classroom building blocks at Maiphithlwane and Tlhareselele Primary Schools in the district.



The two schools were repainted and decorated with artwork showcasing ICTs at work to lighten up the learning environment and revitalise students interests in learning.

Support Towards COVID-19

Through its Corporate Social Investment initiative, BOCRA donated 5,800 3-ply, reversible, and washable face masks to Motswakhumo Junior Secondary, Kopong Junior Secondary, and Letsholo Primary School in the Ntsweletau/Kopong constituency. Each of the learners, teachers, and staff received two face masks. The schools also received 25 litres of hand sanitiser and dispensers each.

Continuing with the noble gesture, BOCRA also donated masks and sanitisers to Moeng College and junior secondary schools of Mookane, Mmashoro, Zwemshambe, and Thamani, benefiting a total of 7,610 people including teachers, non-teaching staff, and students.

BOCRA also sponsored accommodation and meals for the KKM Foundation's Charity Donation ride. The Foundation was cycling to raise COVID-19 essentials for impoverished residents of villages in the North-West district.

The noble gestures were BOCRA's way of helping Government in the fight against the spread of COVID-19 virus. At the time of the donation, the beneficiary schools were among the hardest hit by the virus.

ICT Donations

- **Donation of ICTs to Moselewapula JSS, Palla Road JSS, and Greater Gaborone District Health Management Team**
- **Tsodilo Hills World Heritage Site** - BOCRA donated two desktop computers, two laptop computers, a multimedia projector, and the provision of 50 Mbps Wi-Fi Internet and technical support used during UNESCO's commemoration of the 20th Anniversary of Tsodilo Hills as a World Heritage Site
- **Botswana Olympic Team** - BOCRA also supported the Botswana Olympic National Team that took part in the Tokyo Olympics, where the men's 4 by 4 relay team made history by winning the country silver medals. To express appreciation of the sterling work the team did for the country, BOCRA congratulated the Men's 4 x 400M relay team with six iPhone 12 handsets, one-year 4 Mbps

internet access, plus one year 4Mbps internet connection for the rest of the team comprising athletes, coaches, and support staff.

- **Metsimotlhabe Customary Court** - BOCRA donated three desktop computers, one printer, and one photocopier to Metsimotlhabe Customary Court in line with its objective of bridging the digital divide through facilitating universal use of ICTs. In receiving the donation, the Customary Court highlighted that the equipment would help to speed-up the registration process for the COVID-19 vaccine rollout, among other functions.

Assisting these beneficiaries offered BOCRA the opportunity to advance its role as a facilitator of communications services in Botswana, by not only availing ICTs, but also educating the beneficiaries in a bid to encourage uptake and usage in line with the objective of building a digital economy.

Other Notable CSI Activities

- **Komatsu - AM600 Cycling Challenge**
- **Abicus Projects - Taste of Mokwena Cultural Food Festival**
- **Mahupu Girls Intensive Care Group**

Christmas Party for Monax Shelter

As a responsible corporate citizen, BOCRA continued with its tradition of sharing Christmas with the less fortunate members of society. Working in collaboration with Botswana Council of Non-Governmental Organisations (BOCONGO), BOCRA identified and sponsored a Christmas party for Monax Shelter for Disadvantaged Children. Situated in Metsimotlhabe village, Monax shelter provides day feeding services for less fortunate adults and children.

The Christmas party involved refreshments, entertainment, t-shirts, and children's Christmas gifts.

BOCRA DONATED
5,800
3-PLY, REVERSIBLE,
AND WASHABLE
FACE MASKS
to Motswakhumo Junior
Secondary, Kopong Junior
Secondary, and Letsholo Primary
School in the Ntsweletau/Kopong
constituency.

CONSTRUCTION OF ICT
LABORATORIES FOR
Molefe and Ditshegwane
Primary Schools.

BOCRA CONGRATULATED
THE MEN'S 4 X 400M RELAY
TEAM WITH **SIX IPHONE 12**
HANDSETS, ONE-YEAR 4 MBPS
INTERNET ACCESS, PLUS
ONE YEAR 4MBPS INTERNET
CONNECTION FOR THE REST
OF THE TEAM COMPRISING
ATHLETES, COACHES, AND
SUPPORT STAFF.



Human Capital Management

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

1 To create and promote a high-performance culture, and

2 To improve employee engagement.

In pursuit of its strategic human capital objectives, the Authority's engagement level stood at 69%, above the 61.2% regional and 65% global engagement index as measured in 2021/22.

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

Staff Complement

Table 15: Staff Complement from April 2021-March 2022

| Staff Complement | Number |
|--------------------------------|------------|
| Staff in Post as at April 2021 | 99 |
| Staff Recruited | 4 |
| Staff Retired | 1 |
| Total as at March 2022 | 102 |

As at the end of March 2022, the staff complement stood at 102 with 49 females and 53 males, representing a 48:52 gender distribution as depicted in Table 17.

Qualification Staff Distribution

Table 16: Staff Qualification by Gender

| Gender | Qualifications | | |
|--------------|----------------|------------|-----------|
| | Masters | 1st Degree | Other |
| Female | 21 | 15 | 13 |
| Male | 18 | 22 | 13 |
| Total | 39 | 37 | 26 |

BOCRA has a highly educated and trained workforce, with 74.5% of the employees having obtained a combination of first degree and master's degree qualifications. 25.5% of employees possess other qualifications.

Staff Categories by Gender and Position

Table 17: Staff by Category

| Staff Category | | | | |
|----------------|-----------|-------------------|--------------------|---------------|
| Gender | Executive | Middle Management | Snr/ Professionals | General Staff |
| Female | 5 | 7 | 15 | 22 |
| Male | 6 | 13 | 3 | 31 |
| Total | 11 | 20 | 18 | 53 |

Table 17 depicts that BOCRA has most of its employees in middle management and professional-specialist areas, in keeping with its profile as a knowledge-based institution. A total of 12 females occupy executive and middle management positions, which account for 39% of positions at this level.

**AS AT THE END OF MARCH 2022,
THE STAFF COMPLEMENT STOOD**

at
102

with
49
Females

and
53
Males

2021/22 Staff Promotions

Table 18: Staff Promotions

| Name | Department | Promoted to |
|----------------------------|---|--------------------------------------|
| Ms. Thokgamo Lone Morapedi | Licensing | Senior Officer, Licensing |
| Ms. Salome Gaolekwe | Business Development | Senior Officer, Business Development |
| Mr. Phemelo Rannoba | Corporate Services | Senior Assistant Officer, Records |
| Ms. Masego M. Jeremiah | Broadcasting & Corporate Communications | Deputy Director, Media & Content |

Four employees comprising three females and one male were promoted to various positions as depicted in Table 18.

Training & Development and Organisational Capital

In line with its Training and Development Policy, BOCRA continued to invest in the development of its employees. Training and Development is based on 70% of training done on the job, 20% through coaching and mentorship, and learning from others, and 10% being classroom learning. The Authority also encourages staff to take responsibility for their training. This is promoted through self-development where, upon completion, employees are refunded.

Table 19: Staff Development 2021/22

| Training | Number of Employees |
|--|---------------------|
| Full-Time Training | |
| Master's Degree Programmes | 4 |
| Bachelor's Degree Programme | 2 |
| Diploma Programme | 1 |
| Parttime Training | |
| Coaching and Mentorship | 57 |
| Effective Communication and Presentation Skills | 19 |
| Emotional Intelligence | 19 |
| Leadership and Management | 13 |
| Women in Leadership Summit | 15 |
| Key Performance Indicators | 18 |
| Strategic Human Resource Conference | 9 |
| Fire Fighting and First Aid | 18 |
| Communications Sector Incident Response Team (CSIRT) | 2 |

CSIRT staff were trained on Advanced Ethical Hacking, Digital Forensics, and Advanced Malware Analysis. In addition, Cyber4Dev did four courses namely Basic CSIRT Essential, Advanced CSIRT, Technical Advanced CSIRT Management training, and Detecting Compromised system. The CSIRT team attended online courses and conferences which include AfricaCERT Cyberdrills, Africa internet Summit, and ITU-T Study Group 17 (SG17) Security.

BOCRA Corporate Awards

BOCRA corporate awards were held in March 2022. Employees were awarded in the following categories.

LONG SERVICE AND LOYALTY AWARDS

These awards were presented to employees who served the organisation for five, ten, and 20 years. A total of 11 employees were awarded in this category as per Table 20.

Table 20: Long Service & Loyalty Award Recipients

| Name | Years of Service |
|---------------------|------------------|
| Evelyn Dikgang | 20 |
| Joel Ramaeba | 20 |
| Murphy Setshwane | 20 |
| Aaron Nyelesi | 20 |
| Edward Mmusi | 10 |
| Kenaope Pelaelo | 10 |
| Meshingo Jack | 10 |
| Nonfo Kedise | 10 |
| Monkgomotsi Taolo | 10 |
| Helenah Keseabetswe | 5 |
| Itumeleng Mafale | 5 |

BOCRA CONTINUED TO INVEST IN THE DEVELOPMENT OF ITS EMPLOYEES. TRAINING AND DEVELOPMENT IS BASED ON

70%

of training done on the job,

20%

through coaching and mentorship, and learning from others, and

10%

being classroom learning.



Human Capital Management (continued)

EMPLOYEE EXCELLENCE AWARDS

In its implementation of the Organisational Culture Framework, the Authority introduced annual Employee Excellence Awards. The following employees were recognised and celebrated.

Table 21: Recipients of Employee Excellence Awards

| Name | Award | Description |
|---|-------------------------------|---|
| Joel Ramaeba | Employee of the Year Award | The award was presented to an employee that demonstrated exceptional performance throughout the entire year |
| Joel Ramaeba | Living Corporate Values Award | The award was given to the employee who lived the four BOCRA corporate values and portrayed desired behaviours. |
| Shathiso Batlhoki | Employee of the Quarter Award | Awarded to the employee who had demonstrated exceptional performance during quarter 3 |
| Department of Networks & QoS | Department of the Year Award | Awarded to the top performing department based on achievement of annual operational plan as captured by Strategy and Projects office. |
| Department of Legal | Most Improved Department | The award was presented to the most improved department in terms of performance and teamwork |
| Kenaope Pelaelo Tebogo Ketshabile Edwin Kooletile Olerato Tiego Katlego Ncaagae | Chief Executive Award | This award was based on key performance indicators as determined by the Chief Executive. |

Staff Wellness

BOCRA WELLNESS WEEK

BOCRA recognises the importance of staff welfare and health to its continued performance. In this regard, BOCRA hosted Wellness Week in March 2022 under the theme “#ChoppingForMyHealth, CookingMyHealth”. The event focused on the following outcomes – financial, mental, and emotional balance. The event included investment companies, beauty and aesthetics specialist, dental, mental, family welfare, health specialist, sexual reproduction, and COVID-19 among others. In line with COVID-19 health protocols, the event was held virtually.

SAFETY, HEALTH, AND ENVIRONMENT (SHE)

Following the approval of the Safety, Health, and Environment (SHE) Policy, a SHE program was developed and incorporated into the organisational culture. The Authority put measures such as biometric access cards and automatic soap dispensers to avoid physical contact and minimise the spread of COVID-19.







Consolidated and Separate Annual Financial Statements

FOR THE YEAR ENDED 31 MARCH 2022

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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) Prof. Joseph Chuma (Vice Chairperson) Mr. Onkagetse Pusoentsi (retired 31 July 2021) Mr. Galeboe Mmelesi Dr. Gape Kaboyakgosi Mrs. Tsholofelo Bogosi Ms. Kago Mmolawa Mr. Martin Mokgware - Chief Executive (ex-officio) |
| Registered office | Lot 50671 Independence Avenue Extension 5 Gaborone Botswana |
| Postal address | Private Bag 00495 Gaborone Botswana |
| Bankers | First National Bank of Botswana Limited Absa Bank Botswana Limited Standard Chartered Bank Botswana Limited Bank of Baroda (Botswana) Limited Stanbic Bank of Botswana Limited Vunani Fund Managers |
| Auditors | PricewaterhouseCoopers |
| Secretary | Ms. Joyce W. Isa-Molwane |
| Chief Executive | Mr. Martin Mokgware |
| Functional Currency | Botswana Pula ('P') and is rounded to the nearest Pula |

BOARD MEMBERS' REPORT

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

1. Review of activities

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

The operating results and state of affairs of the Group and Authority are fully set out in the attached annual financial statements and do not in our opinion require any further comment. Net surplus of the Group was P38,660,938 (2021: P 27,459,020) and for Authority was P29,327,367 (2021: P 21,628,234).

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
Prof. Joseph Chuma
Mr. Onkagetse Pusoentsi (retired 31 July 2021)
Mr. Galeboe Mmelesi
Dr. Gape Kaboyakgosi
Mrs. Tsholofelo Bogosi
Ms. Kago Mmolawa
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 2023 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 90 to 121 and the supplementary information disclosed on pages 122 and 123 which have been prepared on the going concern basis, were approved and authorised for issue by Board Members on 27 September 2022 and were signed on its behalf by:



Chairperson
Gaborone



Chief Executive

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report

To the Minister of Communications, Knowledge and Technology

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 2022, 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 90 to 121 which comprise:

- the consolidated and separate statements of financial position as at 31 March 2022;
- 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; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional 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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Partners: A S Edirisinghe, I D Molebatsi, S K K Wijesena

Independent Auditor's Report (continued)



| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p><i>Expected credit losses relating to trade receivables</i></p> <p><i>This key audit matter relates to the consolidated and separate financial statements</i></p> <p>At 31 March 2022, the Group and Authority recognised trade receivables of BWP 56.1 million (2021: BWP 50.1 million) and BWP 39.3 million (2021: BWP 36.9 million), respectively, after deducting expected credit losses (ECL) of BWP 3.1 million (BWP 3.1 million) and BWP 2.9 million (BWP 2.7 million), respectively.</p> <p>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>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>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>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 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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of management's processes and controls in relation to credit origination and credit control; • For a sample of transactions that occurred throughout the year, we tested the operating effectiveness of the established controls and did not find any significant control deficiencies; • We assessed management's ECL model against the requirements of IFRS 9 and found the model to be aligned with the requirements; • 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 market and client data and our knowledge of the operations as gained through our audit in assessing future expected loss rates. Based on our work performed, we found management's assumptions and judgements to be reasonable; • We assessed the reasonability of the inputs used in the ECL model by comparing those inputs to prior year model inputs and current year data as relevant. We found the inputs to the ECL model to be reasonable; • We assessed the reasonability of the macroeconomic factors used in the ECL model by performing the following procedures: <ul 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. <p>and found the macroeconomic factors applied in the ECL model to be reasonable;</p> |

Independent Auditor's Report (continued)



| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <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. | <ul style="list-style-type: none"> On a sample basis, we evaluated the accuracy of the trade receivables ageing reports utilised by management in their ECL calculations at 31 March 2022 by agreeing the inputs to relevant underlying documents. No material differences were noted. |

Other information

The Board members are responsible for the other information. The other information comprises the information included in the document titled “Botswana Communications Regulatory Authority Consolidated and Separate Annual Financial Statements for the year ended 31 March 2022” which we obtained prior to the date of this auditor’s report and the other sections of the document titled “Botswana Communications Regulatory Authority 2022 Annual Report”, which is expected to be made available to us after that date. 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 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.

Independent Auditor's Report (continued)



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

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

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

As part of an audit in accordance with ISAs, we exercise professional 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 the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

Independent Auditor's Report (continued)



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.

PricewaterhouseCoopers

PricewaterhouseCoopers
Firm of Certified Auditors
Practising member: Icho Molebatsi (Cap 0041 2022)

28 September 2022
Gaborone

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

| | Note | Group | | Authority | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| Assets | | P | P | P | P |
| Non-Current Assets | | | | | |
| Investment property | 3 | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |
| Property, plant and equipment | 4 | 100,887,987 | 111,275,189 | 100,396,778 | 111,261,399 |
| | | 114,987,987 | 121,375,189 | 114,496,778 | 121,361,399 |
| Current Assets | | | | | |
| Tax receivable | | 156,132 | 203,477 | 156,132 | 203,477 |
| Trade and other receivables | 6 | 69,391,285 | 55,002,420 | 50,347,361 | 40,892,643 |
| Cash and cash equivalents | 7 | 747,242,803 | 483,628,100 | 222,939,343 | 214,564,988 |
| | | 816,790,220 | 538,833,997 | 273,442,836 | 255,661,109 |
| Total Assets | | 931,778,207 | 660,209,186 | 387,939,614 | 377,022,507 |
| Equity and Liabilities | | | | | |
| Equity | | | | | |
| Accumulated surplus | | 629,376,220 | 592,586,590 | 332,228,026 | 322,228,026 |
| Universal Access and Service Fund | 9 | 29,327,367 | 27,456,059 | - | - |
| | | 658,703,587 | 620,042,649 | 332,228,026 | 322,228,026 |
| Liabilities | | | | | |
| Non-current Liabilities | | | | | |
| Deferred tax liability | 8 | 4,178,537 | 2,803,473 | 4,178,537 | 2,803,473 |
| Current Liabilities | | | | | |
| Trade and other payables | 10 | 268,896,083 | 37,363,064 | 22,205,684 | 24,534,949 |
| Universal Access and Service Fund Trust | 9 | - | - | 29,327,367 | 27,456,059 |
| | | 268,896,083 | 37,363,064 | 51,533,051 | 51,991,008 |
| Total Equity and Liabilities | | 931,778,207 | 660,209,186 | 387,939,614 | 377,022,507 |

CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

| | Note | Group | | Authority | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | P | P | P | P |
| Revenue | 12 | 185,855,719 | 181,154,639 | 141,775,120 | 133,361,667 |
| Other income | | 2,333,840 | 2,150,167 | 2,111,427 | 2,146,662 |
| Operating expenses | 13 | (165,325,536) | (164,647,953) | (118,922,323) | (114,357,862) |
| Surplus for the year before finance income | 14 | 22,864,023 | 18,656,853 | 24,964,224 | 21,150,467 |
| Finance income | 15 | 19,984,930 | 15,476,061 | 8,551,158 | 7,151,661 |
| Fair value adjustments | 3 | 4,000,000 | - | 4,000,000 | - |
| Surplus for the year before tax | | 46,848,953 | 34,132,914 | 37,515,382 | 28,302,128 |
| Taxation | 16 | (8,188,015) | (6,673,894) | (8,188,015) | (6,673,894) |
| Surplus for the year | | 38,660,938 | 27,459,020 | 29,327,367 | 21,628,234 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the year | | 38,660,938 | 27,459,020 | 29,327,367 | 21,628,234 |

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 March 2022

| | Note | Group | | Authority | |
|---|------|--------------------|--------------------|---------------------|---------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | P | P | P | P |
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | 253,871,882 | 55,438,224 | 26,962,534 | 41,819,811 |
| Tax paid | | (6,765,607) | (6,615,129) | (6,765,607) | (6,615,129) |
| Net cash generated from operating activities | | 247,106,275 | 48,823,095 | 20,196,927 | 35,204,682 |
| Cash flows from investing activities | | | | | |
| Interest received | 15 | 19,984,930 | 15,476,061 | 8,551,158 | 7,151,661 |
| Purchase of property, plant and equipment | 4 | (3,865,570) | (6,971,890) | (3,306,739) | (6,903,844) |
| Sale of property, plant and equipment | | 389,068 | 307,674 | 389,068 | 307,674 |
| Net cash generated from/(used in) investing activities | | 16,508,428 | 8,811,845 | 5,633,487 | 555,491 |
| Cash flows from financing activities | | | | | |
| Amount paid to Universal Access and Service Fund Trust | | - | - | (17,456,059) | (15,457,202) |
| Net cash used in financing activities | | - | - | (17,456,059) | (15,457,202) |
| Total cash and cash equivalents movement for the year | | 263,614,703 | 57,634,940 | 8,374,355 | 20,302,971 |
| Cash and cash equivalents at beginning of the year | | 483,628,100 | 425,993,160 | 214,564,988 | 194,262,017 |
| Total cash and cash equivalents at end of year | 7 | 747,242,803 | 483,628,100 | 222,939,343 | 214,564,988 |

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2022

| | Group | | | |
|---|--|-------------------|------------------------|--------------------|
| | Surplus allocated towards Universal Access and Service Fund | Total Reserves | Accumulated Surplus | Total Equity |
| | P | P | P | P |
| Balance as at 01 April 2020 | 21,285,027 | 21,285,027 | 571,298,602 | 592,583,629 |
| Surplus for the year | - | - | 27,459,020 | 27,459,020 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 27,459,020 | 27,459,020 |
| Excess of income over expenditure paid to the Universal Access and Service Fund Trust | (15,457,202) | (15,457,202) | 15,457,202 | - |
| Transferred from accumulated surplus | 21,628,234 | 21,628,234 | (21,628,234) | - |
| Total transactions with owners | 6,171,032 | 6,171,032 | (6,171,032) | - |
| Balance as at 31 March 2021 | 27,456,059 | 27,456,059 | 592,586,590 | 620,042,649 |
| Note(s) | 9 | | | |
| Balance at 01 April 2021 | 27,456,059 | 27,456,059 | 592,586,590 | 620,042,649 |
| Surplus for the year | - | - | 38,660,938 | 38,660,938 |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | - | - | 38,660,938 | 38,660,938 |
| Excess of income over expenditure paid to the Universal Access and Service Fund Trust | (17,456,059) | (17,456,059) | 17,456,059 | - |
| Transferred to accumulated surplus for utilisation in operating activities as approved by the Minsiter under section 29 (4) | (10,000,000) | (10,000,000) | 10,000,000 | - |
| Transfer from accumulated surplus | 29,327,367 | 29,327,367 | (29,327,367) | - |
| Total transactions with owners | 1,871,308 | 1,871,308 | (1,871,308) | - |
| Balance as at 31 March 2022 | 29,327,367 | 29,327,367 | 629,376,220 | 658,703,587 |
| Note(s) | 9 | | | |

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2022

| | Authority | |
|---|------------------------|---------------------|
| | Accumulated Surplus | Total Equity |
| | P | P |
| Balance at 01 April 2020 | 322,228,026 | 322,228,026 |
| Surplus for the year | 21,628,234 | 21,628,234 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 21,628,234 | 21,628,234 |
| Excess of income over expenditure allocated to the Universal Access and Service Fund Trust | (21,628,234) | (21,628,234) |
| Total transactions with owners | (21,628,234) | (21,628,234) |
| Balance as at 31 March 2021 | 322,228,026 | 322,228,026 |
| Balance at 01 April 2021 | 322,228,026 | 322,228,026 |
| Surplus for the year | 29,327,367 | 29,327,367 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | 29,327,367 | 29,327,367 |
| Excess of income over expenditure allocated to the Universal Access and Service Fund Trust | (29,327,367) | (29,327,367) |
| Transferred to accumulated surplus for utilisation in operating activities as approved by the Minsiter under section 29 (4) | 10,000,000 | 10,000,000 |
| Total transactions with owners | (19,327,367) | (19,327,367) |
| Balance as at 31 March 2022 | 332,228,026 | 332,228,026 |

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 90 to 121 have been approved and authorised for issue by the Board Members on 27 September 2022.

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.

Accounting Policies (continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets (continued)

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

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

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

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

Measurement and recognition of expected credit losses

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

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

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

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

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

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.

Accounting Policies (continued)

1.2 Consolidation (continued)

Subsidiaries (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in statement of comprehensive income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transactions eliminated on consolidation

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

1.3 Investment property

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

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

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

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net 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.

Accounting Policies (continued)

1.5 Financial instruments (continued)

Off-setting financial instruments (continued)

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
- 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

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.

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;

Accounting Policies (continued)

1.11 Revenue from contracts with customers (continued)

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.

Accounting Policies (continued)

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.

3. New standards and interpretations

a) Standards, amendments and interpretations not relevant to the Group and Authority but effective for 31 March 2022 year end.

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment (effective on or after 1 June 2020).

The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment (effective on or after 1 April 2021).

On 31 March 2021, the IASB published an additional amendment to extend the date of the May 2020 practical expedient from 30 June 2021 to 30 June 2022. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2) (effective on or after 1 January 2021).

The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.

b) Standards, amendments and interpretations relevant to the Group and Authority and not effective for 31 March 2022 year end

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

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

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

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

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

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

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

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

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

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

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

The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

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

Accounting Policies (continued)

3. New standards and interpretations (continued)

b) Standards, amendments and interpretations relevant to the Group and Authority and not effective for 31 March 2022 year end (continued)

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

These amendments include minor changes to:

- IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS.
- IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation.
- IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.

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

c) Standards, amendments and interpretations not relevant to the Group and Authority and not effective for 31 March 2022 year end.

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

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

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

Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of 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.

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

| | Group | | Authority | |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 3. Investment property | | | | |
| Investment property | | | | |
| Valuation | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |
| Carrying value | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |
| Investment property | | | | |
| Opening balance | 10,100,000 | 10,100,000 | 10,100,000 | 10,100,000 |
| Fair value adjustment | 4,000,000 | - | 4,000,000 | - |
| Closing balance | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |

Group and Authority Details of valuation

A valuation of the investment properties was performed on 25 May 2022 by an independent professional valuer, Curtis Matobolo Bsc (Hons) MRICS MREIB of Knight Frank. The valuation is based on International Valuation Standards and was informed by recent market data on similar properties transacted on an arm's length basis.

| | Group | | Authority | |
|--|-----------|----------|-----------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Amounts recognised in surplus or deficit for the year | | | | |
| Rental income from investment property | 495,495 | 478,979 | 495,495 | 478,979 |
| Repairs and maintenance of the investment property | (404,847) | (75,316) | (404,847) | (75,316) |

Notes to the Consolidated and Separate Financial Statements (continued)

4. Property, Plant and Equipment

| Group | 2022 | | | 2021 | | |
|----------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Cost | Accumulated Depreciation | Carrying Value | Cost | Accumulated Depreciation | Carrying Value |
| | P | P | P | P | P | P |
| Buildings | 62,226,597 | (13,959,325) | 48,267,272 | 62,604,830 | (12,758,693) | 49,846,137 |
| Furniture and fixtures | 16,536,378 | (13,518,139) | 3,018,239 | 15,523,997 | (12,667,534) | 2,856,463 |
| IT equipment | 13,976,149 | (13,211,400) | 764,749 | 13,250,037 | (12,899,912) | 350,125 |
| Land | 2,135,700 | - | 2,135,700 | 2,135,700 | - | 2,135,700 |
| Motor vehicles | 11,578,093 | (7,118,899) | 4,459,194 | 10,377,594 | (6,411,217) | 3,966,377 |
| Office equipment | 14,164,918 | (13,632,342) | 532,576 | 13,827,596 | (13,397,717) | 429,879 |
| Technical equipment (ASMS) | 152,111,681 | (113,931,190) | 38,180,491 | 152,111,681 | (104,406,190) | 47,705,491 |
| Capital work-in-progress | 3,529,766 | - | 3,529,766 | 3,985,017 | - | 3,985,017 |
| Total | 276,259,282 | (175,371,295) | 100,887,987 | 273,816,452 | (162,541,263) | 111,275,189 |

Reconciliation of Property, Plant and Equipment - 2022

| | Opening Balance | Additions | Adjustments / Transfers | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|------------------|-------------------------|-----------------------|---------------------|--------------------|
| | P | P | P | P | P | P |
| Buildings | 49,846,137 | 119,133 | (497,366) | - | (1,200,632) | 48,267,272 |
| Furniture and fixtures | 2,856,463 | 1,071,192 | - | (1,250) | (908,166) | 3,018,239 |
| IT equipment | 350,125 | 793,547 | - | (4,936) | (373,987) | 764,749 |
| Land | 2,135,700 | - | - | - | - | 2,135,700 |
| Motor vehicles | 3,966,377 | 2,496,993 | - | - | (2,004,176) | 4,459,194 |
| Office equipment | 429,879 | 337,322 | - | - | (234,625) | 532,576 |
| Technical equipment (ASMS) | 47,705,491 | - | - | - | (9,525,000) | 38,180,491 |
| Capital work in progress | 3,985,017 | - | (455,251) | - | - | 3,529,766 |
| Total | 111,275,189 | 4,818,187 | (952,617) | (6,186) | (14,246,586) | 100,887,987 |

Reconciliation of Property, Plant and Equipment - 2021

| | Opening Balance | Additions | Adjustments / Transfers | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|-------------------|-------------------------|-----------------------|---------------------|--------------------|
| | P | P | P | P | P | P |
| Buildings | 43,296,358 | 7,592,350 | - | - | (1,042,571) | 49,846,137 |
| Furniture and fixtures | 3,153,259 | 1,289,642 | - | (4,119) | (1,582,319) | 2,856,463 |
| IT equipment | 1,039,345 | 354,183 | - | - | (1,043,403) | 350,125 |
| Land | 2,135,700 | - | - | - | - | 2,135,700 |
| Motor vehicles | 3,645,859 | 2,001,943 | - | - | (1,681,425) | 3,966,377 |
| Office equipment | 289,866 | 262,624 | - | - | (122,611) | 429,879 |
| Technical equipment (ASMS) | 57,184,300 | 51,025 | - | - | (9,529,834) | 47,705,491 |
| Capital work in progress | 8,564,894 | - | (4,579,877) | - | - | 3,985,017 |
| Total | 119,309,581 | 11,551,767 | (4,579,877) | (4,119) | (15,002,163) | 111,275,189 |

Notes to the Consolidated and Separate Financial Statements (continued)

4. Property, Plant and Equipment (continued)

| Authority | 2022 | | | 2021 | | |
|----------------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|
| | Cost | Accumulated Depreciation | Carrying Value | Cost | Accumulated Depreciation | Carrying Value |
| | P | P | P | P | P | P |
| Buildings | 62,226,597 | (13,959,325) | 48,267,272 | 62,604,830 | (12,758,693) | 49,846,137 |
| Furniture and fixtures | 16,536,378 | (13,518,139) | 3,018,239 | 15,523,997 | (12,667,534) | 2,856,463 |
| IT equipment | 13,728,330 | (12,965,813) | 762,517 | 13,002,218 | (12,665,883) | 336,335 |
| Land | 2,135,700 | - | 2,135,700 | 2,135,700 | - | 2,135,700 |
| Motor vehicles | 9,954,185 | (5,983,968) | 3,970,217 | 9,312,517 | (5,346,140) | 3,966,377 |
| Office equipment | 14,164,918 | (13,632,342) | 532,576 | 13,827,596 | (13,397,717) | 429,879 |
| Technical equipment (ASMS) | 152,111,681 | (113,931,190) | 38,180,491 | 152,111,681 | (104,406,190) | 47,705,491 |
| Capital work-in-progress | 3,529,766 | - | 3,529,766 | 3,985,017 | - | 3,985,017 |
| Total | 274,387,555 | (173,990,777) | 100,396,778 | 272,503,556 | (161,242,157) | 111,261,399 |

Reconciliation of Property, Plant and Equipment - 2022

| | Opening Balance | Additions | Adjustments / Transfers | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|------------------|-------------------------|-----------------------|---------------------|--------------------|
| | P | P | P | P | P | P |
| Buildings | 49,846,137 | 119,133 | (497,366) | - | (1,200,632) | 48,267,272 |
| Furniture and fixtures | 2,856,463 | 1,071,192 | - | (1,250) | (908,166) | 3,018,239 |
| IT equipment | 336,335 | 793,547 | - | (4,936) | (362,429) | 762,517 |
| Land | 2,135,700 | - | - | - | - | 2,135,700 |
| Motor vehicles | 3,966,377 | 1,938,162 | - | - | (1,934,322) | 3,970,217 |
| Office equipment | 429,879 | 337,322 | - | - | (234,625) | 532,576 |
| Technical equipment (ASMS) | 47,705,491 | - | - | - | (9,525,000) | 38,180,491 |
| Capital work in progress | 3,985,017 | - | (455,251) | - | - | 3,529,766 |
| Total | 111,261,399 | 4,259,356 | (952,617) | (6,186) | (14,165,174) | 100,396,778 |

Reconciliation of Property, Plant and Equipment - 2021

| | Opening Balance | Additions | Adjustments / Transfers | Disposals / Write-off | Depreciation | Total |
|----------------------------|--------------------|-------------------|-------------------------|-----------------------|---------------------|--------------------|
| | P | P | P | P | P | P |
| Buildings | 43,296,358 | 7,592,350 | - | - | (1,042,571) | 49,846,137 |
| Furniture and fixtures | 3,153,259 | 1,289,642 | - | (4,119) | (1,582,319) | 2,856,463 |
| IT equipment | 1,028,660 | 286,137 | - | - | (978,462) | 336,335 |
| Land | 2,135,700 | - | - | - | - | 2,135,700 |
| Motor vehicles | 3,645,859 | 2,001,943 | - | - | (1,681,425) | 3,966,377 |
| Office equipment | 289,866 | 262,624 | - | - | (122,611) | 429,879 |
| Technical equipment (ASMS) | 57,184,300 | 51,025 | - | - | (9,529,834) | 47,705,491 |
| Capital work in progress | 8,564,894 | - | (4,579,877) | - | - | 3,985,017 |
| Total | 119,298,896 | 11,483,721 | (4,579,877) | (4,119) | (14,937,222) | 111,261,399 |

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 5. Financial assets by category | | | | |
| Financial assets at amortised cost | | | | |
| Trade and other receivables | 66,263,864 | 52,693,554 | 47,394,703 | 38,705,164 |
| Cash and cash equivalents | 747,242,803 | 483,628,100 | 222,939,343 | 214,564,988 |
| | 813,506,667 | 536,321,654 | 270,334,046 | 253,270,152 |

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

Credit quality of financial assets

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

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

| | | Group | | Authority | |
|--------------------------------------|----------------|-------------|-------------|-------------|-------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | P | P | P | P |
| Trade receivables | Ratings | | | | |
| | Group 1 | - | - | - | - |
| | Group 2 | 51,988,103 | 34,933,784 | 39,401,062 | 23,343,147 |
| Receivable from CRASA | Not rated | 17,834 | 17,834 | 17,834 | 17,834 |
| Staff debtors | Not rated | 280,096 | 73,103 | 280,096 | 73,103 |
| Cash at bank and Short-term deposits | Not rated | 747,240,803 | 483,626,100 | 222,937,343 | 214,562,988 |
| Deposits | Not rated | - | 54,007 | - | 54,007 |
| Other receivables | Not rated | 10,384,747 | 2,945,297 | 8,258,049 | 2,106,045 |

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)

| | Group | | Authority | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 6. Trade and other receivables | | | | |
| Trade receivables | 59,155,843 | 53,199,545 | 42,295,940 | 39,597,639 |
| Less: Impairment | (3,101,037) | (3,122,613) | (2,983,597) | (2,669,845) |
| Trade receivables (net) | 56,054,806 | 50,076,932 | 39,312,343 | 36,927,794 |
| Other receivables | 10,384,747 | 2,945,297 | 8,258,049 | 2,106,045 |
| Deposits | - | 54,007 | - | 54,007 |
| Staff debtors | 280,096 | 73,103 | 280,096 | 73,103 |
| Receivable from CRASA | 17,834 | 17,834 | 17,834 | 17,834 |
| Prepayments | 3,127,421 | 2,308,866 | 2,952,658 | 2,187,479 |
| less impairment on other receivables | (473,619) | (473,619) | (473,619) | (473,619) |
| Total other receivables (net) | 13,336,479 | 4,925,488 | 11,035,018 | 3,964,849 |
| Total receivables and other receivables (net) | 69,391,285 | 55,002,420 | 50,347,361 | 40,892,643 |
| Trade debtors are unsecured and do not attract interest. | | | | |
| Trade receivables which are fully performing | 51,988,103 | 34,933,784 | 39,401,062 | 23,343,147 |

Exposure to credit risk

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

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

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

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

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

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

The Authority's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit loss is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision has been disclosed in page 109.

Notes to the Consolidated and Separate Financial Statements (continued)

6. Trade and other receivables (continued)

| Group | 2022 | 2022 | 2021 | 2021 |
|----------------------------------|--|--|--|--|
| | 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 | 49,219,905 | 37,087 | 30,333,333 | 72,675 |
| 1-30 days | 2,768,198 | 16,930 | 4,600,451 | 8,605 |
| Fully performing | 51,988,103 | 54,017 | 34,933,784 | 81,280 |
| 31-60 days | 3,802,823 | 7,667 | 6,051,338 | 47,284 |
| 61-90 days | 780 | 261 | 4,475,808 | 48,004 |
| Past due but not impaired | 3,803,603 | 7,928 | 10,527,146 | 95,288 |
| Over 90 days - impaired | 3,364,137 | 3,039,092 | 7,738,615 | 2,946,045 |
| Total | 59,155,843 | 3,101,037 | 53,199,545 | 3,122,613 |

| Authority | 2022 | 2022 | 2021 | 2021 |
|----------------------------------|--|--|--|--|
| | 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 | 39,298,585 | 34,587 | 22,355,779 | 69,590 |
| 1-30 days | 102,477 | 16,930 | 987,368 | 8,329 |
| Fully performing | 39,401,062 | 51,517 | 23,343,147 | 77,919 |
| 31-60 days | 23,569 | 4,346 | 6,024,932 | 47,284 |
| 61-90 days | 780 | 261 | 3,521,094 | 30,716 |
| Past due but not impaired | 24,349 | 4,607 | 9,546,026 | 78,000 |
| Over 90 days - impaired | 2,870,528 | 2,927,473 | 6,708,466 | 2,513,926 |
| Total | 42,295,940 | 2,983,597 | 39,597,639 | 2,669,845 |

Notes to the Consolidated and Separate Financial Statements (continued)

6. Trade and other receivables (continued)

Movement in the loss allowance for trade receivables

| | Group | | Authority | |
|------------------------------|------------------|------------------|------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Opening impairment allowance | 3,122,612 | 3,826,642 | 2,669,845 | 2,857,172 |
| Provision for the year | 6,463 | (309,311) | 341,790 | 207,392 |
| Reversal during the year | (28,038) | (394,719) | (28,038) | (394,719) |
| | 3,101,037 | 3,122,612 | 2,983,597 | 2,669,845 |

Movement in the loss allowance for other receivables

| | Group | | Authority | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Opening impairment allowance | 473,619 | 235,129 | 473,619 | 235,129 |
| Reversal/Provision for the year | - | 238,490 | - | 238,490 |
| | 473,619 | 473,619 | 473,619 | 473,619 |

Trade Receivables: Expected Credit loss Default Rates (%)

| Date | Current | 1 - 30 Past due | 31 - 60 Past due | 61 - 90 Past due | Over 90 Past due |
|-----------|---------|-----------------|------------------|------------------|------------------|
| 31-Mar-21 | 7.15% | 12.12% | 18.29% | 31.98% | 100% |
| 31-Mar-22 | 7.37% | 13.06% | 18.94% | 32.68% | 100% |

| | Group | | Authority | |
|---------------------|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Cash on hand | 2,000 | 2,000 | 2,000 | 2,000 |
| Bank balances | 298,892,658 | 64,433,569 | 20,667,832 | 30,155,184 |
| Short-term deposits | 448,348,145 | 419,192,531 | 202,269,511 | 184,407,804 |
| | 747,242,803 | 483,628,100 | 222,939,343 | 214,564,988 |

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 | 298,892,658 | 64,433,569 | 20,667,832 | 30,155,184 |
| Short-term deposits | 448,348,145 | 419,192,531 | 202,269,511 | 184,407,804 |
| | 747,242,803 | 483,628,100 | 222,939,343 | 214,564,988 |

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 8. Deferred tax | | | | |
| Deferred tax assets | 421,337 | 317,236 | 421,337 | 317,236 |
| Deferred tax liabilities | (4,599,873) | (3,120,709) | (4,599,873) | (3,120,709) |
| | (4,178,537) | (2,803,473) | (4,178,537) | (2,803,473) |
| Movement in deferred taxation | | | | |
| Deferred taxation at beginning of year | (2,803,473) | (2,047,109) | (2,803,473) | (2,047,109) |
| Charged to the statements of comprehensive income | (1,375,064) | (756,364) | (1,375,064) | (756,364) |
| Deferred taxation at end of year | (4,178,537) | (2,803,473) | (4,178,537) | (2,803,473) |
| Broken down as: | | | | |
| Provision for loss allowances | 12,347 | 86,770 | 12,347 | 86,770 |
| Deferred expenses | 408,990 | 230,466 | 408,990 | 230,466 |
| Differences in tax and accounting depreciation | (4,328,011) | (3,120,709) | (4,328,011) | (3,120,709) |
| Temporary difference on investment property | (271,863) | - | (271,863) | - |
| | (4,178,537) | (2,803,473) | (4,178,537) | (2,803,473) |

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

| | Group | | Authority | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 9. Universal Access and Service Fund | | | | |
| Opening balance | 27,456,059 | 21,285,027 | 27,456,059 | 21,285,027 |
| Funds set aside for utilisation in operating activities | (10,000,000) | - | (10,000,000) | - |
| Transfer from accumulated surplus | 29,327,367 | 21,628,234 | - | - |
| Amount paid during the year to Universal Access and Service Fund Trust | (17,456,059) | (15,457,202) | (17,456,059) | (15,457,202) |
| Excess of income over expenditure allocated to the Universal Access and Service Fund Trust | - | - | 29,327,367 | 21,628,234 |
| Closing balance | 29,327,367 | 27,456,059 | 29,327,367 | 27,456,059 |

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

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

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

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|--|--------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 10. Trade and other payables | | | | |
| Trade payables | 2,067,466 | 2,590,778 | 2,067,466 | 2,590,778 |
| VAT payable | 995,011 | 1,454,100 | 995,011 | 1,454,100 |
| Employee related provisions (Note 10a) | 8,179,852 | 10,987,776 | 8,179,852 | 10,987,776 |
| Other accrued expenses | 5,565,695 | 7,574,677 | 5,565,695 | 7,574,677 |
| Deposits received | 189,253 | 102,447 | 189,253 | 102,447 |
| Other payables | 21,786,770 | 14,653,286 | 5,208,407 | 1,825,171 |
| Payable to Botswana Government | 230,112,036 | - | - | - |
| | 268,896,083 | 37,363,064 | 22,205,684 | 24,534,949 |

10a. Employee related provisions

| | Group | | | Authority | | |
|-------------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|
| | Gratuity | Leave | Total | Gratuity | Leave | Total |
| | P | P | P | P | P | P |
| 2022 | | | | | | |
| Opening balance | 3,886,207 | 7,101,569 | 10,987,776 | 3,886,207 | 7,101,569 | 10,987,776 |
| During the year charge | 1,287,869 | 3,138,106 | 4,425,975 | 1,287,869 | 3,138,106 | 4,425,975 |
| Payment during the year | (4,687,081) | (2,546,819) | (7,233,899) | (4,687,081) | (2,546,819) | (7,233,899) |
| Closing balance | 486,996 | 7,692,856 | 8,179,852 | 486,996 | 7,692,856 | 8,179,852 |
| | Group | | | Authority | | |
| | Gratuity | Leave | Total | Gratuity | Leave | Total |
| | P | P | P | P | P | P |
| 2021 | | | | | | |
| Opening balance | 1,402,935 | 7,788,652 | 9,191,587 | 1,402,935 | 7,788,652 | 9,191,587 |
| During the year charge | 2,642,397 | 2,591,951 | 5,234,348 | 2,642,397 | 2,591,951 | 5,234,348 |
| Payment during the year | (159,125) | (3,279,034) | (3,438,159) | (159,125) | (3,279,034) | (3,438,159) |
| Closing balance | 3,886,207 | 7,101,569 | 10,987,776 | 3,886,207 | 7,101,569 | 10,987,776 |

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 | |
|--|--------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Financial liabilities at amortised cost | | | | |
| Universal Access and Service Fund Trust | - | - | 29,327,367 | 27,456,059 |
| Trade and other payables | 259,721,220 | 24,921,188 | 13,030,821 | 12,093,073 |
| | 259,721,220 | 24,921,188 | 42,358,188 | 39,549,132 |

Notes to the Consolidated and Separate Financial Statements (continued)

| | Note | Group | | Authority | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | 2022 | 2021 | 2022 | 2021 |
| | | P | P | P | P |
| 12. Revenue | | | | | |
| Turnover fees - Telecommunications | | 102,895,472 | 98,081,080 | 102,895,472 | 98,081,080 |
| Turnover fees - Postal | | 1,174,133 | 1,851,909 | 1,174,133 | 1,851,909 |
| Turnover fees - Broadcasting | | 1,136,167 | 964,993 | 1,136,167 | 964,993 |
| Radio license fees | | 22,630,899 | 19,444,948 | 22,630,899 | 19,444,948 |
| System license fees | | 9,715,644 | 9,398,129 | 9,715,644 | 9,398,129 |
| Service license fees | | 2,199,833 | 2,339,737 | 2,199,833 | 2,339,737 |
| UASF Levy | | 44,080,599 | 47,792,972 | - | - |
| Domain name fees & Type approval fees | | 2,022,972 | 1,280,871 | 2,022,972 | 1,280,871 |
| | | 185,855,719 | 181,154,639 | 141,775,120 | 133,361,667 |
| 13. Operating expenses | | | | | |
| Major categories of operating expenses: | | | | | |
| Employee costs | 14(a) | 59,592,194 | 59,339,003 | 59,592,194 | 59,339,003 |
| Depreciation | 4 | 14,246,586 | 15,002,163 | 14,165,174 | 14,937,222 |
| Impairment reversal/(charge) on trade receivables | | 6,463 | (309,311) | 341,790 | 207,392 |
| Impairment charge on other receivables | | - | 238,490 | - | 238,490 |
| Consulting and professional fees | | 6,880,665 | 4,995,667 | 4,180,658 | 4,995,667 |
| Project expenses | | 40,574,441 | 49,199,544 | - | - |
| Conference expenses | | 2,182,296 | 514,879 | 2,182,296 | 514,879 |
| Travel expenses | | 1,439,443 | 1,225,225 | 1,439,443 | 1,225,225 |
| Repairs and maintenance | | 4,085,453 | 5,287,658 | 4,085,453 | 5,287,658 |
| Security charges | | 2,026,710 | 2,233,945 | 2,026,710 | 2,233,945 |
| Training | | 6,360,986 | 4,025,309 | 6,360,986 | 4,025,309 |
| Internet charges | | 3,595,684 | 4,981,002 | 3,595,684 | 4,981,002 |
| Advertising | | 5,137,434 | 2,794,532 | 4,146,103 | 2,472,972 |
| Donations | | 1,462,071 | 550,480 | 392,891 | 550,480 |
| Board expenses | | 972,413 | 712,120 | 624,642 | 370,684 |
| Legal expenses | | 114,372 | 329,633 | 114,372 | 329,633 |
| Computer expenses | | 5,945,161 | 3,761,596 | 5,931,062 | 3,741,436 |
| Printing & Stationary | | 832,229 | 654,383 | 832,229 | 556,589 |
| Staff welfare | | 2,206,964 | 1,714,898 | 2,206,964 | 1,714,898 |
| Subscriptions | | 1,383,112 | 1,362,841 | 1,383,112 | 1,362,841 |
| Utilities | | 1,332,925 | 1,512,812 | 1,332,925 | 1,512,812 |
| Other expenses | | 4,947,934 | 5,175,467 | 3,987,635 | 3,759,725 |
| | | 165,325,536 | 165,302,336 | 118,922,323 | 114,357,862 |

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | 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 | 382,882 | 303,555 | 382,882 | 303,555 |
| Depreciation on property, plant and equipment | 14,246,586 | 15,002,163 | 14,165,174 | 14,937,222 |
| Project expenses | 40,574,441 | 49,199,544 | - | - |
| Consulting fees | 6,880,665 | 4,995,667 | 4,180,658 | 4,995,667 |
| Employee costs (refer note (a) below) | 59,592,194 | 59,339,003 | 59,592,194 | 59,339,003 |
| (a) Employee costs: | | | | |
| Salary and wages | 41,911,955 | 41,645,375 | 41,911,955 | 41,645,375 |
| Pension - defined contribution plan | 5,794,525 | 5,724,373 | 5,794,525 | 5,724,373 |
| Other employee benefits | 11,885,715 | 11,969,255 | 11,885,715 | 11,969,255 |
| | 59,592,194 | 59,339,003 | 59,592,194 | 59,339,003 |
| Average number of employees | 102 | 100 | 102 | 100 |
| 15. Finance income | | | | |
| Bank | 161,543 | 235,616 | 21,678 | 17,212 |
| Income from short-term investments | 19,823,387 | 15,240,445 | 8,529,480 | 7,134,449 |
| | 19,984,930 | 15,476,061 | 8,551,158 | 7,151,661 |
| 16. Taxation | | | | |
| Current tax: | | | | |
| Basic tax at 22% (2020: 22%) | 6,812,951 | 5,917,530 | 6,812,951 | 5,917,530 |
| Deferred income tax: | | | | |
| Temporary differences | 1,375,064 | 756,364 | 1,375,064 | 756,364 |
| Income tax expense | 8,188,015 | 6,673,894 | 8,188,015 | 6,673,894 |
| 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 | 46,848,953 | 34,132,914 | 37,515,382 | 28,302,128 |
| Tax calculated at applicable tax rates of 22% | 10,306,770 | 7,509,241 | 8,253,384 | 6,226,468 |
| Tax effects of: | | | | |
| - Expenses not deductible for tax purposes | 754,876 | 477,782 | 754,876 | 477,782 |
| Timing differences not recognised in the previous year | - | (30,356) | - | (30,356) |
| Income not chargeable for tax purposes | (2,053,386) | (1,282,773) | (880,000) | - |
| Income tax expense | 9,008,260 | 6,673,894 | 8,128,260 | 6,673,894 |

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|--|--------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| 17. Auditors' remuneration | | | | |
| Fees | 303,381 | 439,079 | 219,354 | 362,206 |
| 18. Cash generated from operations | | | | |
| Surplus for the year before tax | 46,848,953 | 34,132,914 | 37,515,382 | 28,302,128 |
| Adjustments for: | | | | |
| Depreciation | 14,246,586 | 15,002,163 | 14,165,174 | 14,937,222 |
| Profit on sale of assets | (382,882) | (303,555) | (382,882) | (303,555) |
| Interest received | (19,984,930) | (15,476,061) | (8,551,159) | (7,151,661) |
| Fair value adjustments | (4,000,000) | - | (4,000,000) | - |
| Changes in working capital: | | | | |
| Trade and other receivables | (14,388,865) | 12,940,928 | (9,454,718) | 5,086,727 |
| Trade and other payables | 231,533,020 | 9,141,835 | (2,329,263) | 948,950 |
| | 253,871,882 | 55,438,224 | 26,962,534 | 41,819,811 |
| 19. Commitments | | | | |
| 19.1. Authorised capital expenditure for property, plant and equipment | | | | |
| - already contracted for | 6,545,000 | 5,395,827 | 6,545,000 | 5,395,827 |
| 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 | 230,684 | 2,657 | 230,684 | 2,657 |

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.

Notes to the Consolidated and Separate Financial Statements (continued)

20. Contingent Liabilities

The following matters are pending against the Authority:

| Claimant | Estimated loss amount | Reasons | Status |
|---|-----------------------|---|---|
| Mucheki Consultants vs BOCRA | | Litigation as a result of BOCRA's termination of contract | Date of settlement is unknown |
| Keeme-Nao Self Catering - vs BTCL & BOCRA | | Appeal of Ruling made in favor of BTCL | Expected date of settlement is September 2022 after arguments have been heard |

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

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 82

Members of Key Management

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

M. Mokgware (Chief Executive)

T. Kapaletswe (retired October 2021)

B. Mine

B. Luke

M. Setshwane

T. Mmoshe

P. Tladinyane

C. Phiase

J. Isa - Molwane

A. Nyelesi

T. Mogopa

Notes to the Consolidated and Separate Financial Statements (continued)

21. Related parties (continued)

| | Group | | Authority | |
|---|--------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Related party balances | | | | |
| Amounts included in Trade and other receivables/(Trade and other payables) regarding related parties as; | | | | |
| Botswana Telecommunications Corporation (Government owned) | 7,704,418 | 10,636,270 | 5,098,948 | 7,724,971 |
| Botswana Post (Government owned) | 1,346,829 | 1,564,676 | 173,248 | 1,120,369 |
| Botswana Fibre Network (Government owned) | 2,011,929 | 1,089,310 | 1,289,492 | (253,564) |
| Communications Regulators' Association of Southern Africa (CRASA) - BOCRA is CRASA Treasurer | 320,950 | 35,318 | 320,950 | 35,318 |
| Botswana Government | (230,112,036) | - | - | - |
| Other balances owing to related parties at year-end were: | | | | |
| Universal Access and Service Fund Trust (subsidiary) | - | - | 29,327,367 | 27,456,059 |
| The balance due to Universal Access and Service Fund Trust do not attract interest and do not have fixed payment terms. | | | | |
| Balance receivable from related party operators do not attract interest due within 30 days and are unsecured. | | | | |
| Impairment provision of P nil (2021: P238 490) was recognised on behalf of the related party receivables during the year. | | | | |
| Related party transactions | | | | |
| i) Board expenses | | | | |
| Sitting allowances | 515,790 | 417,150 | 341,190 | 246,150 |
| Travelling allowances | 86,839 | 8,460 | 86,839 | 6,985 |
| Cell phone allowances | 49,500 | 59,400 | 35,100 | 36,450 |
| Conferences expenses | 320,284 | 227,110 | 161,513 | 81,099 |
| | 972,413 | 712,120 | 624,642 | 370,684 |
| ii) Sale of services rendered | | | | |
| Botswana Telecommunications Corporation Limited | 42,777,554 | 45,904,017 | 31,269,842 | 31,956,541 |
| Botswana Post | 1,438,791 | 1,379,024 | 560,197 | 590,788 |
| Botswana Fibre Network | 8,988,919 | 9,378,071 | 6,249,811 | 6,288,146 |
| iii) Compensation to key management | | | | |
| Remuneration paid | 16,381,584 | 16,292,390 | 16,381,584 | 16,292,390 |
| Other long-term employee benefits | 1,911,724 | 2,506,001 | 1,911,724 | 2,506,001 |
| | 18,293,308 | 18,798,391 | 18,293,308 | 18,798,391 |
| iv) Amount received from Government for schools computerisation project | 228,895,478 | - | - | - |

Notes to the Consolidated and Separate Financial Statements (continued)

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.

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 |
|----------------------------|---------------------|--------------------------|
| | P | P |
| As at 31 March 2022 | | |
| Trade and other payables | 259,721,220 | - |
| As at 31 March 2021 | | |
| Trade and other payables | 24,921,188 | - |

Notes to the Consolidated and Separate Financial Statements (continued)

22.Risk management (continued)

Liquidity risk (continued)

| Authority | Less than 1 year | Between 1 and 2 years |
|---|---------------------|--------------------------|
| | P | P |
| As at 31 March 2022 | | |
| Trade and other payables | 13,030,821 | - |
| Universal Access and Service Fund Trust | 29,327,367 | - |
| | 42,358,188 | - |
| As at 31 March 2021 | | |
| Trade and other payables | 12,093,073 | - |
| Universal Access and Service Fund Trust | 27,456,059 | - |
| | 39,549,132 | - |

Interest rate risk

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

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

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

Further, these deposits are due on demand. The deposits for the Group amount to P537 million (2021: P481 million) and for Authority amounts to P222 million (2021: P214 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.

| | | Group | Authority |
|--|--------------------------|------------------------------|------------------------------|
| | Current Interest Rate | Due in less than one year | Due in less than one year |
| | | P | P |
| Cash flow interest rate risk - 2022 | | | |
| Financial Instrument | | | |
| 3 months fixed deposits | 4.50% | 77,094,185 | 77,094,185 |
| 3 months fixed deposits | 5.50% | 51,551,382 | 51,551,382 |
| 3 months fixed deposits | 6.20% | 84,878,305 | - |
| Vunani Fund Managers | 5.40% | 234,824,273 | 73,623,944 |
| Call accounts | 0.025% to 1% | 274,960,085 | 20,822,533 |
| | | 723,308,230 | 223,092,044 |

Notes to the Consolidated and Separate Financial Statements (continued)

22.Risk management (continued)

Interest rate risk (continued)

| | | Group | Authority |
|--|-----------------------|---------------------------|---------------------------|
| | Current Interest Rate | Due in less than one year | Due in less than one year |
| | | P | P |
| Cash flow interest rate risk - 2021 | | | |
| Financial Instrument | | | |
| 3 months fixed deposits | 4.25% | 49,164,727 | 49,164,727 |
| 3 months fixed deposits | 4.10% | 65,087,616 | 65,087,616 |
| 3 months fixed deposits | 5.40% | 80,485,260 | - |
| Vunani Fund Managers | 4.62% | 224,454,928 | 70,155,461 |
| Call accounts | 0.025% to 1% | 62,138,776 | 30,049,929 |
| | | 481,331,307 | 214,457,733 |

At 31 March 2022, if the interest rates on interest bearing assets had increased / decreased by 0.5% with all other variables held constant, post-tax profit for the year would have been for the Group: P2 820,902 (2021: P1 877 192) and for the Authority: P870,059 (2021: P836 385) higher / lower, mainly as a result of interest income on interest bearing assets.

Credit risk

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

Year-end trade receivables comprise mainly of three major operators from the telecommunication sector, amounting to P53 million for Group (2021: P45.46 million) and P37 million (2021: P35.24 million) for the Authority.

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 and cash equivalents.

| | Group | | Authority | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Barclays Bank Botswana Limited | 82,440,643 | 13,632,829 | 82,440,643 | 13,632,829 |
| Stanbic Bank Botswana Limited | 32,081,517 | 32,081,517 | - | - |
| Bank of Baroda Botswana Limited | 51,564,074 | 65,100,276 | 51,564,074 | 65,100,276 |
| First National Bank of Botswana Limited | 15,243,174 | 16,504,402 | 15,243,174 | 16,504,402 |
| Standard Chartered Bank of Botswana Limited | 82,747,636 | 131,852,148 | 65,508 | 49,170,020 |
| Investment in Vunani Fund Managers | 227,923,411 | 224,454,928 | 73,623,944 | 70,155,461 |
| | 492,000,455 | 483,626,100 | 222,937,343 | 214,562,988 |

Foreign exchange risk

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

Notes to the Consolidated and Separate Financial Statements (continued)

| | Group | | Authority | |
|--|------------|------------|------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | 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 | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |
| The amounts shown above represents the level within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 March 2022. | | | | |
| The freehold property fair value information disclosed above is based on the independent valuers report. | | | | |
| The independent valuation was carried out on 25 May 2022. 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 14 100 000. | | | | |
| 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 | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Opening balance | 10,100,000 | 10,100,000 | 10,100,000 | 10,100,000 |
| - increase in fair value of investment property | 4,000,000 | - | 4,000,000 | - |
| Balance at 31 March 2022 | 14,100,000 | 10,100,000 | 14,100,000 | 10,100,000 |

24. Events after the reporting date

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

DETAILED INCOME STATEMENT

| | Group | | Authority | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Revenue | | | | |
| Turnover fees - Telecommunications | 102,895,472 | 98,081,080 | 102,895,472 | 98,081,080 |
| Turnover fees - Postal | 1,174,133 | 1,851,909 | 1,174,133 | 1,851,909 |
| Turnover fees - Broadcasting | 1,136,167 | 964,993 | 1,136,167 | 964,993 |
| Radio licence fees | 22,630,899 | 19,444,948 | 22,630,899 | 19,444,948 |
| System licence fees | 9,715,644 | 9,398,129 | 9,715,644 | 9,398,129 |
| Service licence fees | 2,199,833 | 2,339,737 | 2,199,833 | 2,339,737 |
| UASF Levy | 44,080,599 | 47,792,972 | - | - |
| Domain name fees & Type approval fees | 2,022,972 | 1,280,871 | 2,022,972 | 1,280,871 |
| | 185,855,719 | 181,154,639 | 141,775,120 | 133,361,667 |
| Other income | | | | |
| Gains on disposal of assets | 382,882 | 303,555 | 382,882 | 303,555 |
| Other income | 1,455,463 | 1,367,633 | 1,233,050 | 1,364,128 |
| Rental income | 495,495 | 478,979 | 495,495 | 478,979 |
| | 2,333,840 | 2,150,167 | 2,111,427 | 2,146,662 |
| Interest received | 19,984,930 | 15,476,061 | 8,551,158 | 7,151,661 |
| Fair value adjustments | 4,000,000 | - | 4,000,000 | - |
| | 23,984,930 | 15,476,061 | 12,551,158 | 7,151,661 |
| Total income | 212,174,489 | 198,780,867 | 156,437,705 | 142,659,990 |
| Expenses (refer to page 113) | (165,325,536) | (164,647,953) | (118,922,323) | (114,357,862) |
| Surplus for the year before tax | 46,848,952 | 34,132,914 | 37,515,382 | 28,302,128 |

The detailed income statement does not form part of the audit opinion expressed on page numbers 85 to 89

Detailed Income Statement (continued)

| | Group | | Authority | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 |
| | P | P | P | P |
| Operating expenses | | | | |
| Advertising | (5,137,434) | (2,794,532) | (4,146,103) | (2,472,972) |
| Assessment rates and municipal charges | (205,389) | (101,131) | (205,389) | (101,131) |
| Auditors remuneration | (303,381) | (439,079) | (219,354) | (362,206) |
| Impairment reversal/(charge) on trade receivables | (6,463) | 309,311 | (341,790) | (207,392) |
| Impairment charge on other receivables | - | (238,490) | - | (238,490) |
| Bank charges | (158,566) | (152,570) | (138,078) | (138,807) |
| Board expenses | (972,413) | (712,120) | (624,642) | (370,684) |
| CERT costs | - | (108,035) | - | (108,035) |
| Cleaning | (489,356) | (530,462) | (489,356) | (530,462) |
| Computer expenses | (5,945,161) | (3,761,596) | (5,931,062) | (3,741,436) |
| Conference expenses | (2,182,296) | (514,879) | (2,182,296) | (514,879) |
| Consulting and professional fees | (6,880,665) | (4,995,667) | (4,180,658) | (4,995,667) |
| Consumables | (1,990) | (6,991) | (1,990) | (6,991) |
| Depreciation, amortisation and impairments | (14,246,586) | (15,002,163) | (14,165,174) | (14,937,222) |
| Donations | (1,462,071) | (550,480) | (392,891) | (550,480) |
| Employee costs | (59,592,194) | (59,339,003) | (59,592,194) | (59,339,003) |
| Entertainment | (3,650) | (2,417) | - | (2,417) |
| Functions hosted by Authority | (796,010) | (153,894) | (796,010) | (125,614) |
| Insurance | (760,491) | (784,888) | (695,002) | (712,537) |
| Internet expenses | (3,595,684) | (4,981,002) | (3,595,684) | (4,981,002) |
| Legal expenses | (114,372) | (329,633) | (114,372) | (329,633) |
| Magazines, books and periodicals | (85,720) | (171,972) | (85,720) | (171,972) |
| Motor vehicle expenses | (424,611) | (239,782) | (314,695) | (120,955) |
| Other costs | (271,615) | - | (271,615) | - |
| Postage | (18,010) | (40,011) | (18,010) | (40,011) |
| Printing and Stationery | (832,229) | (654,383) | (832,229) | (556,589) |
| Project expenses | (40,574,441) | (49,199,544) | - | - |
| Protective clothing | (12,960) | (18,480) | (12,960) | (18,480) |
| QoS Monitoring Costs | 189,613 | (37,899) | 189,613 | (37,899) |
| Repairs and maintenance | (4,085,453) | (5,287,658) | (4,085,453) | (5,287,658) |
| Secretariat Costs | (676,728) | (451,265) | - | - |
| Security | (2,026,710) | (2,233,945) | (2,026,710) | (2,233,945) |
| Staff Recruitment expenses | - | (3,154) | - | (3,154) |
| Staff welfare | (2,206,964) | (1,714,898) | (2,206,964) | (1,714,898) |
| Subscriptions | (1,383,112) | (1,362,841) | (1,383,112) | (1,362,841) |
| Telephone and fax | (673,707) | (1,319,651) | (673,707) | (1,319,651) |
| Training | (6,360,986) | (4,025,309) | (6,360,986) | (4,025,309) |
| Training levy | (255,362) | 40,597 | (255,362) | 40,597 |
| Travel | (1,439,443) | (1,225,225) | (1,439,443) | (1,225,225) |
| Utilities | (1,332,925) | (1,512,812) | (1,332,925) | (1,512,812) |
| | (165,325,536) | (164,647,953) | (118,922,323) | (114,357,862) |

The detailed statement income statement does not form part of the audit opinion expressed on page numbers 85 and 89.

NOTES

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