



A Digitally Connected Nation

Universal Access and Service Fund Trust

Closing ICT Access Gap

ANNUAL | 2023
REPORT | 2024

CONTACTS

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Performance highlights and Impact

96%
Increase

Mar 2023- **117**
Mar 2024- **229**

Impact: Improved access to mobile networks for unserved and underserved communities.

Voice and Mobile Broadband (4G) Networks for Selected villages

Impact: Improved communication to tourism facilities and economic trade routes.

100%
Increase

Mar 2023- **1**
Mar 2024- **2**

Provision of ICT devices to places of national interest (Tsodilo hills heritage sites, Trans Kalahari Highway)

107%
Increase

Mar 2023- **197**
Mar 2024- **408**

Impact: Improved service delivery.

Broadband Internet for selected government facilities

- %
Increase

Mar 2023- **0**
Mar 2024- **4**

Postal services infrastructure

Impact: Increased access to postal services.

0%
Increase

Mar 2023- **4**
Mar 2024- **4**

ICT devices and Broadband Internet for centres for people with special needs

Impact: Improved access to communication services for people with special needs.

17%
Increase

Mar 2023- **75**
Mar 2024- **88**

Project completion rate(%)

Impact: Improved project management.

17%
Increase

Mar 2023- **82**
Mar 2024- **91**

Fund Performance (%)

Impact: Excellence in Action. Consistent high performance.

28%
Increase

Mar 2023- **163**
Mar 2024- **209**

Employment of IT officers to selected villages

Impact: Employment creation and increase in digital literacy.

32%
Increase

Mar 2023- **106**
Mar 2024- **140**

Commercial FM coverage

Impact: Diversity and plurality of broadcasting services which promotes an informed nation.

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Improve Public Awareness of the UASF

Improve Employee Performance Culture

UNIVERSAL CONNECTIVITY INITIATIVES

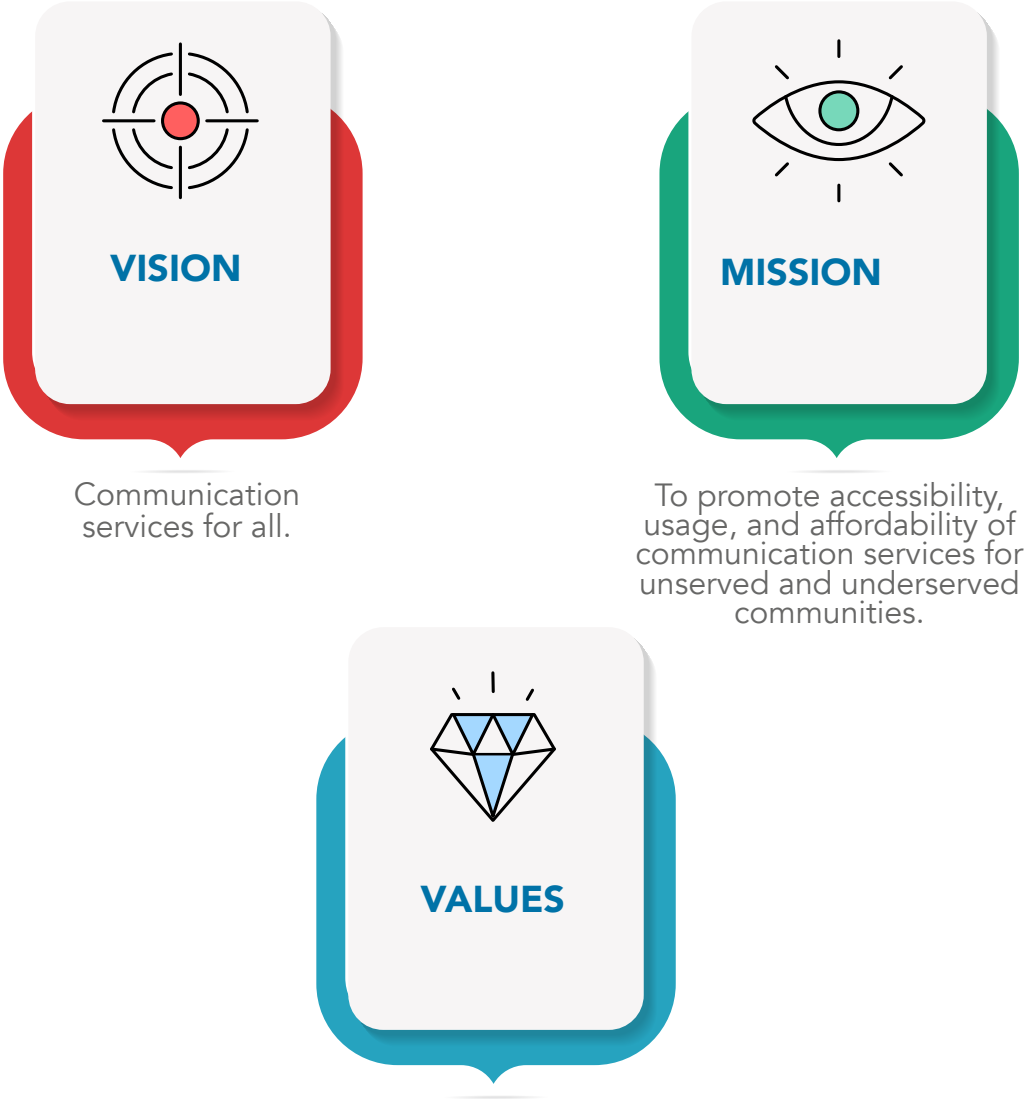
Provision of free broadband Internet for Government Schools, Health Centres, Dikgotla and Communities

Provision of free broadband Internet for Centres for Persons with Special Needs

Information Technology Officers (ITO) for Government Primary Schools

Local Content Development

Our Vision, Mission & Values



Transparency
We are open in the execution of our mandate. We avail and communicate the necessary information about our operations.

Accountability
We are responsible for our actions and decisions. We take due care and are prudent in the use of resources, adhering to best-practice governance principles.

Collaboration
We work closely with key stakeholders to ensure the execution of our mandate and successful project delivery.

Inclusiveness
We promote equality and diversity. We undertake initiatives that promote the provision of communication services to accommodate unserved and underserved communities.

Innovation
We use innovative solutions and business models to roll out communication services.

Mandate of the Fund

The Universal Access and Service Fund (UASF or The Fund/ Trust) is a development agency mandated to ensure the availability of communications services across the country, primarily focusing on unserved and underserved areas. Universal access and service are achieved through the provision of financial incentives such as subsidies and/or grants to service providers to reduce the cost of delivering services to unserved and underserved areas. A Manual of Operating Procedures provides guidance on the disbursement of financial incentives and overall running of the Fund.

The Fund collects a levy of 1% of the annual gross turnover for regulated services from selected licenced service providers in the communications sector. In addition, the Botswana Communications Regulatory Authority (BOCRA or the Authority) contributes its surplus funds to the UASF. BOCRA serves as the secretariat for the UASF. The Secretariat is responsible for collecting the UASF levy, in addition to availing its premises and employees for the daily running of the Fund.

The communications sector, which comprises telecommunications, Information and Communications Technologies (ICTs), internet, broadcasting, and postal, has shown tremendous growth over the years, with new products and services being introduced from time to time. Such market diversity has led to a more educated and aware consumer, raising the demand for enhanced products and services and improving the quality of service. The UASF seeks to ensure that developments in the communications sector are accessible to all consumers across the country.

Botswana is one of the most sparsely populated countries in the world, making it challenging to provide universal communications services. More than 70% of the country is covered by the Kalahari Desert, which stretches across several regions such as the Kgalagadi, Ghanzi, and Kweneng districts, including some parts of the central and southern districts.

The communities residing in desert areas are mostly underserved in terms of communications services, as service providers often deem the areas economically unviable. Other unserved or underserved areas with lower population densities are found in the northern parts of the country, characterised by swamps and salt pans. Farming ranches and tourism areas, such as wildlife reserves and national parks away from urban centres, have limited coverage of communication services. There are also underserved locations that require assistance within urban centres, making them vital areas of interest for the UASF.

Fundamental Guiding Principles

The UASF operates on a strategy implemented within a multi-stakeholder and commercial marketplace, following the broader policy objectives of the government. The Fund implements its mandate in line with the following fundamental principles:

Market Efficiency and Targeted Interventions

The Government of Botswana is committed to fostering efficient market operation, a fair competitive environment, overall sector expansion, and to removing any regulatory or other barriers to the operation of an efficient market. Targeted interventions and financial aid from the UASF are used to provide support in areas and user groups where efficient market forces alone cannot provide the desired services. The Fund develops market-oriented programmes and subsidises projects that are mostly implemented by operators and service providers. This also means that UASF funding will not be used in an environment where a lack of sector reform has resulted in costly services.

The True Access Gap

The true access gap comprises areas or communications targets that are beyond any commercial viability, even in instances where initial smart subsidies are provided. Commercial sector operators and service providers serving these areas need ongoing financial support, sometimes in the form of operating subsidies. The UASF assesses the true access gap and determines the appropriate interventions.

Creating Maximum Socio-economic Impact

The UASF aims to design and implement projects with a high socioeconomic impact and value that will digitally transform the economy and citizens. The UASF aims to maximise its resources to provide high-quality and long-lasting implications and benefits to as many underserved people as possible.

Technology Neutrality

The UASF approach enables the most effective, efficient, and appropriate technology to be implemented for its programmes. By ensuring a technology-neutral approach in the competitive tendering process, the UASF allows operators to choose the most cost-effective and appropriate technology to provide communications services.

Fundamental Guiding Principles...cont'd

Transparency and Stakeholder Consultation

The UASF operates openly and transparently by inviting stakeholders' inputs into the strategy, programmes, and project development. The Fund also publishes annual reports that detail, among other things, funds collected, funds disbursed, recipients, status and achievements of projects and service provision, successes, and challenges encountered.

Smart Subsidies and Sustainability

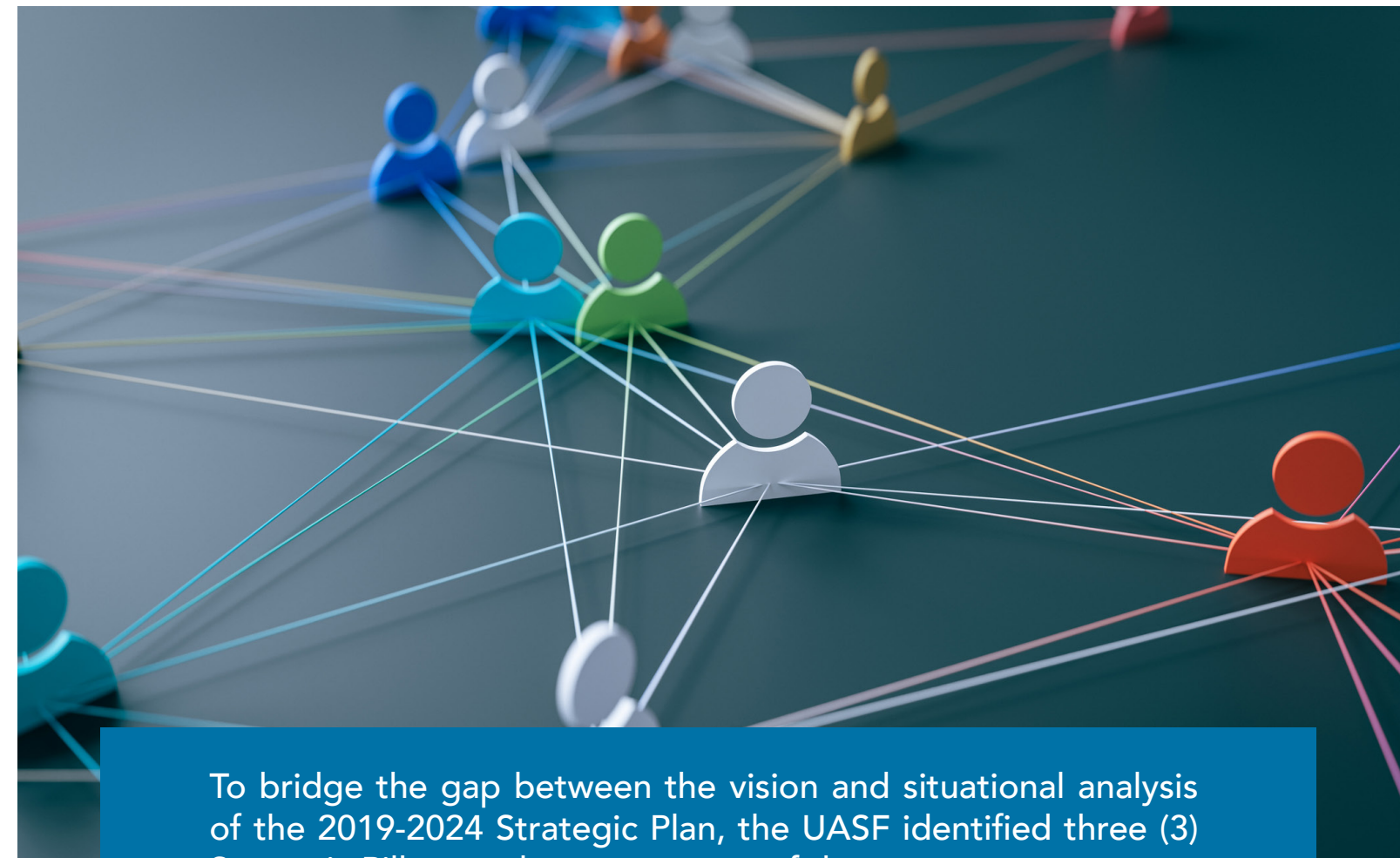
Subsidies refer to financial assistance given to rural and high-cost areas, low-income population groups, and service targets which will not be reached/served by the market alone, even in an efficient market, or at least not for a long time to come. Targeted financial intervention is required, beyond normal regulatory measures and incentives, to provide services to these population groups and areas.

Smart subsidies are designed so as not to distort the market and encourage cost minimisation and market growth. It is typically only a part of the required capital for the project, for example, 30-50%, and helps to "kickstart" a project or service and leverages additional operator and service provider investment. The ultimate objective of providing a smart subsidy is for the project to become commercially viable, whereas without the subsidy, operators and service providers might have been reluctant to invest. Using the smart subsidy approach, services will thus be commercially viable in the medium term, without further ongoing financial support. The UASF uses the smart subsidy approach as much as possible.

Open Access

Any service provider that receives subsidies from the UASF for a network expansion project shall build a network with the capacity to accommodate and allow other operators to access the network according to existing commercial terms within the industry. That means, while a competitive process is used, especially for significant network expansion and broadband capacity upgrades, this shall not lead to exclusivity for the winning operator or service provider.

Strategic Pillars



To bridge the gap between the vision and situational analysis of the 2019-2024 Strategic Plan, the UASF identified three (3) Strategic Pillars as the cornerstone of the strategy:



Service Delivery Excellence

Botswana has a vast land mass with a low and sparse population density, which poses challenges to the provision of communication services. We shall provide accessible, high-quality services despite the above challenges by adopting innovative solutions that meet our customers' needs.



Collaborative Excellence

We will leverage key strategic partnerships to enable us to serve unserved and underserved communities. The partnerships shall include local and international entities and take the form of funding and/or technical assistance within the established framework.



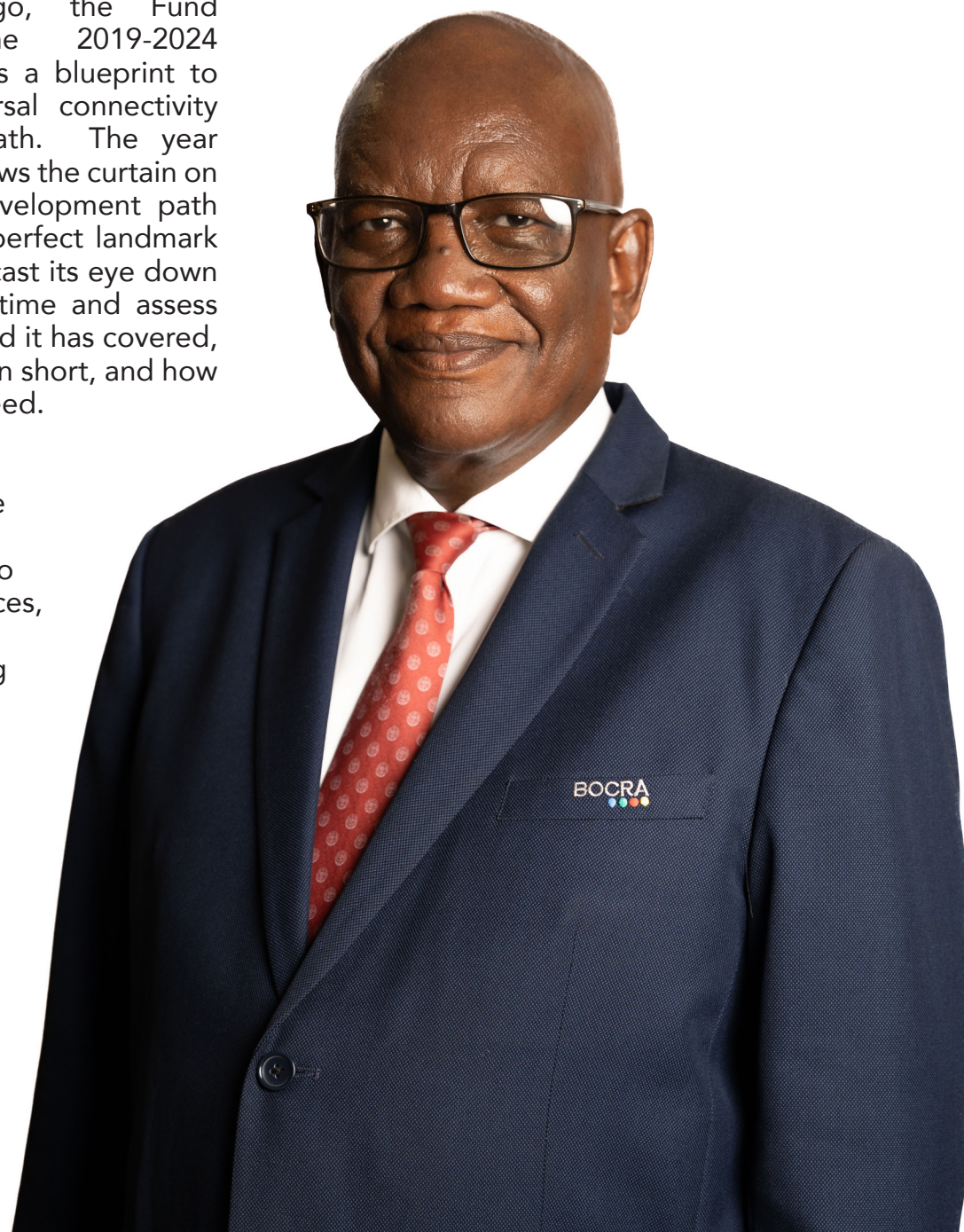
Operational Excellence

We shall strive to ensure that our operations are optimised and are projected to continue for the foreseeable future. This will be accomplished by strengthening our operating capacity by improving our internal systems, processes, and ways of doing business. Furthermore, the Fund shall prioritise funding for projects based on needs assessments.

Chairman's Statement

Five years ago, the Fund developed the 2019-2024 Strategic Plan as a blueprint to guide its universal connectivity development path. The year under review draws the curtain on the five-year development path and presents a perfect landmark for the Fund to cast its eye down the passage of time and assess how much ground it has covered, where it has fallen short, and how it needs to proceed.

During the year under review, the Fund sought to improve access to broadband services, postal services, and broadcasting services.



As the name suggests, the focus of the Fund has been, and continues to be, the facilitation of universal communications service connectivity throughout Botswana with a bias towards unserved and underserved areas.

It also sought to improve the management of financial resources, strategic relationships, project management, public awareness of UASF, and employee performance. Overall, the Fund registered a 91% performance rating against these objectives, a marked improvement over the 58% performance rating recorded five years ago at the beginning of the strategic plan period. This improvement was attributable to changes in project management and project implementation approaches.

It is worth noting that over the 5-Year strategic plan period, the Fund facilitated 4G mobile network connectivity to a total of 294 communities coupled with the provision of broadband internet connectivity to a total of 411 government facilities and disadvantaged groups. In addition, the Fund facilitated the expansion of commercial broadcasting services to 140 villages and four (4) postal offices across the country. These achievements are important as they lay a critical foundation for the attainment of the national aspiration of Digital Transformation.

Critically, the Fund facilitated the connectivity of four (4) Centres for People with Special Needs in North-West and Kweneng Districts with a 50Mbps high speed internet. The initiative is in sync with the United Nations Sustainable Development Goal Number 10 which calls for countries to reduce inequalities by empowering and promoting inclusivity in the social and economic development of individuals and communities, including persons with disabilities and special needs.

As part of the schools' computerisation programme, the Fund employed 209 IT officers to impart digital literacy skills to students and communities in remote and far-flung areas, further ensuring inclusivity. The IT Officers programme has been a critical component of the schools' computerisation and internet connectivity to government facilities drive. This initiative contributed to addressing the national call for employment creation.

The Fund has developed a new Strategic Plan, 2024-2029 which seeks to improve access to and usage of communications services. The Strategy aims to increase the percentage of individuals using the internet in Botswana from 73.5% recorded in 2021 to 80% by 2029 and improve access to 4G connectivity in villages to 100% by 2029. These aims can be achieved by further expanding the broadband network, improving digital literacy skills, facilitating access to end-user devices, and improving communities' entrepreneurial skills.

The Fund owes its success to the guidance of the Board of Trustees and the commitment of BOCRA staff, who serve as the secretariat providing management and technical services to the Fund. Therefore, I wish to acknowledge and thank them on behalf of the Fund for the cordial relationship that has enabled the Fund to deliver on its mandate, much to the admiration of other funds from the region and globally.

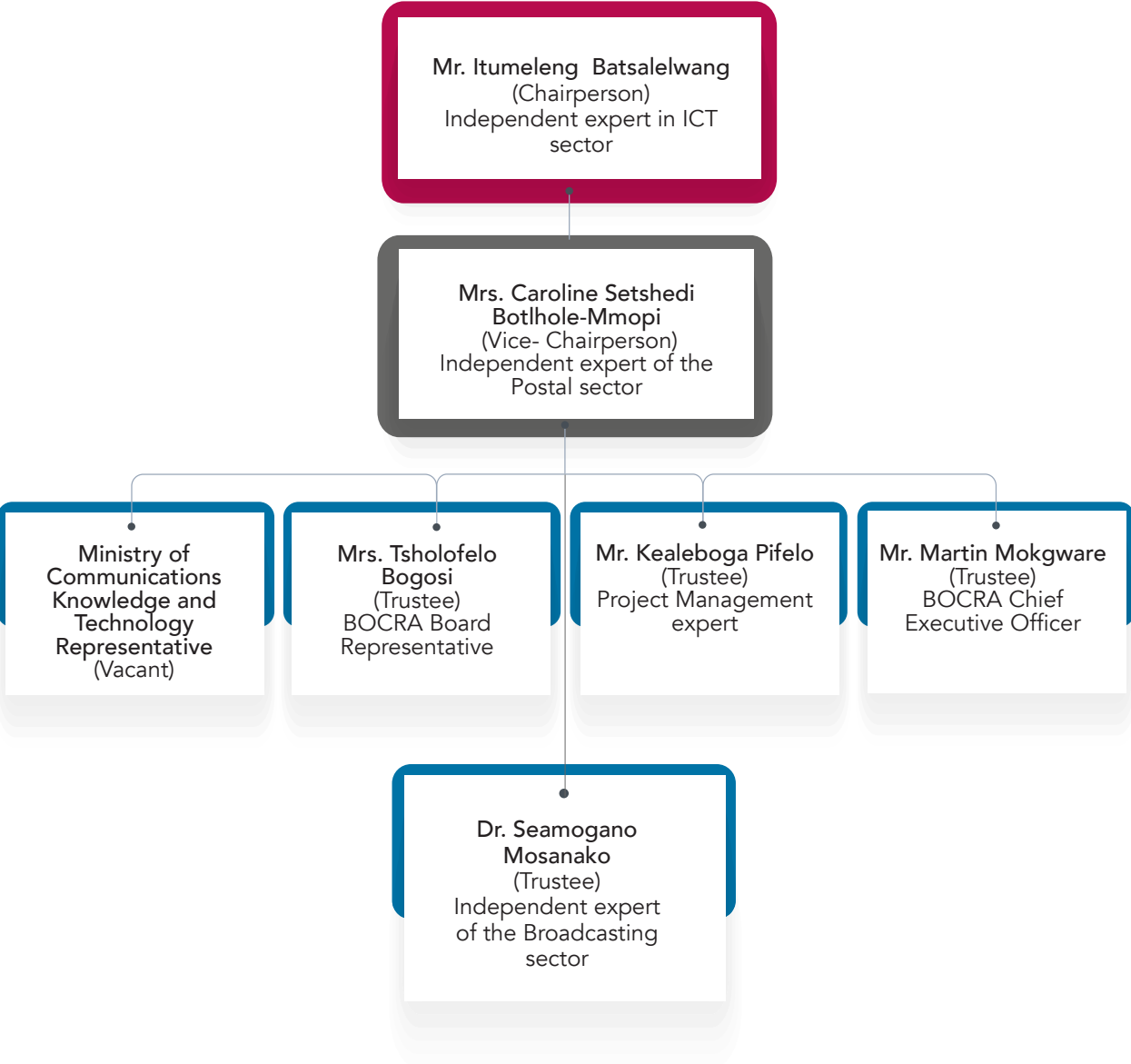
Mr Itumeleng Batsalelwang
(Chairperson)

Corporate Governance

UASF Board Of Trustees

Composition of the Board of Trustees

The UASF Trust is administered by an independent Board of Trustees (UASF Board/ Trustees), which is entrusted with the governance of the Fund, with BOCRA as its Secretariat. The UASF Trustees are guided by the Deed of Trust, Trust Property Control Act, Communications Regulatory Authority Act, and UASF Board Charter in executing their mandate. In accordance with the Deed of Trust which establishes the UASF Trust, the UASF Board comprises seven (7) members appointed by the BOCRA Board in consultation with the Minister responsible for communications. Prior to the assumption of office, Trustees are subjected to vetting for appointment as Trustees by the Master of the High Court in terms of the Trust Property Control Act. Figure 1 depicts the composition of the Board of Trustees.



UASF Board Of Trustees



					
Mr. Itumeleng Batsalelwang	Dr. Seamogano Mosanako	Mr. Martin Mokgware	Mrs. Caroline Setshedi Botlhole-Mmopi	Mrs. Tsholofelo Bogosi	Mr. Kealeboga Pifelo
(Chairperson) Independent expert in ICT sector	(Trustee) Independent expert of the Broadcasting sector	(Trustee) BOCRA Chief Executive Officer	(Vice- Chairperson) Independent expert of the Postal Sector	(Trustee) BOCRA Board Representative	(Trustee) Project Management expert

Duties of the Board of Trustees

In the management and administration of the Fund, the Board of Trustees is expected to advance the objectives of the Fund, which, in terms of the Deed of Trust, are:

To encourage efficient access to and use of communication systems and services throughout Botswana, focusing on unserved and underserved areas and/or disadvantaged communities;

- * ensure the availability of communication services in unserved areas;
- * encourage licensees to roll out communications networks and services to uneconomical areas;
- * support universal access and service projects, research, and programmes; and
- * raise funds to cover the costs of running the programmes of the Trust.

Meetings and Allowances of the Board of Trustees

The Board of Trustees is required to meet at least four (4) times a year to discuss the business of the Fund. During the 2023-2024 financial year, the Board held six (6) meetings, with attendance registered as per the table 1. Ms Tsholofelo Bogosi’s tenure as a Board Member of the BOCRA Board ended in January 2023, therefore ending her membership as a UASF Trustee. Following her reappointment to the BOCRA Board in September 2023, she was re-appointed to the UASF Board in November 2023.

Table 1: Trustees' meeting attendance and allowances

Board Member	Meetings Attended	Retainer Allowance	Sitting Allowance	Total
Mr Itumeleng Batsalelwang	6/6	P16 666.67	P42 600.00	P62 766.67
Mr Kealeboga Pifelo	6/6	P14 666.67	P37,600.00	P55 866.67
Ms Tsholofelo Bogosi	4/4	P14 666.67	P37, 600.00	P55 866.67
Dr Seamogano Mosanako	5/6	P14 666.67	P 34,000.00	P48 666.67
Ms Caroline Setshedi Botlhole-Mmopi	5/6	P14 666.67	P18, 800.00	P37 066.67
Mr Martin Mokgware	6/6	P14 666.67	P34,000.00	P48 666.67
TOTAL				P 308 900.02

Capacity Building and Training of the Trustees

In carrying out their duties, Trustees have a responsibility to monitor the progress of the various projects that the Fund implements throughout the country to facilitate universal access to communication services in unserved and underserved communities. In fulfilment of that mandate, Trustees must not only remain upskilled and abreast on all issues of technology and universal access, but also visit the project sites for appreciation. The Fund therefore ensured that the Trustees received training to improve and maintain their knowledge and skills, as well as facilitate site visits.

Part of the Trustee capacity development includes attending local and international events and gaining exposure to the latest trends in communications technologies. Trustees attended, among others:

- Global Symposium for Regulators;
- World Telecommunication and Information Society Day;
- World Post Day;
- World Radio Day;
- the induction of IT officers for the Southern District Connectivity Project; and
- North-West Village connectivity project site visits.

UASF Board Of Trustees Profiles



Mr. Itumeleng Batsalelwang
Board Chairperson

- Master of Arts Degree in Communication Policy, University of Westminster, (UK)
- Postgraduate Certificate in Regulation of Telecommunications, University of Westminster, (UK)
- Bachelor's Degree (Hons) Media Systems, University of Sunderland, (UK)

Mr. Batsalelwang is a retired former employee of the Ministry of Communications, Knowledge, and Technology. He joined the Ministry in 2004 and served in various capacities, rising to the position of Director for Telecommunications and Postal Services in the Ministry of Knowledge, Communications and Technology, a position held from 2016 to 2019.

He is the current Board Chairman who was appointed to the UASF Board as a representative of the Ministry responsible for communications in 2018.

Some of his major achievements include driving the National Broadband Strategy approval process, National Cyber Security Strategy development, and the amalgamation of the Botswana Post and Botswana Couriers and Logistics into the now Botswana Postal Services Limited.



Ms. Setshedi Botlholo-Mmopi
Board Vice-Chairperson

- Fellow Member, Association of Chartered Certified Accountants (FCCA), (UK)
- Bachelor of Commerce (Accounting), University of Botswana
- Executive Development, Stellenbosch University, South Africa.

Ms. Botlholo-Mmopi is a seasoned semi-retired accountant with over 30 years of experience in accounting, financial management, reporting, and business operations. She has worked in different sectors including oil marketing, banking, mining, telecommunications, and the postal sector. She has headed Finance, Operations, and Botswana Post's Mail Business. She has extensive experience in leadership gained through various roles in her career, as well as board memberships of several organisations, including Botswana Telecommunications Corporation. She currently serves as a board member and audit committee chairperson on one other board.

She joined the UASF Board as an independent representative of the postal sector.

UASF Board Of Trustees Profiles...cont'd



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)

Ms Tsholofelo Bogosi leads the Debswana Oropa, Letlhakane and Damtshaa Mines Audit Function as Audit Manager, a role that she assumed in June 2018.

Prior to joining Debswana, Ms Tsholofelo Bogosi held various management positions at Botswana Power Corporation (BPC) and Water Utilities Corporation (WUC).

Ms Bogosi is a Chartered Management Accountant (CIMA- UK) by profession and holds a BComm (Accounting) degree from the University of the Witwatersrand in South Africa and a Post Graduate Certificate in Risk Management from the Botswana Accountancy College. She is a Member of both Botswana Institute of Chartered Accountants (BICA) and Chartered Institute of Management Accountants (CIMA).

She joined the UASF Board as a representative of the BOCRA Board.



Dr. Seamogano Mosanako

- PhD (Journalism), University of Queensland, Brisbane, Australia
- MA (Journalism) (International), University of Westminster (UK)
- Bachelor of Social Work (University of Botswana)
- Executive Development Programme (University of Capetown)

Currently, the Head of Communications and Information Services at the Bank of Botswana, Dr. Mosanako, has extensive knowledge of the broadcasting and communications industry in Botswana. She is a former media studies lecturer at the University of Botswana.

Her areas of expertise include broadcasting, media training, stakeholder management, development of communication strategies, and media relations, among others. Dr. Mosanako was one of the pioneers of Botswana Television and helped develop its editorial guidelines during the station's formative years.

She was appointed as an independent broadcasting sector expert on the UASF Board.



Mr. Kealeboga Pifelo

- Master of Science in Economics, University of Natal, South Africa.
- Postgraduate Certificate in Regulation of Telecommunications, University of Westminster.
- Bachelor of Arts in Economics, University of Botswana.

Mr Pifelo is the Founding Business Development Director at Botswana University of Agriculture Natural Resources (BUAN) and he is also doubling as the Acting Chief Executive Officer of Consult (Pty) Ltd. He has been appointed as a representative of the consumers to the UASF Board. He has worked as an Economist at the Ministry of Finance & Development Planning, where he was responsible for budgetary process, projects appraisal and implementation for then the biggest, the Ministry of Local Government, Lands and Housing. Post this position he moved on to become a Business Analyst at British Petroleum, responsible for Botswana, Lesotho, Swaziland and 3 Provinces in South Africa. Mr Pifelo then joined Botswana Telecommunications Authority as a Licensing Officer and moved through the ranks to Manager, Licensing position. At BTA, Mr Pifelo was instrumental in growing the players in the market especially the Value-Added Services Providers and was in a Task Team that delivered the Liberalisation of the Telecommunication Industry that gave birth to Be Mobile and BOFINET.

Post BTA, Mr Pifelo joined Botswana Development Corporation where he spent 8 years as Head of Business Development. Mr Pifelo has over 22 years in business development, analysis, planning, operation, partnership and team leadership. Mr Pifelo holds Master's of Science in Economics from the University of Natal, South Africa, a Postgraduate Certificate in Regulation of Telecommunications from the University of Westminster, London, UK and a Bachelor of Arts in Economics from the University of Botswana.



Mr. Martin Mokgware

- Bachelor's Degree in Economics, University of Botswana
- Master's Degree in Transport Economics, University of Leeds (UK)
- Post Graduate Diploma in Telecommunications Regulation, University of Westminster (UK)

Mr. Martin Mokgware is the Chief Executive of the Botswana Communications Regulatory Authority (BOCRA) and a Trustee of the UASF Board. As the Chief Executive, Mr Mokgware is responsible for providing leadership and direction in the implementation and achievement of the BOCRA and UASF Strategic Plans, in line with the Government Policy Agenda on Telecommunications, Broadcasting, Postal and ICT Regulation.

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

In addition to the above responsibilities, Mr. Mokgware also serves as: Chairperson of the UNESCO Communication and Information Programme Committee. The Committee is mandated to foster freedom of expression, media development, and access to information and knowledge in line with UNESCO's mandate to "promote the free flow of ideas by word and image"; and Treasurer of the Communications Regulators Association of Southern Africa (CRASA), ensuring prudent management and utilisation of funds for the Regulators' Association in SADC.

Nationally, Mr Martin Mokgware has been instrumental in the development and implementation of, among others, the following:

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

Organisational Performance

The 2023-2024 Financial Year marked the end of the 2019-2024 UASF Strategic Plan. The strategy primarily focused on improving access to communications services in rural communities. This was done by undertaking various projects that sought to facilitate the availability of broadband internet, commercial broadcasting, and postal services in unserved and underserved areas. Unserved and underserved areas generally have populations of less than five thousand (5,000).

Such areas are usually considered uneconomic by service providers; therefore, they need incentives in the form of subsidies to roll out communication services in these areas. For the strategic cycle 2019-2024, the UASF undertook projects to bridge the digital divide. The UASF Strategic Plan contains eight Strategic Objectives, namely:



Performance against objectives was measured by the attainment of Key Performance Indicators (KPIs). Meeting the performance target of the KPI or being within the 80% performance rating was considered an achievement, as prescribed in the Strategy Performance Dashboard. By the end of the strategic plan cycle, ten out of the 11 KPIs were achieved. Figure 1 shows the achievement levels of the KPIs and how the UASF fared in the last year of the strategic period relative to the first year of the period.

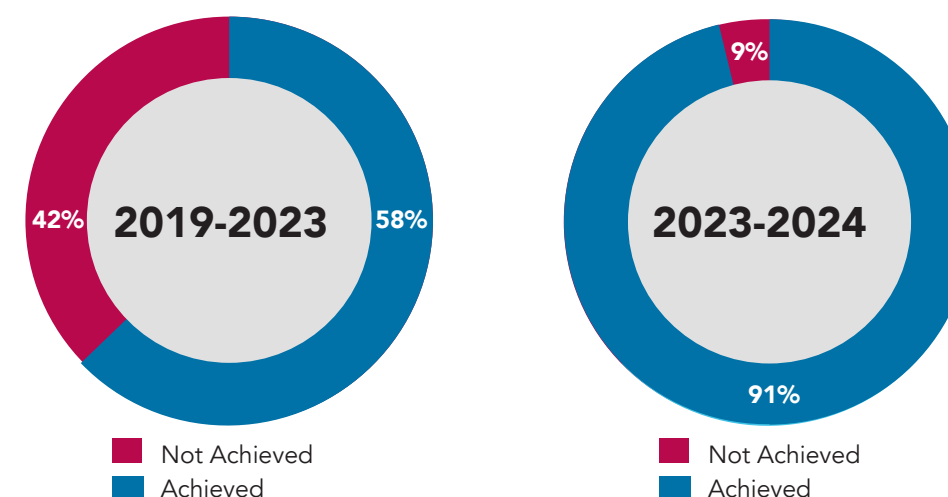


Figure 1: UASF Actual Performance for 2019-2020 (year 1) vs 2023-2024 (year 5)

The 2023-2024 Financial Year saw a 91% accomplishment of the KPIs, a great improvement over the years from the 58% recorded in the first year of the strategy. The improved performance is attributed to the change in the project approach which was done to address the challenges previously encountered. For example, broadband connectivity projects now had broadband internet connectivity preceding the provision of devices as opposed to doing them simultaneously which was the initial approach. More resources were also committed to projects and continuous capacity building to equip human resources with requisite skills.

Overall Performance

This section focuses on how the Fund performed on the eight (8) strategic objectives, as measured by the 11 KPIs.

Increase Access to Broadband Services

The objective of this aim was to improve broadband access in unserved and underserved areas. The UASF sought to provide broadband infrastructure capable of delivering reliable and fast internet speeds in villages with populations of less than 5,000. This strategic objective was measured using two (2) KPIs, being the number of connected communities and the number of connected government facilities and disadvantaged groups.

Connected communities were defined as villages and cluster farms connected to broadband internet through the provision of 4G mobile network infrastructure and services. For the 2019-2024 strategic period, the Fund connected Kweneng, Southern, and North-West Districts. The progress made in connecting communities over the 5-year period is illustrated in Figure 2.

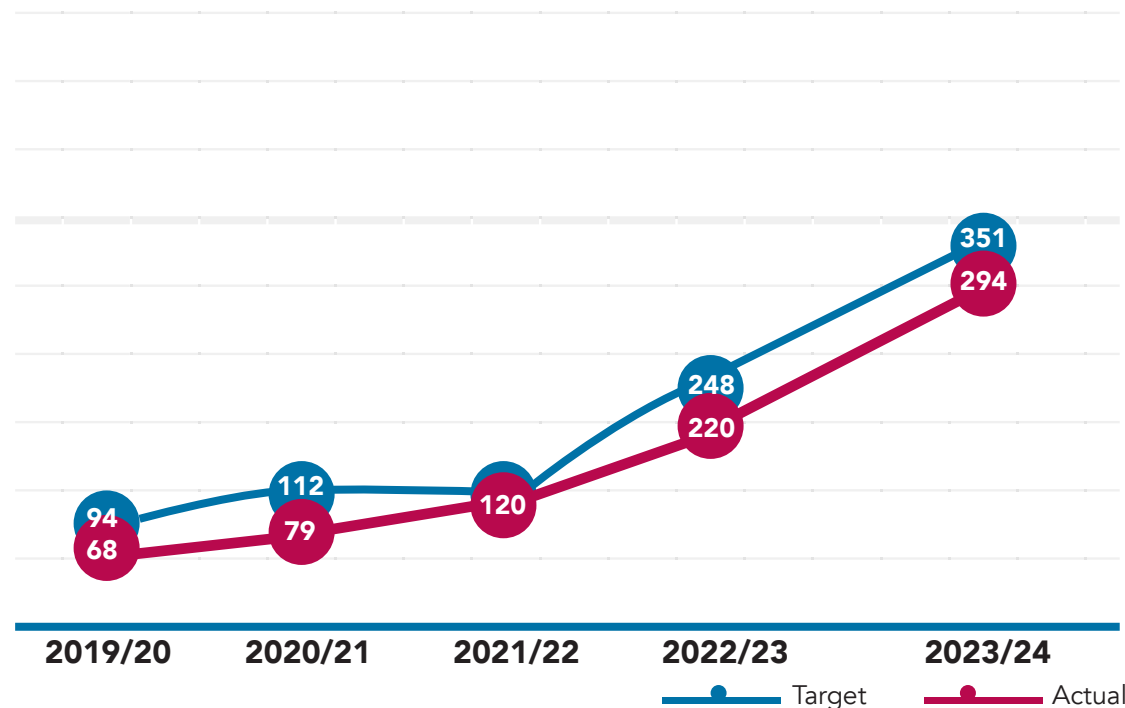


Figure 2: The Number of Connected Communities

Organisational Performance...cont'd

As at the end of the strategy period, 162 localities were upgraded to 4G mobile network. The localities consisted of 47 villages in Kweneng District, 67 villages in Southern District, 45 villages in North West, and one cluster farm in Malwelwe. In addition, two (2) villages in the Mabutsane region were connected to 4G. While these were achieved through the intervention of the Fund, additional 66 localities were connected through operator investments. This brought the total number of communities connected to mobile broadband to 296, against a target of 351 communities.

The UASF connected government facilities, including schools, clinics, health posts, and kgotla offices, with high-speed internet. In addition, selected community centres for disadvantaged groups were provided with computer devices and internet connectivity. The progress made on this end over the 5-Year period is shown in Figure 3.

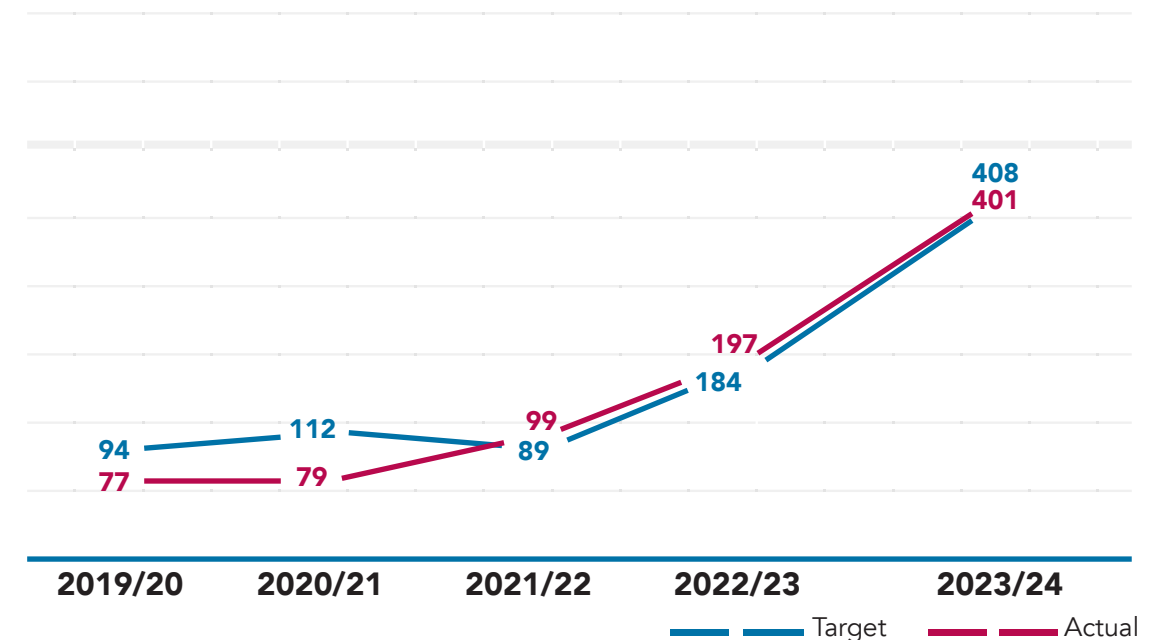


Figure 3: The Number of Connected Facilities

The target to connect 401 facilities was exceeded, with a cumulative 411 facilities connected by the end of the strategy cycle. These include 77 schools in the Kgalagadi, Mabutsane, and Ghanzi regions, 117 schools in Kweneng District, two (2) schools in Central District, five (5) centres for disadvantaged groups in Kweneng and North West Districts, 142 facilities in Southern District, and 67 facilities in North West District. An additional three (3) schools in the Mabutsane region were connected.

Increase Access to Postal Services

The Fund assisted the government in providing postal services to selected areas by funding Botswana Post to put up postal infrastructure. The target for the funded post offices was five (5) over the 5-Year period. Four (4) post offices were completed in Dukwi, Sebina, Salajwe, and Maokane. The Sekoma Post Office could not be completed because of delays in land acquisition.

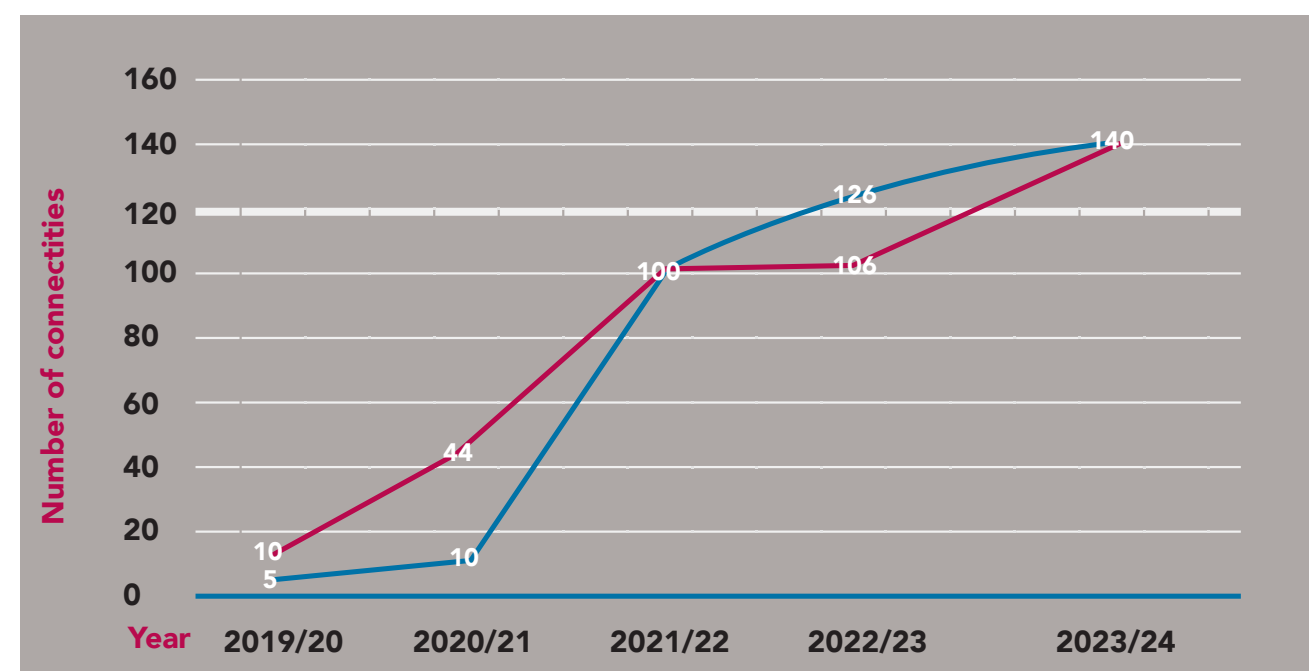
Increase Access to Broadcasting Services

The purpose of this objective was to universalise access to regulated broadcasting services across the country by funding the rollout of FM transmitters. The Fund also aimed to promote the production of local content. This objective was therefore measured by two KPIs: the number of villages covered by commercial radio signals, and the number of local initiatives funded.

Extensive efforts have been made over the strategy cycle to increase the number of villages covered with commercial radio broadcasting signals, particularly for people living in rural areas. These include:

- * Kgalagadi District: Hukuntsi cluster
- * Kweneng District: Sojwe, Takatokwane, Salajwe and Malwelwe clusters
- * Southern District: Mabutsane, Malau, Mabule, Senyamadi and Phitshane-Molopo clusters
- * The North West District: Shakawe, Seronga, Gumare, Sankoyo and Sehithwa clusters

Therefore, the target of 140 villages covered with commercial radio signals over the 5-Year period was achieved.



— Target — Actual

The performance of this objective is shown in Figure 4.

Further to improving the commercial radio coverage, the Fund also sought to improve local content production in the broadcasting sector. Through this initiative, the UASF deployed 20 Media Graduates at the Department of Broadcasting Services (DBS) as part of the training on content development. Various trainings on business management, television production, leadership skills, business etiquette, and professional conduct were conducted for the media graduates to equip them with the requisite skills for content development. They also participated in the creation of some television shows by spearheading the production of some episodes.

By the end of the strategic plan cycle, local content materials in the form of UASF and BOCRA documentaries were produced by the media graduates.

Improve Management of Financial Resources

The Fund sought to ensure the implementation of projects that drive various Strategic Objectives. Therefore, it was imperative that funds be managed prudently. The Fund did not meet the target of this objective due to underspending as a result of covid-19 and the challenges faced by contractors in attaining the quality standards set.

Figure 5 shows how the Fund has been performing with regard to this objective in the past five (5) years.

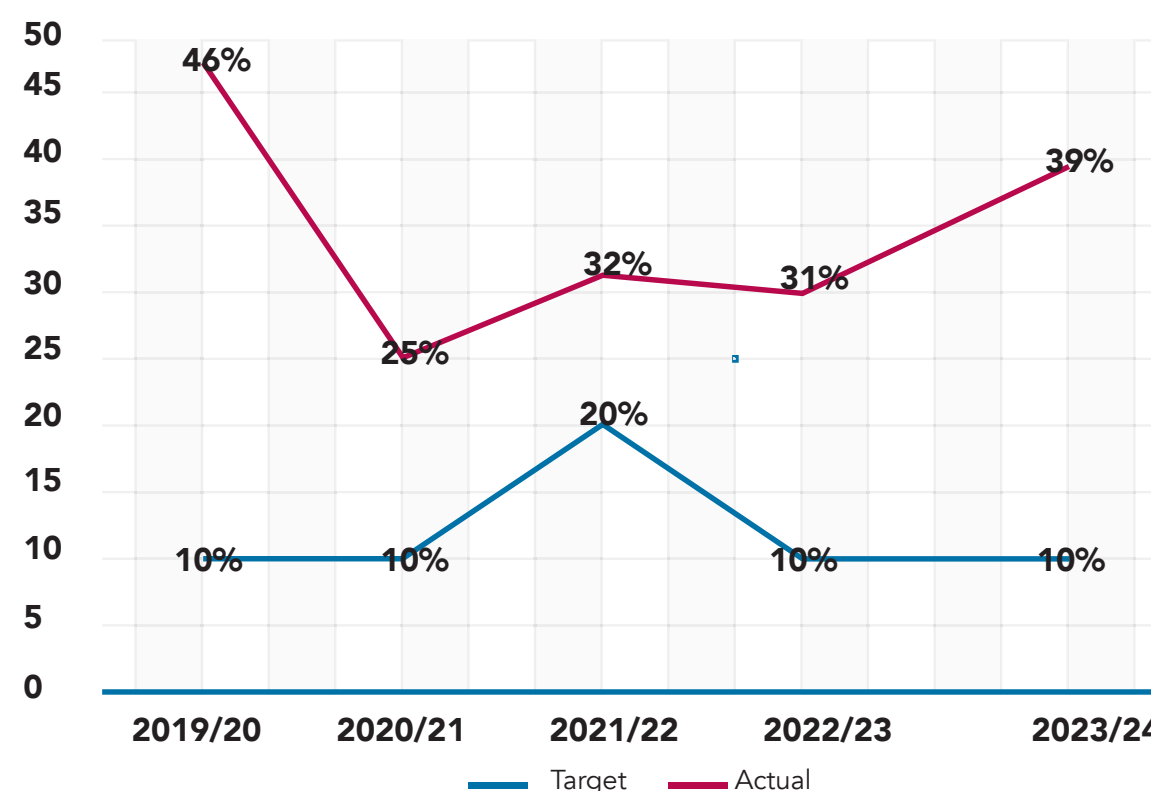


Figure 5: UASF Budget Variance

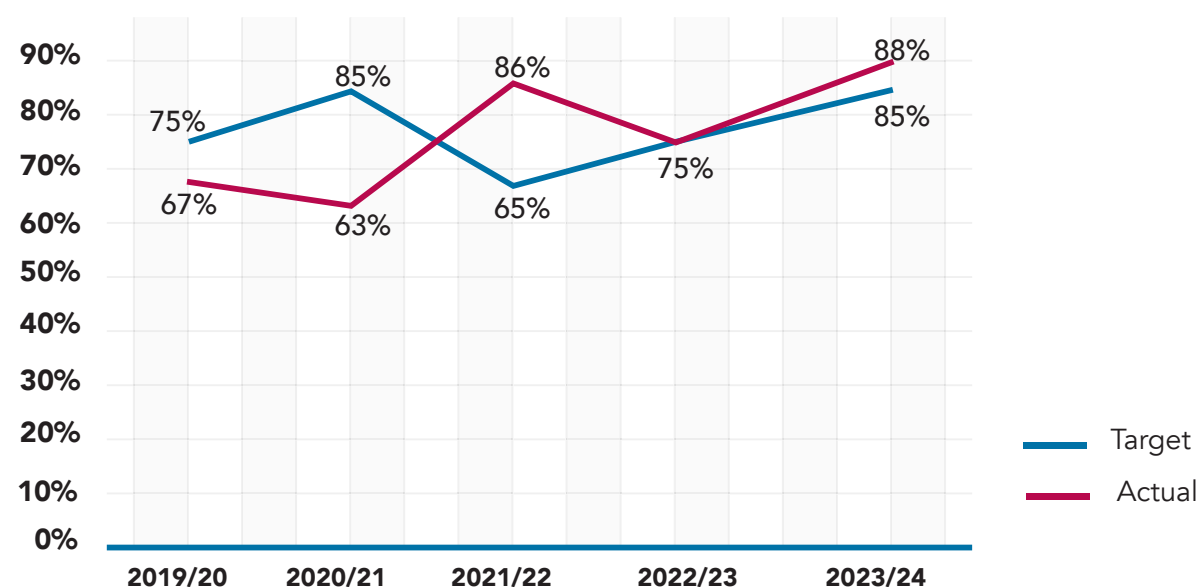
Improve Strategic Relationships

This objective was aimed at forging strategic partnerships which would assist the Fund in several ways, such as undertaking projects, research, setting connectivity standards, and maintaining ICT infrastructure in various localities. The target was to have cumulatively established eight (8) partnerships to support initiatives by the end of the strategy period. Over the 5-Year period, partnerships were established with different stakeholders, including DBS for mentoring and upskilling media graduates for content production. The Fund also forged partnerships with SmartBotswana, the Ministry of Education and Skills Development, and the Ministry of Local Government and Rural Development for broadband connectivity projects in government facilities such as schools, clinics, and tribal administration offices. By the end of the strategy cycle, the UASF had attained a cumulative total of eight (8) partnerships including government departments and service providers, thus achieving its target.

Improve Project Management

The UASF's mandate is primarily a developmental one; therefore, the success of the Fund hinges on the successful execution of projects. Over the strategy cycle, great strides were made to improve project management through the continuous training of project managers and outsourcing of project management services. The project management governance structures and practices of the Secretariat have also gone a long way to ensure prudent project management and delivery.

To this end, the Fund concluded the strategy period with 88% of the projects meeting the performance parameters of time, scope, and budget. The remaining 12% are those projects that did not meet the time and/or scope parameters. During the last year of the strategy, 4G upgrade projects in Southern and North West Districts were successfully executed and performed within the required project management performance thresholds. Furthermore, the provision of broadband internet to government facilities in the same regions was also successfully delivered, while there were delays in the upgrade of broadband internet in government facilities in Kweneng District.



The project management performance over the 5-year strategy period is illustrated in Figure 6.

Improve Public Awareness of the UASF

The aim of this objective was to promote the visibility of the UASF and public awareness of its mandate and achievements. This was accomplished through various consumer awareness campaigns, digital and print messages, district council meetings, kgotla addresses, project launches, and commemorations throughout the 5-Year period. The Secretariat regularly sensitised the public about various projects of the Fund.

Commemorations were conducted featuring UASF branding, including World Radio Day and World Post Day which showcased FM expansion and expansion of postal infrastructure, respectively, in the underserved areas. Consumer Education activities and kgotla meetings were also undertaken to spread messages about the UASF's mandate and work. Furthermore, the Fund participated in different consumer forums, including the Business Botswana Northern Trade Fair, Botswana Consumer Fair, and Hospitality and Tourism Association of Botswana (HATAB) Forum. The Fund surpassed the target number of awareness campaigns during the strategy period, as shown in Figure 7.

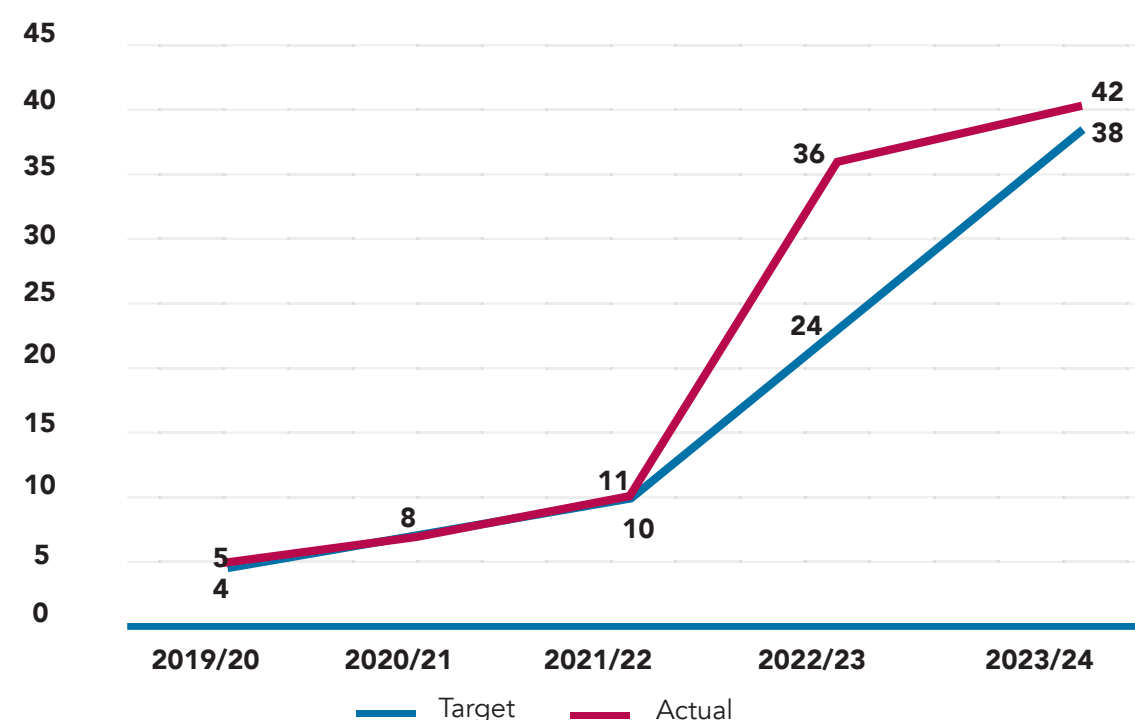


Figure 7: The Number of UASF Awareness Campaigns

Improve Employee Performance Culture

This objective was driven entirely by the Fund Secretariat, which provides human capital to the Fund. The objective was measured using two (2) KPIs of Staff Exceeding Performance Thresholds and Staff Performing below Performance Thresholds. Throughout the strategy period, the Secretariat embarked on several initiatives to ensure that a high-performance culture was maintained. This includes regular performance reviews for departments, individuals, and staff performance awards. Consequently, the targets for this objective were always exceeded.

Universal Connectivity Initiatives

This section deals with the performance of the Fund for the 2023-2024 financial year.

The Provision of broadband Internet for Government Schools, Health Centres, Dikgotla and Communities



The UASF provided government facilities with high-speed broadband internet connectivity in partnership with Mobile Network Operators (MNOs). This partnership has contributed to increased national usage and the adoption of digital technologies and services by individuals and communities.

During the period under review, the Fund facilitated connectivity to 212 facilities compared to 194 facilities connected in the previous period, leading to a cumulative total of 411. These facilities include clinics, health posts, and kgotla offices across different districts.

Table 1: Cumulative Number of IT Officers Employed

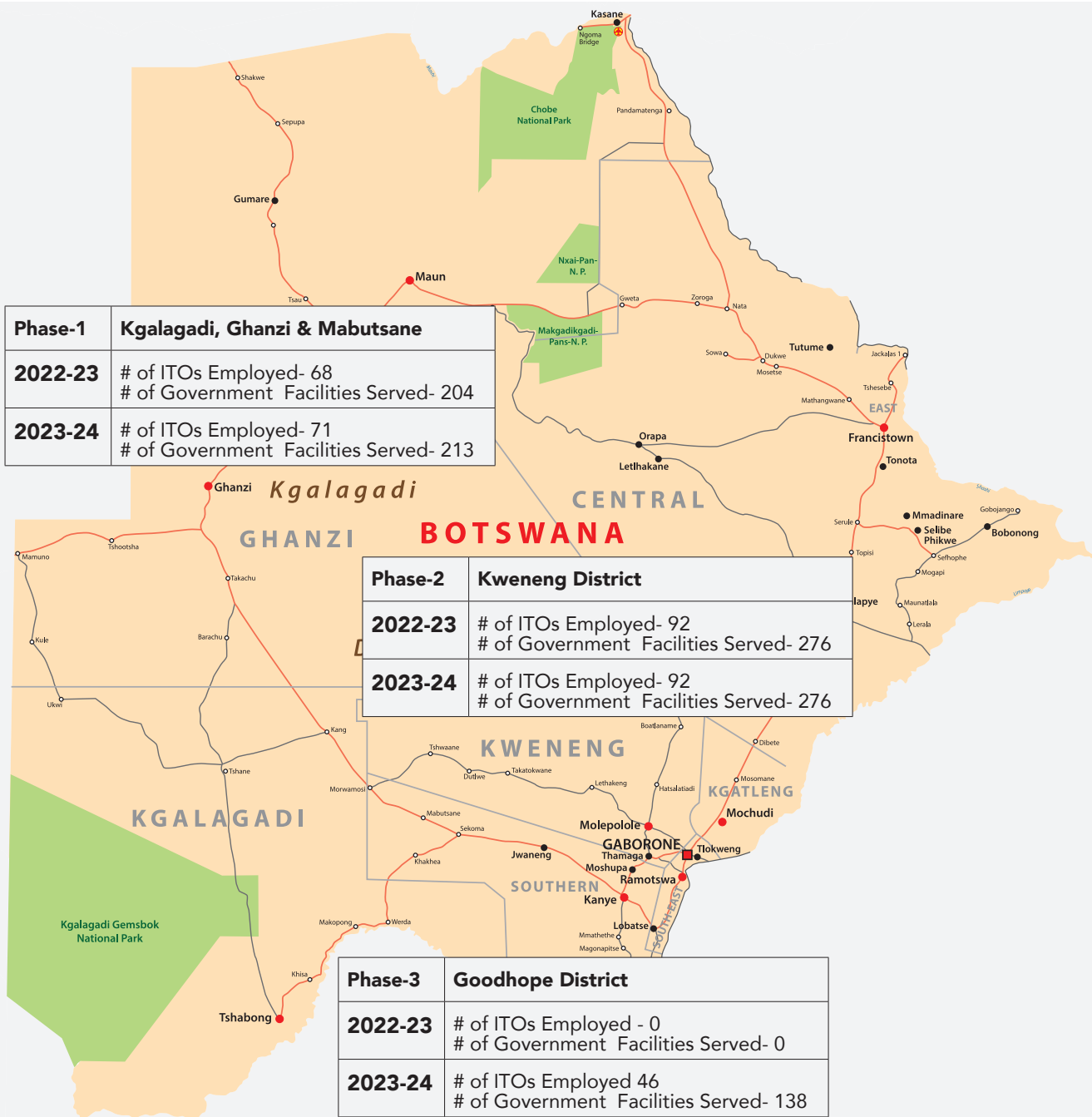


Table 2: Number of connected facilities

DISTRICTS	GOVERNMENT FACILITIES CONNECTED		PARTNER MOBILE NETWORK OPERATOR
	2022/2023	2023/2024	
I. GHANZI	22 Schools	22 Schools	Botswana Telecommunications Corporation Limited (BTCL)
II. KGALAGADI	35 Schools	35 Schools	Mascom Wireless
III. MABUTSANE	20 Schools	23 Schools	Orange Botswana
IV. KWENENG	117 Schools	117 Schools	Orange Botswana
V. SOUTHERN	-	142 Schools, Health Centres and Dikgotla	Mascom Wireless
VI. NORTH-WEST & OKAVANGO	-	67 Schools, Health Centres and Dikgotla	Botswana Telecommunications Corporation Limited (BTCL)
TOTAL	194	406	

Provision of mobile network coverage (3G and 4G) to selected villages.

The UASF continued to provide villages with voice and broadband network connectivity in partnership with MNOs. The number of connected villages increased from 220 reported in the 2022-2023 financial year to 230, as shown in table 3.

Table 3: Number of connected villages

DISTRICTS	CONNECTED VILLAGES		PARTNER MOBILE NETWORK OPERATOR
	2022/2023	2023/2024	
I. GHANZI	19	19	Botswana Telecommunications Corporation Limited (BTCL)
II. KGALAGADI	31	31	Mascom Wireless
III. MABUTSANE	17	19	Orange Botswana
IV. KWENENG	47	47	Orange Botswana
V. SOUTHERN	69	69	Mascom Wireless
VI. NORTH-WEST & OKAVANGO	37	45	Botswana Telecommunications Corporation Limited (BTCL)
TOTAL	220	230	

Provision of free broadband Internet for Centres for Persons with Special Needs



Internet connectivity for the Centres for People with Special Needs initiative aligns with the United Nations Sustainable Development Goal Number 10 on Reduced Inequalities. This goal calls for countries to reduce inequalities by empowering and promoting inclusivity in the social and economic development of individuals and communities, including persons with disabilities and special needs.



The Fund facilitated the provision of dedicated 50Mbps high speed Internet connectivity to Centres for Persons with Special Needs in North-West and Kweneng Districts. This was done to promote the use of adaptive applications and specialised software systems.



During the reporting period, four (4) centres were connected to the internet. This is a 100% increase in the number of connected centres from two (2) reported in the last financial year.

The table 4 summarises internet connectivity to the Centres for People with Special Needs:

Table 4: Internet Connectivity for Centres of People with Disabilities

CENTRE LOCATION		YEAR CONNECTED		INTERNET SPEED
		2022-2023	2023-2024	
1.Tshidilo Stimulation Centre	Maun	✓	✓	
2.Lorato House Centre for Children	Maun	✓	✓	
3.Annestine School for Handicapped Children	Molepolole		✓	
4.Cheshire Foundation	Mogoditshane		✓	

Information Technology Officers (ITOs) for Government Primary Schools

The UASF IT Officer Programme is conducted in partnership with the Government through the Ministry of Education and Skills Development (MESD), as well as Local Government and Rural Development, where IT Graduates are deployed in Government Primary Schools across districts, particularly for schools provided with Internet connectivity through the Fund.



The duties of the officers include the following:

- * Providing necessary assistance with the installation, maintenance, and administration of computer equipment, networks, software systems, and internet connectivity in government primary schools.
- * Participating in the process of imparting ICT skills and knowledge to learners, teaching staff and non-teaching staff in the primary school; and
- * Extending their duties to other government facilities such as clinics and dikgotla in their placement villages.

The ITO programme contributes to the national vision of a digital economy and the reduction of youth unemployment.

There was an increase in the number of deployed ITOs by a total of 46. The recruited IT officers were placed in government primary schools in the Goodhope District. The total number of ITOs increased from 163 to 209 by March 2024, as shown in table 1.

Local Content Development

In April 2021, the UASF brought 20 media graduates on board, placing them with the DBS to gain hands-on experience in various aspects of television production. The media graduates have now completed their three-year engagement, during which they contributed to key deliverables such as producing documentaries and live streaming BOCRA and UASF events, including World Radio Day and WTISD. The two documentaries have since been commissioned and aired on Botswana Television.



Cybersecurity initiatives on UASF

In this reporting period, the UASF, through the Computer Security Incident Response Team (CSIRT), implemented key cybersecurity initiatives that strengthened the Fund’s resilience and broadened awareness across various sectors. A major accomplishment was the Cyber Resilience Training on 15 November 2023, where 66 ITOs gained critical skills in identifying, assessing, and managing cybersecurity risks, bolstering UASF’s ability to address emerging threats.

In recognition of the risks associated with access to the digital space, the UASF secured internet configurations for public and student use, protecting against unsolicited content and online risks to foster a safer digital environment. UASF also prioritised community education, hosting a consumer session at Struizendum Primary School on 28 November 2023 to raise cybersecurity awareness and promote UASF services. This session focused on inclusivity and bridging the gender gap in ICT, underscoring the UASF’s commitment to building a secure, informed, and resilient digital society.

Annual Financial Statements for the year ended 31 March 2024

General Information

Country of incorporation and domicile	Botswana
Nature of business and principal activities	The Universal Access and Service Fund is a Trust established under Notarial Deed of Trust No. MA317/2014. The Trust offers financial subsidies and incentives to service providers to expand communications infrastructure and services in underserved areas. The Trust also provides financial assistance in local content production and related capacity development among citizens.
Members of the Board	Mr. Itumeleng Batsalelwang (Chairperson) Ms. Caroline S. Botlhole-Mmopi (Vice Chairperson) Mr. Martin Mokgware Mr. Kealeboga Pifelo Dr. Seamogano Mosanako Ms. Tsholofelo Bogosi - retired 31 January 2023, reappointed 1 November 2023
Registered office	Lot 50671 Independence Avenue Extension 5 Gaborone Botswana
Postal address	Private Bag 00495 Gaborone Botswana
Bankers and asset managers	Stanbic Bank of Botswana Limited Standard Chartered Bank of Botswana Limited Vunani Fund Managers
Auditors	PricewaterhouseCoopers
Secretary	Ms. Joyce Isa-Molwane
Functional Currency	Botswana Pula (P) and is rounded to the nearest Pula

Annual Financial Statements for the year ended 31 March 2024

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

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Statement of Cash Flows	43
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	71

Annual Financial Statements for the year ended 31 March 2024

Trustees Report

The Trustees have pleasure in submitting their report for the Trust for the year ended 31 March 2024.

1. Review of activities

The Universal Access and Service Fund is a Trust established under Notarial Deed of Trust No. MA317/2014. The Trust offers financial subsidies and incentives to service providers to expand communications infrastructure and services in underserved areas. The Trust also provides financial assistance in local content production and related capacity development among citizens.

The operating results and state of affairs of the Trust are fully set out in the attached annual financial statements and do not in our opinion require any further comment. Surplus of the Trust was P20,807,274 (2023: net deficit P24,297,566).

2. Accounting policies

The accounting policies of the Trust are consistent except for the adoption of new standards or interpretations or amendments in the IFRS® Accounting Standards.

3. Trustees interest in contracts

None of the Trustees or Officers of the Trust had any interest in any contract during the financial year.

4. Trustees

The Trustees during the year and to the date of this report are as follows:

Mr. Itumeleng Batsalelwang (Chairperson)
Ms. Caroline S. Botlhole-Mmopi (Vice Chairperson)
Mr. Martin Mokgware
Mr. Kealeboga Pifelo
Dr. Seamogano Mosanako
Ms. Tsholofelo Bogosi - retired 31 January 2023 and reappointed 1 November 2023

5. Secretary

Ms. Joyce Isa-Molwane

Annual Financial Statements for the year ended 31 March 2024

Statement of responsibilities by the Board of Trustees

The Trustees of the Universal Access and Service Fund Trust are responsible for the content and integrity of the annual financial statements and related financial information presented therewith. It is their responsibility to ensure that the annual financial statements give a true and fair view of the state of affairs of the Trust as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS Accounting Standards.

The external auditors are engaged to express an independent opinion on the financial statements. The Annual Financial Statements are prepared in accordance with IFRS Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Trustees acknowledge that they are ultimately responsible for the system of internal financial control established by the Trust and place considerable importance on maintaining a strong control environment. To enable the Trustees 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, and all employees are required to maintain the highest ethical standards in ensuring the Trust's operations are conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Trust is on identifying, assessing, managing and monitoring all known forms of risk across the Trust. While operating risk cannot be fully eliminated, the Trust endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The Annual Financial Statements set out on pages 41 to 70 and the supplementary information disclosed on page 71, which have been prepared on the going concern basis, were approved and authorised for issue by the Trustees on 23 October 2024 and were signed on its behalf by:



Itumeleng Batsalelwang
Chairperson
Gaborone



Martin Mokgware
Trustee

Annual Financial Statements for the year ended 31 March 2024

Independent auditor's report
To the Members of Universal Access and Service Fund Trust

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Universal Access and Service Fund Trust (the "Trust") as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

Universal Access and Service Fund Trust's financial statements set out on pages 41 to 70 which comprise:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 Trust 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.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the document titled "Universal Access and Service Fund Trust Annual Financial Statements for the year ended 31 March 2024". The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other

Annual Financial Statements for the year ended 31 March 2024

Independent auditor's report
To the Members of Universal Access and Service Fund Trust (Continued)

information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Trustees for the financial statements

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

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Trust's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

Annual Financial Statements for the year ended 31 March 2024

Independent auditor's report To the Members of Universal Access and Service Fund Trust (Continued)

Conclude on the appropriateness of the Trustees' 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 Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees 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.

PricewaterhouseCoopers

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

17 December 2024
Gaborone

Annual Financial Statements for the year ended 31 March 2024

Statement of Financial Position

	Notes	2024 P	2023 P
Assets			
Non- Current Assets			
Property, plant and equipment	3	1,823,581	1,867,180
		1,823,581	1,867,180
Current Assets			
Trade and other receivables	5	55,961,717	64,996,672
Short term investments	6	140,000,000	-
Cash and cash equivalents	7	154,285,135	262,309,729
		350,246,852	327,306,401
Total Assets		352,070,433	329,173,581
Equity and Liabilities			
Equity			
Accumulated surplus		322,985,269	302,177,995
		322,985,269	302,177,995
Liabilities			
Current Liabilities			
Trade and other payables	8	29,085,164	26,995,586
Total Equity and Liabilities		352,070,433	329,173,581

Annual Financial Statements for the year ended 31 March 2024

Statement of Comprehensive Income

		2024 P	2023 P
Revenue	9	82,198,642	67,600,757
Other income	10	63,825	205,677
Operating expenses	11	(76,418,077)	(107,276,526)
Net impairment loss on financial assets		(257,262)	(92,538)
Surplus / (deficit) for the year before finance income		5,587,128	(39,562,630)
Finance income	12	15,220,146	15,265,064
Surplus / (deficit) for the year		20,807,274	(24,297,566)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		20,807,274	(24,297,566)

Annual Financial Statements for the year ended 31 March 2024

Statement of Cash Flows

Cash flows from operating activities	Notes	2024 P	2023 P
Cash generated from operations	13	19,597,627	(275,658,435)
Net cash generated / (used in) from operating activities		19,597,627	(275,658,435)
Cash flows from investing activities			
Interest received		13,070,831	15,265,064
Purchase of property, plant and equipment	3	(693,052)	(1,803,097)
Sale of property, plant and equipment		-	202,737
Purchase of short-term investment	6	(140,000,000)	-
Net cash (used in) generated from investing activities		(127,622,221)	13,664,704
Total cash and cash equivalents movement for the year		(108,024,594)	(261,993,731)
Cash and cash equivalents at beginning of the year		262,309,729	524,303,460
Total cash and cash equivalents at end of year		154,285,135	262,309,729

Annual Financial Statements for the year ended 31 March 2024

Statement of Changes in Equity

	2024 P
Balance at 01 April 2022	326,475,561
Deficit for the year	(24,297,566)
Other comprehensive income for the year	-
Total comprehensive loss for the year	(24,297,566)
Balance as at 31 March 2023	302,177,995
Balance as at 1 April 2023	302,177,995
Surplus for the year	20,807,274
Other comprehensive income for the year	-
Total comprehensive income for the year	20,807,274
Balance as at 31 March 2024	322,985,269

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies

General information

The Universal Access and Service Fund is a Trust established under Notarial Deed of Trust No. MA317/2014. The address of the Trust's registered office Lot 50671, Independence Avenue, Extension 5, Gaborone, Botswana. The main activities of the Trust are to offer financial subsidies and incentives to service providers to expand communications infrastructure and services in underserved areas. The Trust also provides financial assistance in local content production and related capacity development among citizens.

The financial statements set out on pages 41 to 70 and the supplementary information on page 71 have been approved by the Trustees on 23 October 2024.

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with, and in compliance with IFRS Accounting Standards. The annual financial statements have been prepared on the historical cost basis 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:

Impairment of financial assets

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

The Trust 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 Trust 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 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.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment of financial assets (continued)

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;
- That the movement in the forecast in GDP has a direct impact on the collectability of trade receivables.

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

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 a material impact on the estimated provision for impairment.

Note 5 to the financial statements discloses information on loss allowances estimated on lifetime expected credit loss model.

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

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

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

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

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

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Measurement and recognition of expected credit losses (continued)

The Trust 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 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 Trust individually assesses exposure to credit risk of each of these entities. Details of the provision matrix are presented in note 5.

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 5).

Credit risk

Details of credit risk are included in the risk management note (note 15).

Significant increase in credit risk

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

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

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

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

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.1 Significant judgements and sources of estimation uncertainty (continued)

Significant increase in credit risk (continued)

Definition of default

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

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

Write-off policy

The Trust 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 Trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Residual value of property, plant and equipment

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

1.2 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 Trust; 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. Depreciation of the asset commences when the asset is available for use as intended by management.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.2 Property, plant and equipment (continued)

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

Item	Average useful life
IT equipment	2 years
Motor vehicle	4 years

IT equipment	2 years
Motor vehicle	4 years

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

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

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

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

1.3 Financial instruments

Classification

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

- Financial assets measured at amortised cost
- Financial liabilities measured at amortised cost

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

Initial recognition and measurement

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

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

Financial instruments are measured initially at fair value.

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

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.3 Financial instruments (continued)

Subsequent measurement

Financial assets are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

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

The Trust does not have any financial assets or liabilities that are initially designated as fair value through profit or loss.

IFRS 9 requires that the Trust assess the business model in relation to each financial asset to determine the classification. Trust 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.

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

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost. 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 Trust'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 Trust 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.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.3 Financial instruments (continued)

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.

Short-term investments

Short term investments (note 6) are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these fixed deposits give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding, and the Trust's business model is to collect the contractual cash flows on these fixed deposits.

Recognition and measurement

Short-term investments are recognised when the group becomes a party to the contractual provisions of the investments. The investments are measured, at initial recognition, at fair value plus transaction costs, if any.

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

Financial assets derecognition

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

Trade and other payables

Classification

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

Recognition and Measurement

Trade payables are recognized when the Trust becomes a party to the contractual provision. They are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.3 Financial instruments (continued)

Trade and other payables (continued)

Financial liability derecognition

The Trust derecognises financial liabilities when, and only when, the Trust 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.

Off-setting financial instruments

Financial assets and liabilities are off-set and the net amount reported in the statement of financial position 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.

1.4 Tax

Tax expenses

No provision for taxation is required as the income generated by the Trust is exempt from taxation in terms of Second Schedule, Part II (XXXIX) of the Income Tax Act (Cap 52:01).

1.5 Impairment of assets

The managers assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Trust estimates the recoverable amount of the asset.

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. The managers assess 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.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.5 Impairment of assets (continued)

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

1.6 Provisions

Provisions are recognised when:

- The Trust 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 of the obligation can be made.

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.

1.7 Revenue

Revenue includes amounts charged to the telecommunications, broadcasting and postal service operators of Botswana as levies. These fees are based on a fixed percentage of the monthly gross turnover of the operators initially as certified by them and subsequently, certified by their auditors on an annual basis. The fees are payable 30 days after the invoice is raised.

Revenue also includes revenue from contributions received from Botswana Communications Regulatory Authority ("BOCRA") in terms of the Communications Regulatory Authority Act, 2012 section 29 (3) which states that at the end of each financial year, any excess of income received by the Authority over expenditure properly incurred shall be deposited in the Universal Access and Service Fund Trust.

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

Interest income

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

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

1.8 Translation of foreign currencies

Foreign currency transactions

Functional and presentation currency

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

Transactions and balances

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

2. Basis of preparation

The annual financial statements have been prepared in accordance with, and in compliance with IFRS Accounting Standards on a basis consistent with prior year. New standards and interpretation

a) Standards, amendments and interpretations relevant to the Trust and not effective for 31 March 2024 year end.

The Trust has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Trust's accounting periods beginning on or after 01 April 2023 or later periods:

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

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

Effective for annual periods beginning on or after 1 January 2024. It is unlikely that the amendment will have a material impact on the Trust's financial statements.

b) Standards, amendments and interpretations relevant to the Trust and effective for the first time for 31 March 2024 year end.

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

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective on or after 1 January 2023)

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates. The impact of the amendment is not material on the Trust's financial statements.

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

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

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

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

New standards and interpretation

c) Standards, amendments and interpretations not relevant to the Trust and effective for the first time for 31 March 2023 year end (continued).

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

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

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

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

In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition.

Annual Financial Statements for the year ended 31 March 2024

Accounting Policies (Continued)

New standards and interpretation (Continued)

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

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

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

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

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

(d) Standards, amendments and interpretations not relevant to the Trust and not effective for the for the 31 March 2024 year end

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

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

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

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

Amendments to IAS 21 Lack of Exchangeability (Amendments to L4S 21) (effective on or after 1 January 2025)

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

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements

3. Property, Plant and Equipment

	Cost P	Accumulated depreciation P	Carrying value P
As at 31 March 2024			
IT equipment	352,279	(296,069)	56,210
Motor vehicle	3,522,317	(1,754,946)	1,767,371
Total	3,874,596	(2,051,015)	1,823,581

	IT equipment	Motor vehicle	Total
Reconciliation of property, plant and equipment- 2024			
Opening balance	117,530	1,749,650	1,867,180
Additions	-	693,052	693,052
Depreciation	(61,320)	(675,331)	(736,651)
Total	56,210	1,767,371	1,823,581

	Cost P	Accumulated depreciation	Carrying value
As at 31 March 2023			
IT equipment	370,459	(252,929)	117,530
Motor vehicle	2,829,265	(1,079,615)	1,749,650
	3,199,724	(1,332,544)	1,867,180

	IT equipment	Motor vehicle	Total
Reconciliation of property, plant and equipment- 2023			
Opening balance	2,232	488,977	491,209
Additions	122,640	1,680,457	1,803,097
Depreciation	(7,342)	(419,784)	(427,126)
Total	117,530	1,749,650	1,867,180

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

4. Financial assets by category Financial asset at amortised cost	2024 P	2023 P
Trade and other receivables	55,592,600	64,715,142
Cash and cash equivalents	154,285,135	262,309,729
Total	209,877,735	327,024,871

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 counter-party default rates.

There are no credit ratings available in Botswana. None of the financial assets that are fully performing has been renegotiated during the year.

Ratings			
Trade receivables	Group 2	10,120,877	38,990,244
	Group 3	1,396,654	1,827,278
Sundry debtors	Group 2	2,221,911	1,384,210
Receivable from BOCRA	Group 2	37,556,028	22,723,389
Cash at bank and Short-term deposits	Not rated	154,285,135	262,309,729

Key:

Group 2 = existing customers (more than 6 months) with no default in the past.
Group 3 = existing customers (more than 6 months) with history of default.

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

5. Trade and other receivables	2024 P	2023 P
Financial assets		
Trade receivables	16,281,901	40,817,521
Less: Impairment	(467,240)	(209,978)
Trade receivable (net)	15,814,661	40,607,543
Sundry debtors	2,221,911	1,384,210
Receivable from BOCRA (Note 14)	37,556,028	22,723,389
Total	55,592,600	64,715,142
Non-financial assets:		
Pre payments	369,117	281,530
Total	55,961,717	64,996,672

Fair value of trade and other receivables

Trade and other receivables	55,592,600	64,715,142
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The carrying amount of trade and other receivables are denominated in Botswana Pula. Trade debtors are unsecured and do not attract interest, and are due for settlement within 30 days.

Trade receivables which are fully performing	10,120,877	38,990,244
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Annual Financial Statements for the year ended
31 March 2024

Notes to the Annual Financial Statements (Continued)

5. Trade and other receivables (continued)	2024 P	2024 P	2023 P	2023 P
Current 1-30 days	10,120,877	6,759	38,990,244	2,998
	-	-	-	-
Fully performing	10,120,877	6,759	38,990,244	2,998
31-60 days	-	-	-	-
61-90 days	4,764,370	69,983	494,120	43,171
Past due but not impaired	4,764,370	69,983	494,120	43,171
Over 90 days- impaired	1,396,654	390,498	1,333,158	163,809
Total	16,281,901	467,240	40,817,521	209,978

Movement in the loss allowance for receivables

	2024 P	2023 P
Opening impairment allowances	209,978	117,440
Provision for the year	257,262	92,538
	467,240	209,978

Trade Receivables: Expected Credit loss Default Rates (%)

Date	Current	1 — 30 Past due	31-60 Past due	61-90 Past due
31-Mar-23	2.40%	5.23%	10.96%	32.61%
31-Mar-24	2.32%	5.04%	15.92%	39.05%

The loss given default used is 100% as the debtors are not secured by collateral

Annual Financial Statements for the year ended
31 March 2024

Notes to the Annual Financial Statements (Continued)

6. Short-term investments	2024 P	2023 P
Money market funds	140,000,000	-

7. Cash and cash equivalents

Bank balances at current accounts	10,000	7,348
Bank balances at call accounts	44,275,135	162,302,381
Fixed deposits	110,000,000	100,000,000
	154,285,135	262,309,729

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

Bank balances at current accounts	10,000	7,348
Bank balances at call accounts	44,275,135	162,302,381
Fixed deposits	110,000,000	100,000,000
	154,285,135	262,309,729

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

8. Trade and other payables	2024 P	2023 P
Financial Liabilities:		
Payable to Botswana Government	6,799,064	15,922,671
Trade creditors	325,797	82,076
Accrual creditors	12,293,522	4,477,075
Sundry creditors	1,614,731	207,298
	21,033,114	20,689,120

Non-financial liabilities:		
UASF IT officers provisions	8,052,050	6,306,466
	29,085,164	26,995,586

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

The payable to Government comprises the amount for the school computerisation project managed by the Trust.

9. Revenue

UASF levy	44,642,614	44,877,368
BOCRA contribution	37,556,028	22,723,389
	82,198,642	67,600,757

10. Other Income

Gains on disposal of assets	-	202,737
Tender Application fees	59,200	2,940
Miscellaneous	4,625	-
	63,825	205,677

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

11. Operating expenses	2024 P	2023 P
Major categories of operating expenses:		
Advertising and publicity	504,339	1,772,498
Audit fees	125,087	94,936
Bank charges	27,641	22,236
Board expenses	1,494,635	1,142,011
Consulting and projects expenses	70,957,201	101,513,125
Depreciation	736,651	427,126
Fuel	114,010	293,330
Insurance	193,974	195,531
Printing and stationery	247,789	104,976
Repairs and maintenance	245,747	159,258
Secretariat costs	1,690,003	1,551,499
	76,418,077	107,276,526

12. Finance income

Bank	297,901	236,571
Income from short-term investments	14,922,245	15,028,493
	15,220,146	15,265,064

13. Cash generated from operations

Surplus / (deficit) for the year	20,807,274	(24,297,566)
Adjustments for:		
Depreciation	736,651	427,126
Interest received	(13,070,831)	(15,265,064)
Net gain on sale of assets	-	(202,737)
Changes in working capital:		
Trade and other receivables	9,034,955	(16,625,381)
Trade and other payables	2,089,578	(219,694,813)
	19,597,627	(275,658,435)

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

14. Related parties

Related parties comprise Botswana Communications Regulatory Authority (BOCRA), the trustees, entities with common ownership and/or members.

Trustees

Mr. Itumeleng Batsalelwang (Chairperson)
Dr. Seamogano Mosanako
Mr. Kealeboga Pifelo
Ms. Caroline S. Botlhole-Mmopi
Ms. Tsholofelo Bogosi
Mr. Martin Mokgware

Related party balances

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

	2024 P	2023 P
BOCRA (Note 5)	37,556,028	22,723,389
Botswana Telecommunications Corporation (Government owned)	2,910,270	3,005,818
Botswana Post (Government owned)	(1,842,865)	(1,808,292)
Botswana Fibre Networks (Government owned)	818,677	710,521
Botswana Government	(6,799,064)	(15,922,671)

The receivables from related parties arise mainly from Universal Access and Service Fund levies. The receivables are unsecured in nature and bear no interest and are due within 30 days. No provision was held against receivables from related parties.

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

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

14. Related parties (continued)

	2024 P	2023 P
Related party transactions		
Board expenses (Note 11)		
Sitting allowances	642,800	48,600
Other allowances	361,642	20,250
Travel costs	400,594	768,892
Other costs	89,599	304,269
	1,494,635	1,142,011

i) Sale of services rendered

Botswana Telecommunication Corporation	11,409,028	11,702,522
Botswana Post	653,474	678,950
Botswana Fibre Networks	2,506,377	2,582,986

ii) Contributions from BOCRA (Note 9)

	37,556,028	22,723,389
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iii) Secretariat fees to BOCRA (Note 11)

	1,690,003	1,551,499
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15. Risk management

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

There are no externally imposed capital requirements.

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

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

15. Risk management (continued)

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

	2024 P	2023 P
Short-term investment (Note 6)	140,000,000	-
Cash and cash equivalents (Note 7)	154,285,135	262,309,729
	294,285,135	262,309,729

Financial risk management

The Trust’s activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk and credit risk.

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

Risk management is carried out by the key management of the Trust and under policies approved by the Trustees. The Trustees provide written principles for overall risk management.

Interest rate risk

The Trust 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 Trust 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 amounting to P294.28 million (2023: P262.31 million) are exposed to cash flow interest rate risk.

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

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

15. Risk management (continued)

Cash flow interest rate risk – 2024	Current Interest Rate	Due in less than three months (maturity values) P
Financial instrument		
Call accounts	0.025% to 1%	44,275,135 44,275,135

Cash flow interest rate risk – 2023

Financial instrument		
Call accounts	0.025% to 1%	162,302,381 162,302,381

Fair value interest rate risk – 2024

Financial Instrument		
3 months fixed deposits	6.25%	110,000,000
Money market funds	7.50%	140,000,000

Fair value interest rate risk – 2023

Financial Instrument		
3 months fixed deposits	8.40%	100,000,000

Interest rate sensitivity analysis

At 31 March 2024, if the interest rates on interest bearing assets had increased / decreased by 0.5% with all other variables held constant, surplus for the year would have been P 1,470,691 (2023: P 1,311,512) higher / lower, mainly as a result of interest income on interest bearing assets.

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

15. Risk management (continued)

Credit risk

Cash and cash equivalents and short-term investments

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

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

Trade and other receivables

Trade receivables comprise mainly of three major operators from the telecommunications sector, amounting to P20.15 million (2023: P11.4 million) at year-end .

The maximum credit exposure on trade receivables and other receivables is limited to P55.59 million (2023: P64.72 million).

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.

The following table contains credit risk exposure of trade and other receivables, cash and cash equivalents and short-term investments.

	2024	2023
Trade and other receivables	55,592,600	64,715,142
Stanbic Bank Botswana Limited	43,907,531	160,116,766
Standard Chartered Bank Botswana	110,377,604	102,192,963
Vunani Fund Managers	140,000,000	-
	294,285,135	262,309,729
	349,877,735	327,024,871

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

15. Risk management (continued)

Foreign exchange risk

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

Liquidity risk

The Trust is exposed to liquidity risk, which is the risk that the Trust will encounter difficulties in meeting its obligations as they become due.

The Trust's risk to liquidity is a result of the funds available to cover future commitments. The Trust manages liquidity risk through an ongoing review of future commitments and credit facilities, and effectively managing its working capital and cashflows. The financing requirements are met through cash generated from operations.

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

The table below analyses the Trust'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 cashflows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year P
As at 31 March 2024 Trade and other payables	29,085,164
As at 31 March 2023 Trade and other payables	26,995,586

Annual Financial Statements for the year ended 31 March 2024

Notes to the Annual Financial Statements (Continued)

16. Contingencies and commitments

The Trustees confirm that there are no material contingent liabilities and capital commitments as at year end.

17. Going Concern

For the year ended 31 March 2024, the Trust recorded comprehensive income of P20.81 million. (2023: net deficit P24.30 million). The Trust is able to meet its financial obligations as they fall due.

18. Events after the reporting date

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

Annual Financial Statements for the year ended 31 March 2024

Detailed Income Statement

	2024 P	2023 P
Revenue		
UASF Levy	44,642,614	44,877,368
Contribution from BOCRA	37,556,028	22,723,389
	82,198,642	67,600,757
Other income		
Miscellaneous income	63,825	205,677
	63,825	205,677
Interest received		
	15,220,146	15,265,064
	15,220,146	15,265,064
	97,482,613	83,071,498
Audit fees	(125,087)	(94,936)
Impairment on receivables	(257,262)	(92,538)
Insurance	(193,974)	(195,531)
Bank charges	(27,641)	(22,236)
Board expenses	(1,494,635)	(1,142,011)
Consultancy	(3,527,310)	(3,292,693)
Depreciation	(736,651)	(427,126)
Fuel	(114,010)	(293,330)
Projects	(67,510,891)	(98,220,432)
Advertising and publicity	(504,339)	(1,772,498)
Repairs and maintenance	(245,747)	(159,258)
Printing and stationery	(247,789)	(104,976)
Secretariat costs	(1,690,003)	(1,551,499)
	(76,675,339)	(107,369,064)
Total comprehensive income / (loss) for the year	20,807,274	(24,297,566)

The detailed income statement does not form part of the audit opinion expressed on page numbers 38 to 40.