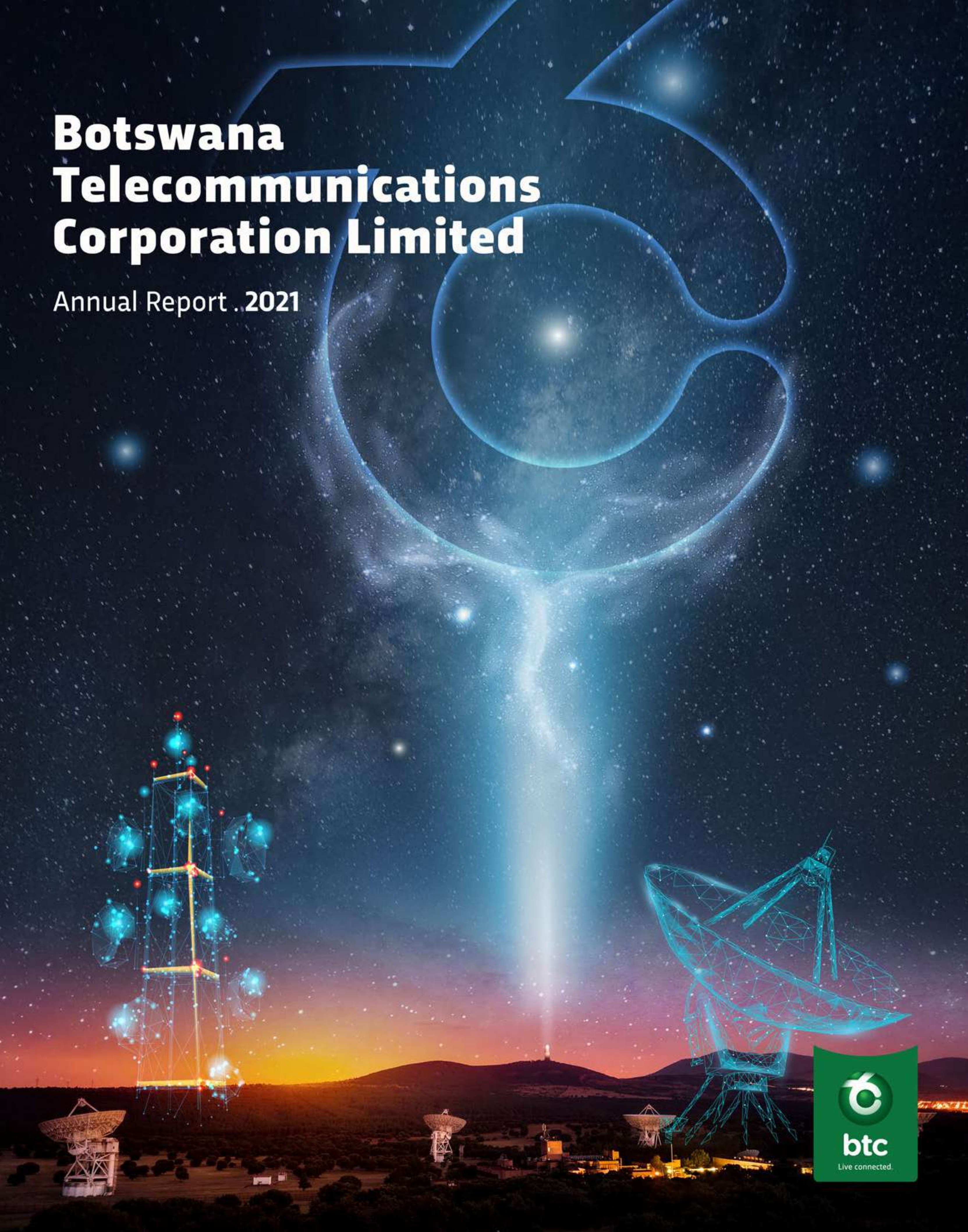
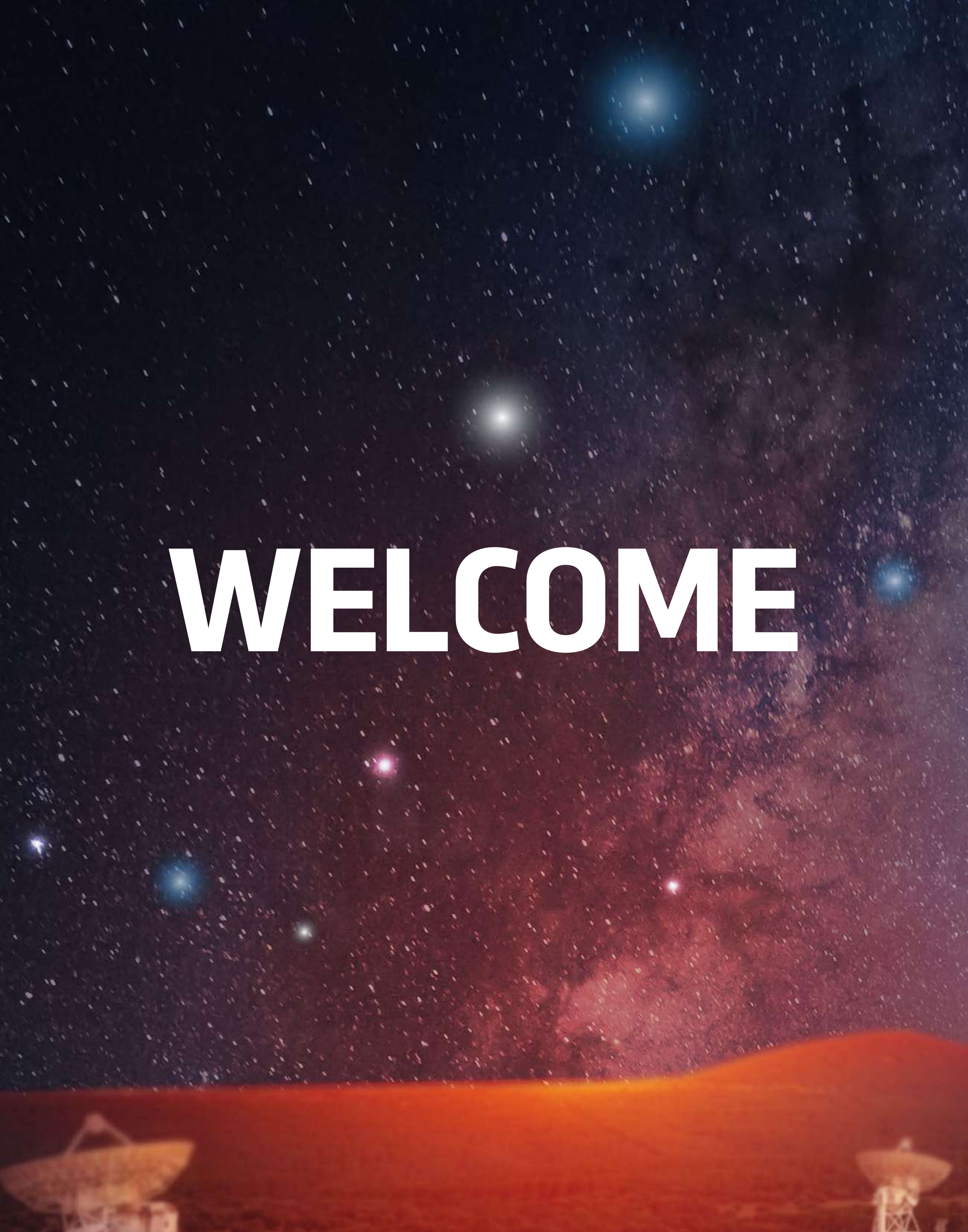
Botswana Telecommunications Corporation Limited

Annual Report . **2021**



btc
Live connected.


WELCOME

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About BTC

BTC is a proudly Botswana business that strives to operate and deliver to a truly international standard. In this section, we share more about our business, our history and the very essence of our brand.

01.

KEY MILESTONES

Botswana Telecommunications Corporation Limited ("BTC") is a converged telecommunications operator offering fixed (voice and data), mobile (voice and data) and broadband services to consumers, small businesses, large enterprises and government.

1980

Botswana Telecommunications Corporation was formed through an Act of Parliament from the then Department of Post and Telecommunications Department.

1981

The Earth Station was commissioned in 1980 connecting Botswana to overseas directly. A new Telex exchange was also commissioned.

1987

Main Development Programme I completed, bringing digital technology to Botswana for the first time. International Direct Dialing was introduced. Telephone access lines grow to 11,700.

1989

BTC declares and pays a dividend to the Government of Botswana.

1991

Main Development Programme linking Maun, Kasane and Ghanzi to the main communications network completed. Ghanzi receives automatic telephone service for the first time.

1999

BTC in partnership with the Botswana Government embarks on a Rural Infrastructure Development Programme (Nteletsa) to bring telecommunication services to previously under-served communities, covering over 127 villages. BTC enters into interconnect and backhaul network agreement with mobile operators.

2007

BTC awarded a Public Telecommunications Operator license.

2008

BTC launches its mobile service under the brand name "be MOBILE"

2012

Botswana Government announces separation of network assets from BTC into a special purpose vehicle and announces privatization plan for BTC.

2013

BTC is incorporated as a limited company under the Companies Act 2003.

2014

BTC completes its obligation to transfer the network assets to Botswana Fibre Network (BoFiNet) and readies for privatisation.

2016

BTC lists on the BSE, becoming the first and only telecommunications service provider listed on the local bourse. The privatisation and listing was over subscribed 1.68 times and remains one of the most iconic and historic IPOs in Botswana.

The listing brought over 50,000 Batswana shareholders to BTC, thus providing economic inclusion and wealth creation opportunities for citizens.

2016

BTC integrates its beMOBILE and BTC brands into one, reflecting its position as a one-stop shop communication business.

BTC no longer goes to market as beMOBILE, fixed lines or Broadband, but as one united BTC, with a single refreshed brand.

2017

BTC embarks on network transformation project.

2017

BTC launches 4G network and currently has over four hundred (400) 4.5G sites covering major villages and towns, providing Botswana's widest and fastest 4.5G network.

2018

BTC launches revised broadband services on the FTTX network.

2018

BTC launches new converged billing platform to improve efficiency and service delivery.

2019

BTC commissions the Sentlhaga Data Centre and launches improved VSAT capabilities.

2020

Enhanced customer experience – BTC launches a programme to invigorate BTC's internal culture and customer experience to drive a positive trajectory into the future.

2021

BTC launched the first ever telecommunications Museum in Botswana, officiated by the Minister of Transport and Communications.

2021

BTC hosts the first ever Enterprise summit themed Digital Shift BW- "Transforming Botswana for success in the digital age".

CORPORATE INFORMATION

Botswana Telecommunications Corporation Limited (BTC)

Incorporated in the Republic of Botswana
Company Registration number: BW00000748937

Registered Office

Megaleng House, Khama Crescent, Plot 50350
P O Box 700, Gaborone, Botswana

Transfer Secretaries

Central Securities Depository Company of Botswana (CSDB)
Postal address: Private Bag 00417, Gaborone
Physical address: Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400 /11/12
Contact: Masego Pheto

Auditors

Deloitte and Touche
Deloitte House, Plot 50664, Fairgrounds Office Park,
P O Box 778, Gaborone, Botswana

Company secretary

Sidney Mganga

Bankers

- Absa Bank Botswana Limited
- African Banking Corporation Botswana Limited
- Bank Gaborone Limited
- First National Bank Botswana Limited
- Stanbic Bank Botswana Limited
- Standard Chartered Bank Botswana Limited

ABOUT BTC

Botswana Telecommunications Corporation Limited (BTC) is a Botswana Stock Exchange Limited (BSEL) listed communications service provider offering fixed (voice and data), mobile (voice and data) and broadband services to consumers, small businesses, large enterprises and government.

BTC has international interconnections and relationships with multiple service providers, making it a trusted partner for provisioning of services, including transit services, to neighbouring countries.

OUR PURPOSE AND VISION

PURPOSE

"We exist to provide superior digital solutions to our people to enable them to live connected."

VISION

"Leader in Digital and Communication Services."

OUR VALUES

We will uphold the following VALUES in all our dealings with customers and key stakeholders:

- **Excellence** – We offer superior, supreme, excellent, quality service to all our stakeholders;
- **Teamwork** – We work effectively and efficiently collaborate in the pursuit of common goal;
- **Agility** – We commit to be flexible, innovative and move with speed, and easily to meet customer needs;
- **Ethical Conduct** - we commit to act with the highest ethical standards and integrity, honesty and fairness at all times in all our interactions with our stakeholders, both internally and externally.

OUR PRODUCTS AND SERVICES

We are a fully converged fixed and mobile telecommunications operator. Our main product lines are Fixed Voice and Data, Mobile Voice and Data, Mobile Financial Service, and Digital Services which are operated from our state-of-the-art data centre.

KEY MARKET SEGMENTS

CONSUMER AND HOME

We offer mobile solutions to individual customers including voice, data and SMS, Value-Added Services (VAS), and mobile financial services (Smega) We also provide residential solutions including broadband and fixed voice lines along with converged fixed and mobile offers to ensure that everyone can live connected.

SME AND ENTERPRISE

For our business customers we offer a wide variety of customisable and bundled solutions.

VOICE AND COLLABORATION

Fixed lines and PABX, Toll Free numbers, Contact Centre solutions, Smart office, Call Conferencing, Telephone Management and Call recording.

OFFICE INTERNET

SME internet, Enterprise Internet, VSAT, Security as a Service and Manage Network Services, and Metro ethernet services.

DIGITAL SERVICES

Sentlhaga data centre, colocation, cloud services and Microsoft solutions.

OUR BUSINESS STRUCTURE

BTC has three distinct operational areas comprising commercial, technology and support functions.

THE COMMERCIAL UNIT

The Commercial unit of the business comprises Marketing, Mobile Financial Services, Consumer Sales, Enterprise Sales and Service Quality. The unit's mandate is to deliver revenue growth and ensure service quality across the business. The Marketing division is responsible for ensuring we take the right products to the market per segment. The Consumer Sales division focuses on the Contact Centre and Retail and SME segments, while our Enterprise Sales division focuses on corporate, parastatals, government and resellers. This is backed up by our Service Quality division that ensures that we offer the best possible customer experience across the business.

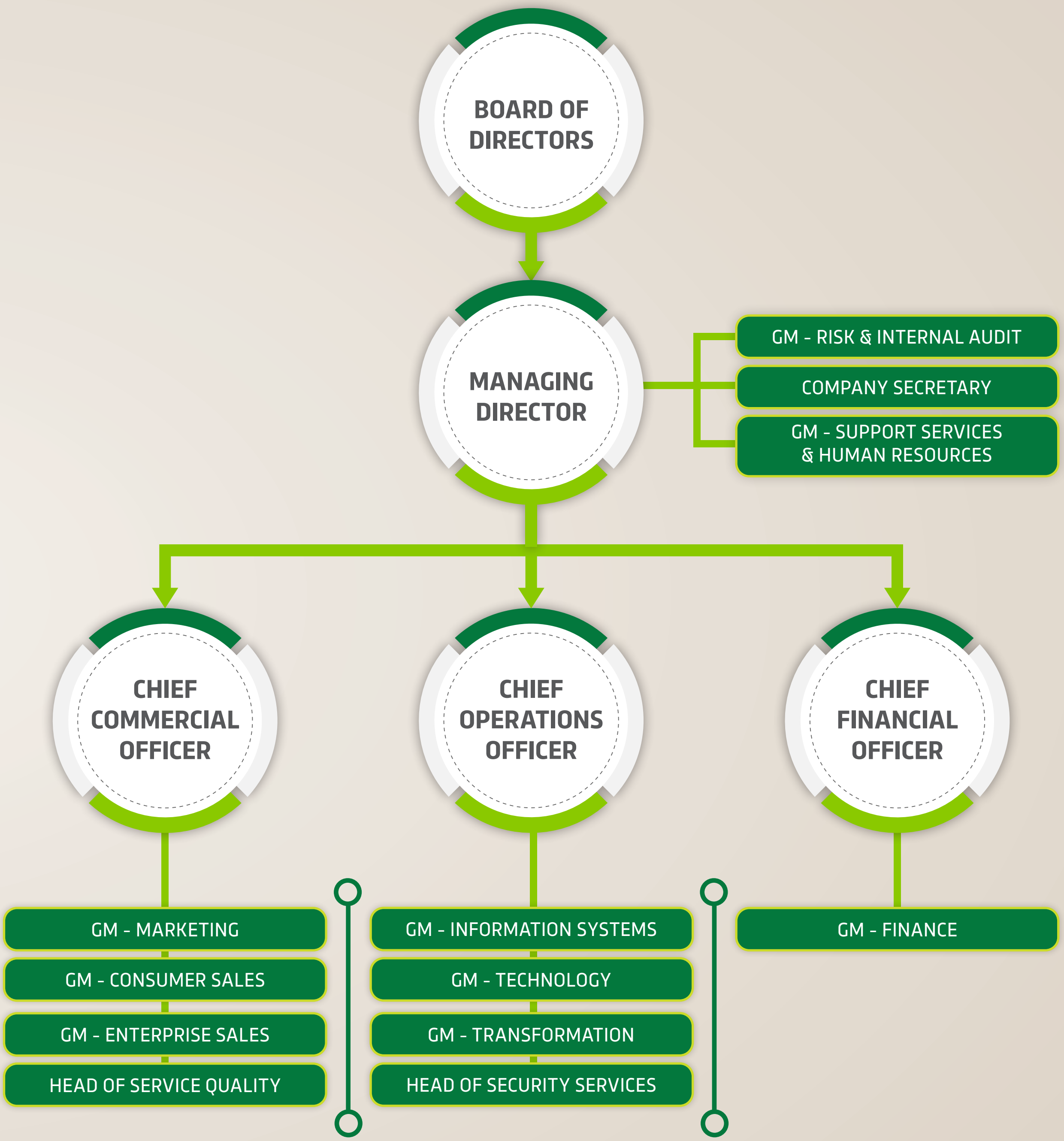
THE TECHNOLOGY UNIT

The Technology unit of the business comprises the Information Systems (IS), Technology (Telecommunications Network), Security Services and Transformation office. The Technology division is responsible for network planning, network build, and operations. The unit oversees the IT environment, overall corporate security services, and the delivery of the corporate strategy and transformation agenda.

THE SUPPORT UNIT

The Support functions consist of Human Resources, Shared services, Risk Management, Internal Audit, Finance and Company Secretary. These functions provide support to the core functions of the business.

OUR ORGANISATIONAL STRUCTURE



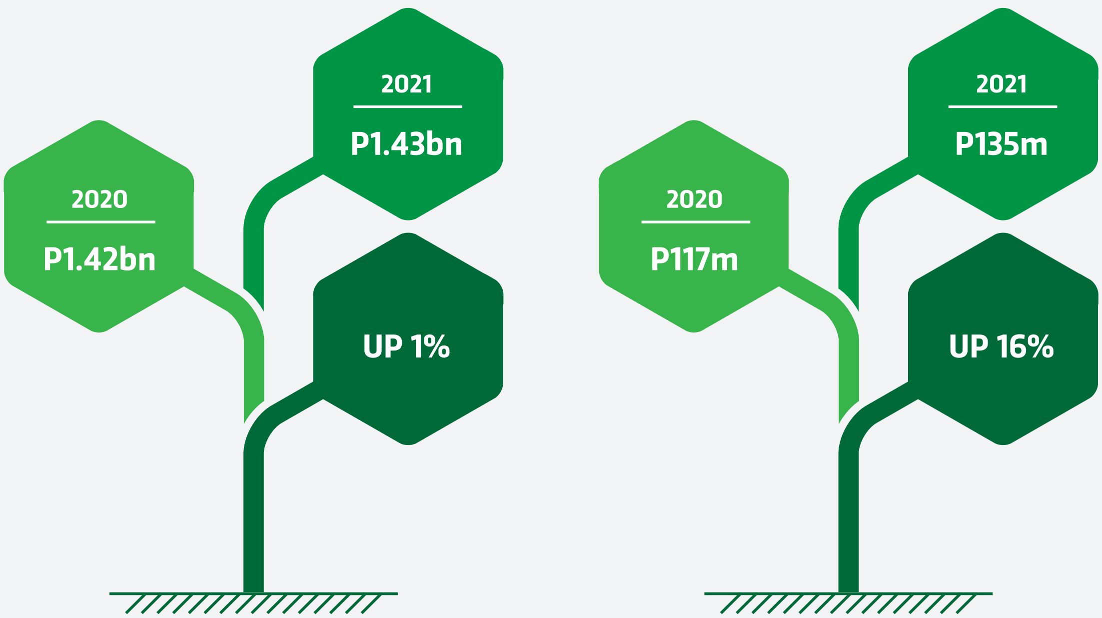
PERFORMANCE SUMMARY

02.

FINANCIAL PERFORMANCE HIGHLIGHTS

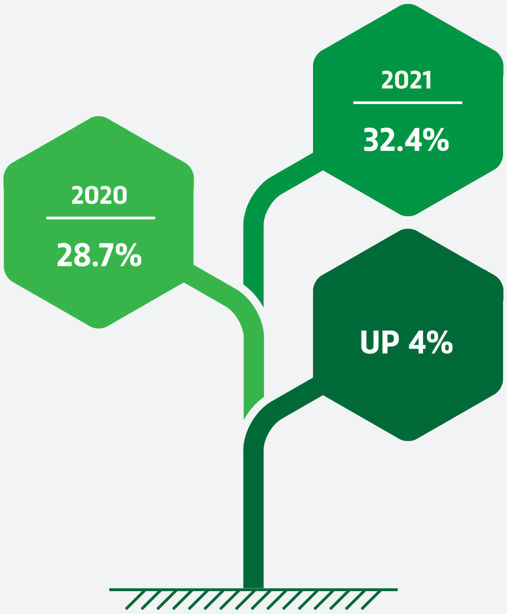
2021 HIGHLIGHTS

THIS YEAR WE HAD A SIGNIFICANT IMPROVEMENT IN PERFORMANCE AMID CHALLEGING OPERATING CONDITIONS EMANATING FROM THE COVID-19 PANDEMIC. WE ARE PROUD TO PRESENT THE FOLLOWING HIGHLIGHTS.

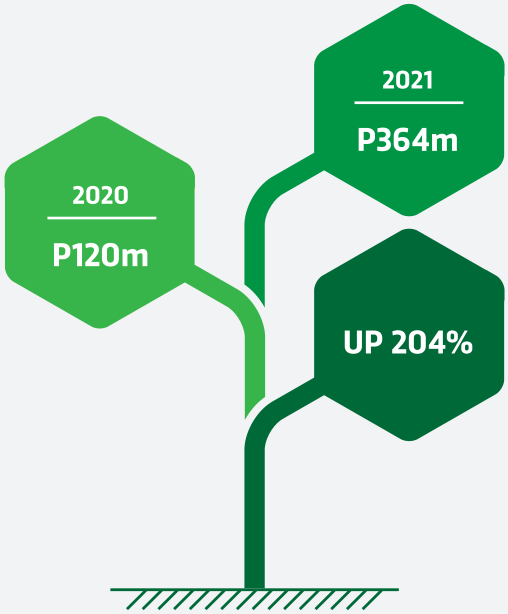


REVENUE

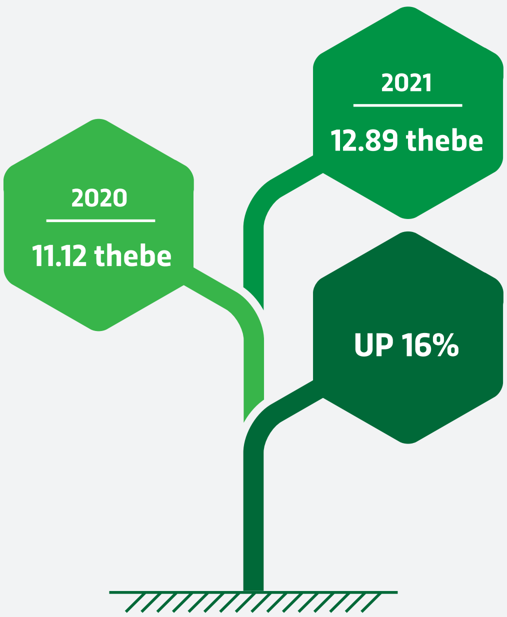
PROFIT AFTER TAX



EBITDA MARGIN



FREE CASH FLOW



EARNINGS PER SHARE

DIVIDENDS

3.13 thebe (interim)
5.31 thebe (final)
Total dividend per share – 8.44 thebe

2021 MILESTONES

- BTC commences Enterprise Revamp project
- BTC begins internal culture transformation journey dubbed "Project Morero"
- BTC hosts the Opening Bell Ceremony with the Botswana Stock Exchange

CHAIRPERSON'S STATEMENT

Lorato Bokgomo-Ntakhwana
Board Chairperson

OPERATIONAL PERFORMANCE SUMMARY

I am proud to announce that we delivered impressive financial performance, growing total revenue by 1% to

P1.43 billion

EBITDA margin from

28.7% to 32.4% & profit by 16%.

DEAR SHAREHOLDER

2021 was an unprecedented year, with the COVID-19 outbreak arriving in Botswana at the very beginning of the Financial Year. The Government responded by instituting extreme social distance measures across the country. Though necessary, these measures challenged us early in the year to reconsider our delivery model and swiftly respond to the needs of the citizens and the economy. BTC had to ensure that businesses continued to operate, children continued schooling, healthcare facilities continued functioning, and Government continued to respond to the pandemic effectively. During the year, our company focused on the acceleration of e-services as the economy and society adapted to new ways of doing things, ensuring that our customers continue to live connected in the face of COVID-19 restrictions.

The COVID-19 pandemic has made superior quality and reliable connectivity become absolute necessities, further validating our position as the only broadband provider in the market with unlimited bandwidth. While the telecommunications sector has not felt the most severe effects of the COVID-19 pandemic, the providers were not entirely immune from its longer-lasting macroeconomic impacts. The wellbeing and safety of our workforce have been paramount for the management team, which motivated the decision to allow our employees to work from home.

The economy struggled due to lockdowns and curfews intended to curb the spread of COVID-19. These measures hit SMMEs hardest and numerous clients made the difficult decision to close down, likely posing a substantial risk of debt impairment. We continue to monitor the situation and have made adequate provisions for the fiscal year under review.

ECONOMIC OUTLOOK

The African Development Bank projects modest real GDP recovery in 2021 and 2022. The recovery is predicated on a revival in domestic demand, as the effects of the pandemic recede and a rebound in the commodity prices is expected as economies reopen globally. Upside risks to the growth outlook hinge on:

- The steadfast implementation of business environment reforms
- Government interventions against COVID–19, including the Economic Recovery and Transformation Plan (ERTP)
- Successful rollout of the COVID-19 vaccines
- Support of stable macro-economic environment
- The duration of constrained economic activity across all markets due to the emergence of new COVID-19 variants, which could impact the demand from domestic and global markets, will determine the growth outcome.

The projected increase in inflation in the short term is primarily due to transitory administered price changes on the supply side. Prospects for growth are highly dependent on the recovery of the mining and tourism sectors.

OPERATIONAL PERFORMANCE

The world economy during the year under review was sluggish and led to low economic growth in Botswana. The worldwide outbreak of the coronavirus in early 2020 significantly exacerbated the situation. The pandemic saw economies of the world grinding to halt, and all sectors, including ICT, have been adversely affected.

Despite the challenging trading conditions, BTC remained resilient and continued to deliver solid performance for the year. We maintained our share of the broadband and mobile customers and also saw our Mobile money subscriber base increase, bearing testament to our commitment to financial inclusion and our quest to empower our customers with innovative mobile financial products. In response to the COVID-19 pandemic and the eventual extreme social distancing measures implemented nationwide, a shift to working from home at the end of March 2020 drove demand for fixed and mobile networking infrastructure and connectivity but led to a significant decline in our fixed-line and mobile voice revenue.

Despite the challenging operating environment, I am proud to announce that we delivered impressive financial performance, growing total revenue by 1% to P1.43 billion, EBITDA margin from 28.7% to 32.4% and profit by 16%.

CHAIRPERSONS' STATEMENT (Continued)

STRATEGY

BTC is in the first year of a three-year strategy that commits to providing customers with superior digital solutions that enable our people to live connected. Customer experience and culture were the focal points of the year.

The Phase 1 de-coppering plan in Gaborone and Jwaneng, replacing copper with fibre, resulted in a lower fault rate and improved customer experience. During the year, we leveraged our digital investments in the LTE network, FTTX investment, VSAT and cloud technologies (data centre) to deliver on the high demand in broadband brought about by COVID-19.

Having embedded a culture of high performance the previous year, our focus has now shifted to employing automation and digital transformation throughout our business operations. Our customers can now access our products and services and complete their purchases online through our new online shop and mobile application.

We have embarked on an FTTH plan to replace copper with fibre that has improved customer experience and is expected to reduce CAPEX and OPEX. By using fibre as a last mile connection, the deployment of FTTH will reduce active cabinets per locality while delivering speeds that were not possible through copper. BTC's investment in cutting edge, innovative infrastructure is poised to contribute significantly to transforming the lives of Batswana and usher in the Fourth Industrial Revolution.

Smega, our mobile financial service, has been well received by the market and is being positioned to increase its market share by enhancing its offering. Smega enables a range of services from local payments through a VISA card to international transfers into and out of Botswana.

GOVERNANCE

The Board recognises the importance of having sound corporate governance structures, risk management practices and internal controls underpinning the business. We are confident that the frameworks we have put in place to address these functional areas are adequate and in line with best practices. These frameworks are a vital pillar in supporting our transformation and growth aspirations under our new strategy.

The Board comprises one executive director and eight non-executive and independent directors. This structure ensures a distinct balance of responsibilities between the executive and the non-executive functions. This year we welcomed Ms Gaone Macholo to the Board and as the Chairperson of the Human Resources Committee. Ms Macholo is a seasoned professional with experience in human resources, and we look forward to her strategic contribution.

Our board members have extensive experience in their respective fields and remain professionally active and motivated to broaden their knowledge.

CORPORATE CITIZENSHIP

BTC will continue to implement corporate responsibility in the communities within which we operate. We believe in running a sustainable corporation that participates in the socio-economic development of Botswana. The year under review stalled the implementation of our Corporate Social Responsibility (CSR) activities, primarily because they involved physical contact and human interaction. I am proud of the team I lead; despite the restrictions, we managed to adjust and deliver some of our educational and social impact projects in compliance with COVID-19 guidelines. We successfully completed the Thapong Visual Arts partnership and empowered local students and creators in the arts industry. Even though the partnership ended during this fiscal year, we are considering additional avenues of supporting and developing the arts industry in Botswana.

The challenges faced this year were unique. While our traditional CSI projects slowed, there was a compelling need to show our corporate citizenship by supporting the Government in their efforts to contain and manage COVID-19. In this regard, we donated P2 million to the COVID-19 Relief Fund and donated connectivity access through sim cards and airtime worth P56 000 to the Botswana Gender-Based Violence Prevention and Support Centre (BGBVC).

CHAIRPERSONS' STATEMENT (Continued)

We undertook several initiatives that aimed to alleviate some of the challenges brought about by the pandemic:

- Partnered with the Ministry of Health and Wellness to build a telco infrastructure for the National Emergency Command Centre for free and zero-rated calls across all operators to the centre number 16649 hosted on BTC network
- Donated data, phones with Wi-Fi hotspot capability and internet bundles for up to 40 Emergency Command Centre workers to allow them to work remotely
- Partnered with the Ministry of Education and Skills Development to provide free SMSs to students and provide zero-rated access to educational websites, including free access to Classmate, an e-learning app with BGCSE and JC content during the first national lockdown.
- Partnered with the Ministry of Finance and Development Planning to use Smega as a donation platform for the National Relief Centre.

The BTC Foundation has been the vehicle through which we undertook our CSR projects, and the Foundation operated as an entity independent from BTC. However, post year end the Board decided to dissolve the Foundation and absorb the function under BTC's operations to better align our business units and CSR projects. I thank the BTC Foundation Chairperson, Kgosi Michael Mothobi Letsogile Mothobi and his fellow Trustees for serving selflessly, providing valuable direction and impact in our communities.

40th ANNIVERSARY CELEBRATIONS

Our 40th Birthday represented the turning of a new leaf in the life of BTC, repositioning us as the foremost provider of superior digital solutions to our people, enabling them to live connected. In the first year of our strategy, we focused on enhancing customer experience and a continued commitment to a high-performance culture. We recognised the demands of our people in the journey towards the Fourth Industrial Revolution and held flagship events to celebrate this milestone. These included:

- Launching of a Telco Museum
- Hosting the Digital Enterprise Summit with global thought leaders
- Participating in the Botswana Stock Exchange opening bell ceremony.

OUTLOOK

The new strategy will build on the great foundation set by its predecessor, enabling BTC to reap the full benefits of our digital infrastructure investment to drive the growth of the business. The strategy is underpinned by the digital transformation of our business to realise enhanced efficiencies, as well as to continue to maximise the utilisation of our technologies. We remain committed to transforming BTC into a digital services company, leading the Fourth Industrial Revolution to create maximum shareholder value. We see technology and digitisation as a vehicle to the provision of solutions to the nation's challenges.

APPRECIATION

I take this opportunity to thank our shareholders, customers, partners, and stakeholders for their continued support in realising our objectives. I also recognise my fellow board members for their leadership and guidance in steering BTC's direction and getting the company closer to attaining its vision. To the BTC Executive Management and employees, thank you for your commitment and dedication. You all worked tirelessly during a challenging and stressful period and managed to deliver outstanding financial performance. I urge us all to continue taking care and following the COVID-19 protocols. We will emerge stronger after the storm.

Lorato Boakgomo-Ntakhwana

Board Chairperson

MANAGING DIRECTOR'S STATEMENT

Anthony Masunga
Managing Director

OPERATING ENVIRONMENT SUMMARY

We delivered a strong double-digit growth in profit after tax of 16% when compared with the prior year, driven by the slight increase in revenue and robust cost reduction strategies that improved EBITDA to

P463million

leading to an increase in cash.

DEAR SHAREHOLDER

Our purpose is to provide superior digital solutions that enable you to live connected. BTC's purpose was put to the test throughout the COVID-19 pandemic due to an increase in demand for our connectivity solutions that enabled our customers to work from home. Batswana depend on the connectivity we provide to keep businesses operating, healthcare facilities functioning and ensuring that the Government responds effectively. We also helped to keep families connected to loved ones during periods of isolation. We are aware of how much the Government depends on us to contribute to the ambitious objective of migrating Botswana to the Fourth Industrial Revolution (4IR).

I am immensely proud of our resolute 1,000-strong team of dedicated staff across the country. Their passion and resilience in the face of the uncertainty that COVID-19 introduced typifies what we must harness as we continue to transform the company.

The year under review also marked our 40th anniversary and the beginning of our new three-year strategy that strives to provide excellent customer experience through optimum use of our improved networks.

OPERATING ENVIRONMENT

Botswana experienced a downturn in economic growth during the year due to the COVID-19 pandemic, from a 1.7% GDP growth in 2019 to a contraction of 4.1% in 2020. BTC remained resilient despite the negative GDP growth and was able to realise modest growth in revenue for the year under review. This performance reflects the increased demand for digital solutions necessitated by the shift to working more from home in response to the pandemic. The lockdowns in April and August 2020 decreased economic activity and significantly reduced revenue from the corporate part of our business. BTC will, however, continue to live up to the market demands and ensure that the nation continues to be connected and that the economy continues to operate despite the disruptions to life as we used to know it.

The highly competitive telecommunications industry in Botswana has resulted in price reductions, increased product competition, and highly targeted product offerings as ways to capture a share of the increasingly limited market. Regulator pressure to provide increased data connectivity while continuously reducing prices has added to the challenges we face as an industry.

FINANCIAL PERFORMANCE

The beginning of the fiscal year saw the implementation of our new three-year strategy, which is focused on the strengthening of the core business, optimising efficiencies and return on assets, in addition to pursuing growth opportunities. The start of the financial year coincided with the implementation of the national measures to contain the COVID-19 virus leading to national lockdowns which in turn placed pressure on our performance for the first half of the year. However, we have since seen a decent recovery in our financial performance year on year. The Group has reported revenue of P1.43 billion, which is a 1% increase over the prior year. This increase in revenue was driven by the monetisation of significant investments in fixed and mobile broadband infrastructure in support of high-speed internet service at homes and offices across most parts of the country.

We delivered a strong double-digit growth in profit after tax of 16% when compared with the prior year, driven by the slight increase in revenue and robust cost reduction strategies that improved EBITDA to P463 million, leading to an increase in cash. Cash and cash equivalents significantly increased by 20.4% from P120 million in the prior year to P364 million as at the end of March 2021. The increase was driven by a positive cash conversion ratio of 52% as well as favourable working capital resulting from implementation of debt collection measures during the year. The healthy cash balance enabled us to finance further expansion of our mobile data network and replacement of traditional copper connections with fibre in order to better support the needs of our customers.

The uptake of our data products has been growing steadily, with the improving quality of service leading to increased revenues even as voice revenues declined.

MANAGING DIRECTOR' STATEMENT (Continued)

MARKET SHARE

BTC continues to dominate the fixed line business despite a continued reduction in the demand for fixed lines both globally and locally. Trends continue to show an increased shift of consumer preference to mobile communications due to increased flexibility, convenience, and innovation.

The mobile phone market also continued to grow during the year with many consumers owning multiple SIM cards from the three mobile network operators.

Smega, BTC's Mobile Money Services, saw significant growth in subscriptions during the year and we expect to attract more customers as we continue the Visa card rollout. Smega is able to interact with traditional banking systems, offering more convenience to our customers. The platform also supports greater financial inclusion for the country's sizeable unbanked population.

STRATEGY 2021-2023

The past year has affirmed that we are indeed on the right strategic course: building a customer-centric culture, enabling our 4.5G mobile and fibre networks to provide innovative and superior digital services to our customers. This strategy will ensure that our fortunes will always be tied to the extent to which we contribute to society and facilitate economic activity.

By embracing the digital future, we can speed-up execution, reduce operating costs, and provide superior customer experience. There are several strategic projects in the implementation phase which will enable the organisation to play a more meaningful role in the delivery of the national digitalisation agenda.

CULTURAL TRANSFORMATION

In seeking to create a high-performance organisation, BTC has embraced a robust talent management strategy, whereby we commit to recruit, hire, retain, and develop the most talented and exceptional employees available in the job market. We conducted a talent awareness and review exercise during the year with the objective of mapping the way forward to building viable talent, capacity and capability for the long term. Going forward, we would like to be the best company to work for with a consistent, productive workforce with the right set of skills.

During the year we launched an internal cultural transformation initiative called Project Morero. This initiative saw us engage in honest conversations and identify the challenges within our current culture, which allowed us to define our ideal culture as an organisation, design specific activities and practices that would get us to the desired state, and to begin implementing them. It is on the back of Project Morero that we have seen a significant improvement in staff morale, a more attuned internal culture, and better overall relations, the impact of which followed through to our excellent financial performance for the period.

OUTLOOK

Looking ahead into the new financial year, our focus will be on streamlining efficiencies throughout the business, continuing to keep a tight rein on our costs while making smart capital expenditure investments. In line with the evolution of business globally, one of the key focus areas will be automation of key processes throughout our operations. In anticipation of increased adoption of innovative digital solutions by more businesses to sustain their performance, BTC has positioned itself to be the market leader in delivering digital solutions to its customers through its wide, high speed data connectivity network, cloud-based services, and superior customer service.

MANAGING DIRECTOR' STATEMENT (Continued)

APPRECIATION

I would like to thank the Board, Executive team and staff for their continued support and assistance. We have pulled together as a team to implement our new strategy with passion and managed to perform well against our targets in the most testing of circumstances. This feat was made possible because of your dedication, your hard work and your unwavering commitment to the organisation. To our shareholders and stakeholders, I thank you for your continued support and assure you that we are committed to continuously creating value for you.

Anthony Masunga

Managing Director

COVID-19 RESPONSE AND CORPORATE CITIZENSHIP

P2 million donation to the COVID-19 National Relief Fund

> **Driven by our unwavering commitment to contributing to the socio-economic development of our country, we were pleased to announce a donation of P2 million to the COVID-19 Relief Fund in support of the Government's efforts to fight the pandemic.**

Reflecting on the donation, our Managing Director, Mr Anthony Masunga remarked that "The COVID-19 pandemic is new territory for all of us. We are navigating this together, summoning all the information we have, sharing what is new in real-time and asking everyone in our communities to recognise that we will get through this pandemic together with resolve, compassion, and care. This is an extraordinary time and we as BTC need to stand up and be counted among those doing the right thing."

Dealing with this pandemic requires concerted, collaborative efforts between Government, the private sector, and the community. We are honoured to have been able to contribute to the COVID-19 Relief Fund. The contribution espouses our "doing the right thing" internal culture value.

COVID-19 RESPONSE AND CORPORATE CITIZENSHIP (Continued)

DONATION TO BOTSWANA GENDER BASED VIOLENCE PREVENTION AND SUPPORT CENTRE

BTC additionally donated sim cards and airtime worth P56,000 to the Botswana Gender-Based Violence Prevention and Support Centre (BGBVC) to help curb and fight the rise in gender-based violence that was an unintended consequence of the national lockdown. BTC spread the value of the donation over a period of seven months.

BTC found it prudent to help ease the communication challenges of BGBVC in responding to clients and victims of gender-based violence effectively. This support was imperative in the context of the COVID-19 pandemic lockdowns and social distancing measures.

BGBVC Chief Executive Officer, Ms Lorato Moalusi, thanked BTC and said the gesture goes a long way in helping them deliver on their work centred around responsiveness and prevention.

During the extreme social distancing (lockdown) period, BGBVC offered Psycho-Social Support (PSS) to approximately 245 men and women in challenging relationships and provided temporary and emergency shelter to 96 women, children, and men.

CORPORATE CITIZENSHIP RESPONSE TO COVID-19

As a responsible corporate entity, we also felt a compelling drive to further assist Government's efforts to date, and we are committed to helping where we can. Through our community outreach programme, we are pleased to share with you some of our initiatives:

- Partnered with the Ministry of Health and Wellness to build a telco infrastructure for the National Emergency Command Centre for free and zero-rated calls across all operators to the centre number 16649 hosted on BTC network
- Donated data phones with Wi-Fi hotspot capability and internet bundles for up to 40 Emergency Command Centre workers to allow them to work remotely
- Provided students with free access to Classmate, an e-learning app with BGCSE and JC content during the first national lockdown
- Partnered with the Ministry of Education and Skills Development to provide free SMSs to students and provide zero-rated access to educational websites
- Partnered with the Ministry of Finance and Economic Development to use Smega as a platform for donations to the National Relief Centre
- No fees are charged to customers when they deposit into the Smega Account opened for donations by the Accountant General.

We urge our customers, employees, partners, and stakeholders to stay safe and adhere to the safety protocols as advised by the Government. Together we shall overcome COVID-19.

BTC 40TH ANNIVERSARY FLAGSHIP EVENTS

This year we continued our 40th Anniversary celebration as the leading and pioneering technology and telecommunications company enabling the socio-economic development of Botswana.

BTC has made great strides over the years. From offering analogue microwave links to fixed telephony to become a converged telecommunications operator. From providing rotary dial phones and operating manual telephone exchanges in 1980, BTC has now completed a digitalisation journey that started almost two decades ago. The company has evolved to partner with Government as the nation transitions to a knowledge-based economy. BTC has transformed beyond telecommunications and broadband solutions into all forms of digital and ICT solutions.

We are proud of our track record spanning 40 years and have enjoyed reflecting and celebrating our unique milestone of four decades. Our celebrations included customer rewards, community upliftment, as well as employee and stakeholder engagements. The following pages cover our flagship celebration events.

BTC Rewards Loyals Customers

May to November 2020

Customers are central to our business and give us our purpose, therefore we saw it fit to have a one-of-a-kind competition that rewarded customer loyalty to celebrate our 40 years of existence. It brings us great joy to change the lives of our customers and contribute to the socio-economic development of our country.

This competition was even better because we were making a difference during challenging times. The Recharge to Win competition ran during 2020 and had weekly cash draws culminating in three customers each winning a brand-new vehicle.

To participate in this competition, customers had to recharge with BTC airtime worth P30 or more using BTC channels such as Virtual channels, Vouchers, Bank Top-up, Nthope, Mobile APP and Smega. The higher the recharge frequency, the higher the chances of one walking away with prizes.

An enthusiastic Mr Kapeko, an essential services worker, said he is blessed to win such a grand prize. He thanked BTC for the gesture, saying the new car will bring some ease into his life as he cruises around in style.

The winner of the second vehicle, a Toyota Legend 50, Ms Mogome, could not stop thanking God for her life-changing luck. She was equally grateful to BTC for running the competition.

The winner of the Toyota Land Cruiser, Ms Professor, a farmer, stated that the Land Cruiser is going to help her carry out farming activities, "I am so excited and still can't believe that I have won. I will now be able to run my business errands smoothly especially at the farm".

BTC hosts Botswana Stock Exchange Opening Bell Ringing Ceremony

2 November 2020

We hosted the Opening Bell Ceremony with the BSE in celebration of our 40th anniversary. The BSE's objectives of the opening bell ceremony are to bring awareness to capital markets, bring vibrancy and energy to the stock market, make the stock market accessible to people and raise awareness on issues related to the economy and welfare of people.

Speaking at the ceremony, the Board Chairperson, Ms Lorato Boakgomo-Ntakhwana said the listing of BTC, an indigenous brand owned by Batswana, was a watershed moment as it brought over fifty thousand Batswana into BTC ownership, thus creating a vehicle for wealth creation and diversification of investments. The chairperson further shared that BTC's growth and sustainability endeavours to see every Motswana benefit and use our services to fuel their socio-economic growth. Ms Boakgomo-Ntakhwana further stated that the Government has always envisaged more businesses listing on the BSE and exploring options for raising capital, and more investors participating in the wealth creation activities through trading in shares. She also commended the BSE for providing a platform for local entrepreneurs that seek growth to raise capital.

The CEO of the BSE, Mr Thapelo Tsheole, recognised the significant milestone that was the listing of BTC, a signal of a successful privatisation project by the Government. He further stated that the listing attracted many investors to the bourse, which was quite an achievement.

We enjoy mutually beneficial relationships with our stakeholders and use various platforms to engage and strengthen the relationships.

BTC Telecommunications Museum Launch

10 June 2021

Post the reporting period. BTC launched a Telecommunications Museum. This structure contains a combination of artefacts, articles, stories, and memorabilia, all illustrating the evolution of the telecommunications sector over time. The museum also pays homage to the various political leaders, former Managing Directors and other key stakeholders that have been instrumental in transforming the telecommunications landscape. The project is important to us as it captures and celebrates our rich history as we prepare to drive the digitisation agenda for the next few years.

Launching the iconic structure, the Minister of Transport and Communications, Honourable Thulagano Segokgo, applauded BTC for pioneering the telecommunications museum in Botswana, as it reaffirms Government's commitment and aspirations to have a digitally transformed and knowledgeable society. The museum is significant in that it seeks to preserve the knowledge of the history of technology in Botswana.

Our Managing Director, Mr Anthony Masunga, said the museum was a dedication to BTC's founding fathers and mothers, recognises the role of staff who worked hard to give us great communication systems and honours those who continue to work on new and innovative ideas for the future of communication.

The BTC Board Chairperson, Ms Lorato Boakgomo-Ntakhwana, said the creation of the first corporate museum in Botswana, which carries the scale of our aspirations as a nation, will not only be viewed as an ICT showroom but a classroom for our children to better appreciate the journey of this country in technological terms and how it has impacted us over the years. The museum documents and preserves our heritage, our inspiration, and captures the evolution of our communication practices over the years.

Digital Transformation Summit
The 1st ever in Botswana

8 - 9 July 2021

We hosted the first Digital Transformation Summit, themed "Digital Shift BW - Transforming Botswana for success in the digital age". Summit participants discussed Botswana's transformation agenda and positioning the economy and enterprises operating in it for success. Over forty local and international leaders, visionaries, digital innovators, and changemakers at the forefront of digital transformation were in attendance. Over the two-day summit, panellists spoke broadly on seven thematic areas:

- Artificial Intelligence
- Big Data and Analytics
- Connectivity, including 5G
- Cloud Services and Mobility
- Fintech and Blockchain
- Digital & Technology Policy and Regulation
- The Internet of Things

Given the impact of the COVID-19 pandemic, the Summit blended in-person and virtual panellists to accommodate international speakers and to adhere to COVID-19 protocols. Attendance by the audience was purely virtual, showcasing our capability as a progressive and agile Telco.

The Summit was a collaborative effort and we recognise our stakeholders who partnered with us and sponsored the event, namely Spacecom, Subex, Fortinet, Stencil Technologies, CISCO and Botswana Fibre Networks (BoFiNet).

STRATEGY AND PERFORMANCE REVIEW

03.

OUR STRATEGY 2021 - 2023

The year under review was the first of our 2021 – 2023 three-year strategy. This strategy leveraged on its predecessor by focusing on salient points to improve performance and grow the business.

Strategic Intent

BTC's strategic intent is to create shareholder value through innovative solutions, increasing mobile and broadband market share and fixing the core solutions to offer a superior customer experience.

Strategic Themes

Our new approach represents a simple, understandable, and implementable strategy that focuses on customer experience as a basis for delivering value for growth to both customers and shareholders. The new strategic plan focuses on five key themes:

Customer Experience

BTC seeks to create an excellent customer experience by delivering the right products and services to customers in response to their needs through superior customer care, improved service delivery and enhanced network quality.

High-Performance Organisation

BTC seeks to transform into a high performing company characterised by strong leadership and talented, results-oriented people enabling it to achieve sustainable results aligned to its strategic intent.

Efficiency

The company will improve margins by reducing operational costs. We will automate our business processes as part of our digitalization story to improve efficiency and customer service.

Growth

BTC growth will be driven by new products, an improved mobile and broadband customer experience, a revamped customer proposition and new market growth locally and regionally. Market intelligence, market research, clear criteria for market entry and a compelling business case will inform the development of new markets and channels.

Maximise Asset Utilisation

BTC will ensure that the network infrastructure maximises return on investment. We will effectively manage bandwidth utilisation, minimise delays, packet loss, and congestion on the network. We will design and implement an agile and cost-efficient support service. BTC will leverage the use of analytics to gain a better understanding of the network.

The expectation is to create a transformed business environment with emphasis on driving the strategic agenda with the complete support of the Board. The Customer Experience Strategy allows BTC to leverage and forge value-adding strategic partnerships with both the public and private sector in pursuit of superior returns, an ever-increasing contribution to economic growth and creation of jobs in Botswana. Ultimately, we expect these initiatives to support improved top-line growth, EBITDA, margins and cash flow in the short to medium term.

STRATEGY PERFORMANCE REVIEW

DEFEND AND OPTIMISE OUR CORE BUSINESS

BTC continues to implement its plans to defend and optimise its core business to improve the quality of service and expand coverage of mobile broadband and fixed broadband. Under fixed broadband, an ongoing de-coppering project is replacing copper with fibre. In addition to areas already covered, we expanded the scope to include more suburbs, and we continue to migrate customers from lower bandwidths to the higher bandwidths supported by fibre. Our Fibre-to-the-Home Network (FTTH) has been installed in several suburbs allowing customers to enjoy fast fixed broadband as a prepaid service.

On the mobile market front, new products include Students APNs, TikTok, and data credit. The market has widely accepted our Smega visa card and we are now in partnerships with leading banks and other organisations to deliver up-to-date payment and collections solutions.

GROWTH

Efforts during the financial year focussed on monetising the significant technology investments made in the previous years, with selling and delivering improved after-sales service to our customers paramount.

Activations for existing products continued during the year. We continue to conduct awareness campaigns to educate customers on BTC mobile products and services. Whenever a 4G site is commissioned, it is commercially activated to encourage subscribers to experience high-speed internet services. In the IT space, the business is pursuing an Enterprise IT modernisation programme to support the digital strategy towards improving efficiency and fostering innovation.

OPTIMISE ASSET UTILISATION AND IMPROVE EFFICIENCY

Under the previous strategy, we made a significant investment in our network infrastructure. During the year under review, we focused on monetising our assets and ensuring their optimal use. The digital transformation strategy and making maximum usage of our assets are the primary focus. We have also started reviewing non-core technology areas of the business to optimise holistically. We anticipate that any outcomes of this review will streamline our operations to improve profitability margins.

OPERATIONAL PERFORMANCE REVIEW

COMMERCIAL UNIT REVIEW

SERVICE OFFERINGS

In line with our vision to become a leader in digital and communication services, BTC has invested in various fixed and mobile technologies to enable our customers to be connected to opportunities that progress their lives and businesses.

Our services cover all customer segments, including enterprises (large, medium, and small) government entities, and individual customers. We offer a range of products in a one-stop-shop from fixed and mobile voice offerings, internet-based services, cloud-based services through our data centre, hosted services, value-added services, and mobile financial services.

Our services for business include network solutions, dedicated internet, voice collaboration solutions, out of the office solutions, as well as mobile offerings. We customise these solutions based on the customer's specification and needs. As part of our digital transformation journey, we have partnered with Microsoft to enable our customers to benefit from the Microsoft licence packages and extend our expertise to give customers advice on how they can drive efficiency in their business by using the Microsoft product portfolio. The BTC Sentlhaga data centre also allows this segment of our customers to collocate and host their services with us.

We have invested in a 4.5G mobile network that enables our customers to have speeds up to 150Mbps and fibre which offer customers potentially unlimited speeds. This has enabled fast download and upload of any content of their choice and provides a world-class all-around internet experience. Our device strategy ensures that our customers have the widest range of 4G devices, from all price points, for them to experience data using our 4.5G network. Our residential customers can connect our internet to their homes using our fibre, LTE and VSAT connectivity solutions.

Having developed unlimited fixed and mobile data offerings, we enable our customers to use our infrastructure to work, browse the internet, download content, and enjoy online gaming. Our social bundles allow our customers generous access to WhatsApp audio and video, Twitter, Instagram, and Facebook. We have also enhanced these offers with platform-specific bundles for TikTok, Deezer and DStv and these are primarily targeted at the youth segment of our customer base.

CUSTOMER CENTRIC SOLUTIONS IN THE MIDST OF THE COVID-19 PANDEMIC

BTC showed resilience during the first quarter of the financial year when COVID-19 changed working and living in Botswana. BTC had to respond with innovative solutions to enable our customers to continue operations remotely through connectivity at their homes during lockdown periods. The demand from all our customers in government, enterprises, SMEs, and individuals prompted BTC to promote work at home solutions with the ability to access work systems and school content platforms remotely.

During the year, we developed unlimited mobile home internet packages called Fast Connect. Fast Connect offers customers unlimited internet wherever they are across the country using our 4.5G mobile network. BTC Fast Connect enhances the internet experience through a portable modem that creates more convenience for customers wanting fixed broadband and the flexibility of using 4.5G mobile connectivity. We launched a converged offering that gives our customers the advantage of unlimited connectivity from fibre and the flexibility of mobile Fast Connect.

BTC partnered with tertiary institutions to offer innovative solutions to students and employees to give them access to school content remotely, combining a solution leveraging both our fixed and mobile networks. The solution enables students to access important educational content anywhere in the country. With the impact of the pandemic, BTC also partnered with a local content developer to introduce primary and secondary school content which we initially offered for free to students to help during the period of COVID-19 lockdown. To cater for the youth segment, we introduced TikTok and Deezer music streaming content bundles.

We launched targeted customer value and loyalty offers through our new customer value management platform (CVM) to create targeted campaigns for the different customer clusters for greater value and increased usage. Customers have access to our services through our mobile App, Smega and our web portal.

GROWTH OVERVIEW

Our business was driven by the growth in demand for mobile and fixed broadband, as we continued to see an accelerated shift of customer preferences from voice-based solutions to data-driven solutions. The impact of COVID-19 saw business and individual customers adopting data-based ways of communication and using platforms such as Microsoft Teams, Zoom and WhatsApp calling. We saw a drop in our voice traffic and revenue and a spike towards data. Mobile revenues grew 8%, driven by mobile data revenues that increased by 85% and an over 300% rise in mobile data traffic. BTC also experienced an increase in mobile data subscribers as many customers switched to data-based offerings. The fixed data revenue also increased by 7%, driven by home internet, corporate internet offerings, metro and VSAT.

BTC Smega increased revenues as customers migrated to digital platforms to pay their bills, utilities and purchase airtime.

MARKET SHARE

Our mobile market share was level with the prior year, while there were significant inroads in the MFS market share. Our fixed broadband base also increased as we continued rolling out fibre through various locations across Botswana.

DIGITAL SERVICES

The shift to new ways of working has required businesses to look towards digital services to be more efficient and competitive. We expect our business clients to increase their adoption of innovative digital solutions. BTC has been at the forefront of investing in future technologies through the Sentlhaga Data Centre that already hosts services from international tech companies while offering our customers access to colocation, cloud solutions, and DRP.

MOBILE FINANCIAL SERVICES AND FINTECH BUSINESS

Fintech continues to be one of the focus areas in line with the BTC strategic goal of growing new business. The Smega Mobile Money platform was revamped and relaunched in May 2019 and has since introduced several services which have increased convenience for customers, especially the unbanked and those living in areas with limited banking services. The developments we continue to make on the Smega platform have improved access to digital financial services and greater financial inclusion for Batswana.

CONSUMER SALES BUSINESS

The Consumer Sales division is the direct link between BTC and the mass market. We provide our customers with the technology to engage with the world through the following services:

- Prepaid and post-paid mobile
- Fixed-line residential
- Fixed broadband
- Mobile broadband.

The division operates with the following channels:

Indirect channels

- Our customers' needs have influenced our indirect channel strategies for the better, requiring us to deliver more flexibility and ease of access to BTC products. In response to evolving market needs, we have diversified the path-to-purchase by investing in new partners. We onboarded more retail partners, engaged in strategic collaborations with large enterprises such as commercial banks and increased our network of small businesses to empower local communities.

- In implementing a new reduced commission structure for our partners while bringing us in line with our competitors, we re-aligned the indirect channel with more focused business priorities to drive revenue and profit. In addition, the indirect channel has invested in an upgraded electronic recharge platform that will enable us to improve our channel product offering and give our channel partners an improved user experience. While we struggled to drive sales revenues through our informal street vendors, the shortfall was augmented by our banking partners' electronic distribution services.

Digital store

- Despite fluctuations in the economy, eCommerce continues to flourish – and with technological advances expanding the availability of internet connectivity to the mainstream, the BTC digital store continues to grow in importance as a channel to market. The digital store is a platform that allows BTC to break the physical barriers and sell to customers over the internet, wherever they are. Conveniently operating 365 days a year, 24 hours a day, the online service portal gives our customers uninterrupted access to view our product portfolio, purchase products, upgrade their existing offerings or make instant payments on their accounts. The store was a key channel during the lockdown, enabling customers to order new services online and we hope this will drive a continued use of our digital services for shopping and payments.

Retail Stores

- In our quest to be closer to our customers, BTC has established a robust store network across the country, making us more nimble, responsive, and accessible to the customer base.
- The refurbishment of nearly all our stores, including the relocation of the Jwaneng and Kasane stores, centred around a modern and attractive design, giving customers a personalised, positive experience when they interact with BTC. The upcoming introduction of an additional store in 2021 will further enhance our national presence. Retail stores have dealt with the challenges of lockdowns and the added burden that COVID-19 protocols dictate, which has led to reduced revenue from this channel.

SME Relationship Management

- Through a dedicated relationship management team, BTC provides digital solutions, data and voice connectivity to this segment which comprises a large, long-standing customer base. This segment has significant potential for growth, hence our strategic focus to offer integrated business solutions in the form of new products in this financial year. Our clients have been hard hit by the COVID-19 pandemic, with many businesses closing down or scaling back operations. We have supported going concerns by giving payment holidays and extending contracts where possible, resulting in revenue pressure from the SME segment.

Contact Centre

- The Contact Centre is on the frontline of customer service and served as the only avenue for reaching BTC during the national State of Emergency in 2020. It has become an essential tool in ensuring business continuity and resilience. During the year under review, overall call volume increased by around 25%. A strategic focus for BTC was to move the Contact Centre environment to a cloud solution, enabling our staff to continue operations while working from home.

ENTERPRISE SALES BUSINESS

Enterprise Sales has a dedicated team of Relationship Managers who provide a personalised experience to clients by providing customised solutions that address specific customer needs through the following segments:

- Government
- Parastatals
- Finance & Banking
- Mining
- Education
- Trade & Hospitality.

As a one-stop-shop for ICT solutions, BTC Enterprise offers a range of services from connectivity to digital solutions illustrated in the table below. Our simplified approach centres on understanding our customers, including what drives their success, key challenges faced and establishing fit for purpose solutions that will address the key challenges and enable the enterprise customers to be more efficient.

CONNECTIVITY	VOICE & COLLABORATION	CLOUD	MOBILE	PROFESSIONAL SERVICES
Wi-Fi	Fixed Lines	IaaS	Voice	Network Audits
LAN	PABX Solutions	Microsoft Cloud	Data	Microsoft System Audit
Metro	Contact Centre Solutions	Amazon Web Services (AWS)	Mobile Bundles	Advisory
MPLS	Video Conferencing	Colocation	Modems	Project Management
Corporate Internet	Telephone Management System	Cisco Meraki	Mobile Devices	
VSAT		Microsoft Office 365		
		SecaaS		

Our Enterprise Sales back-office team supports relationship managers to service all customer requests within the stipulated turnaround times. The team comprises Order Management, Customer Dispute Management, Account Support and Pre-Sales team.

Our Pre-Sales team is responsible for gathering insights and translating customer needs into technical solutions that address their requirements. In addition, the Pre-Sales team assists customers in assessing and optimising their ICT networks.

Work From Home

BTC emphasised enabling enterprise customers, including the government, to implement "Work From Home" solutions that allowed for the continuation of their mandates without compromising COVID-19 health protocols during the 2020/21 financial year. As a result, the provision of Wi-Fi to government offices significantly grew to enable officers to hold virtual meetings and continue with tasks remotely.

A changing landscape for the Enterprise market

BTC Enterprise Sales continued to face fierce competition in the financial year 2020/21. Previously, BTC Enterprise Sales was the dominant telecommunications solution provider to the enterprise segment, which includes government. The decision by government and government-owned enterprises to open the procurement process created an influx of new and existing companies into the space and disrupted the niche BTC had previously enjoyed in the market.

A changing landscape for the Enterprise market (Continued)

This change in the competitive landscape led to a review of the Enterprise Sales priorities and commercial strategy to keep its market share while remaining competitive and innovative. During the year under review, we launched a strategic programme focusing on availing the best resources to the enterprise segment. The focus was to ensure customer centricity is maintained by aligning our products and services to the wants and needs of our customers, understanding their pain points, their vision and working jointly with them to develop solutions and help in transforming their enterprises.

Despite challenging economic conditions, the financial year saw the accelerated implementation of key initiatives supporting customer service, customer retention and revenue growth strategies. Enterprise Sales continued implementation of initiatives focusing on retention of key accounts mainly focusing on mobile and data products (both fixed and mobile) and met its main objectives by retaining and growing revenue in its key customer segments.

The division also maintained a steady growth rate with regard to data products both fixed and mobile. Overall, Enterprise Sales contributed 56% of BTC's performance in the year under review, with a notable improvement in the customer satisfaction index (CSI) at 74% and the net promoter score (NPS) at 38%. Both these scores show a significant improvement in service levels, and overall BTC customer experience during the year. Enterprise Sales introduced the provision of end-to-end digital solutions during the year under review and this necessitated striking partnerships with various ICT companies and reputable vendors, given the needs of enterprise customers.

Roaming

BTC Enterprise Sales is also responsible for the management of roaming and interconnect bilateral relationships. During the financial year 2020/21, the roaming business was negatively impacted due to travel restrictions brought about by the COVID-19 pandemic, however, we were able to maintain and grow our roaming footprint to 272 networks in 137 countries. This coverage will significantly improve customer experience which is among our key objectives. By the end of the financial year 2020/21, BTC had a roaming footprint in 14 of the 15 top African tourist destinations and in 35 of the 40 top world tourist destinations.

Resellers

The Resellers department is the single point of contact for wholesale/reseller customers. They are responsible for customer relationship management and championing customer requirements within the organisation through selling customised solutions. During the year under review, the aim was to retain the current customer base and revenue streams. The division maintained the reseller business by delivering fit for purpose IPT connectivity and colocation solutions and improved customer experience.

It should be noted that the primary focus of this department is to maintain the existing relationships since BTC lost its wholesale leverage to BoFiNeT as a result of structural separation of local transmission and IPT connectivity and eventual transfer of these assets prior to BTC's listing on the stock exchange.

TECHNOLOGY UNIT REVIEW

MODERNISATION OF THE TELECOMMUNICATIONS INFRASTRUCTURE

2020 has been described by many as unprecedented due to the devastating and pervasive impact of the COVID-19 pandemic. We are living through a remarkable period of history, one that will affect everyone for decades to come. On the plus side, the spread of COVID-19 has accelerated digital migration across all market economies, countries, and businesses as they transformed their operations amid movement and travel restrictions. As the dominant network service provider, BTC enabled Batswana to work from home through its bouquet of residential internet solutions. The investments made to modernise the network infrastructure over the past three years prepared BTC to meet the increased demand for high-speed broadband services with ease.

When the COVID-19 lockdowns were implemented, BTC was ahead of the pack in terms of 2G and 4.5G network accessibility, quality and capabilities in Botswana through its 680 sites, of which 430 were LTE/4.5G enabled, distributed across Botswana. BTC had also deployed Fibre to the "x" (FTTx) technology in urban areas that provided fixed broadband services to homes and offices. BTC continues to deploy Fibre-To-The-Cabinet (FTTC) in major towns to facilitate the growing demand for high speed and reliable internet. In addition to the FTTC and FTTH rollout, BTC partnered with BoFiNet to provide FTTH services to customers in Gaborone using BoFiNet open access network infrastructure. These efforts were in addition to the FTTH deployment that BTC rolled out in several suburbs in Gaborone and the FTTC network in other localities. BTC had also embarked on a copper replacement programme throughout Gaborone to enable customers within the specific localities to migrate to an all-fibre network that offers improved connection stability and is not impacted by copper theft.

Our Fixed Broadband Network

BTC continued rolling out Fibre-to-the-Home (FTTH) in urban neighbourhoods and migrated customers from copper to fibre through the BoFiNet FTTH and FTTB services deployment.

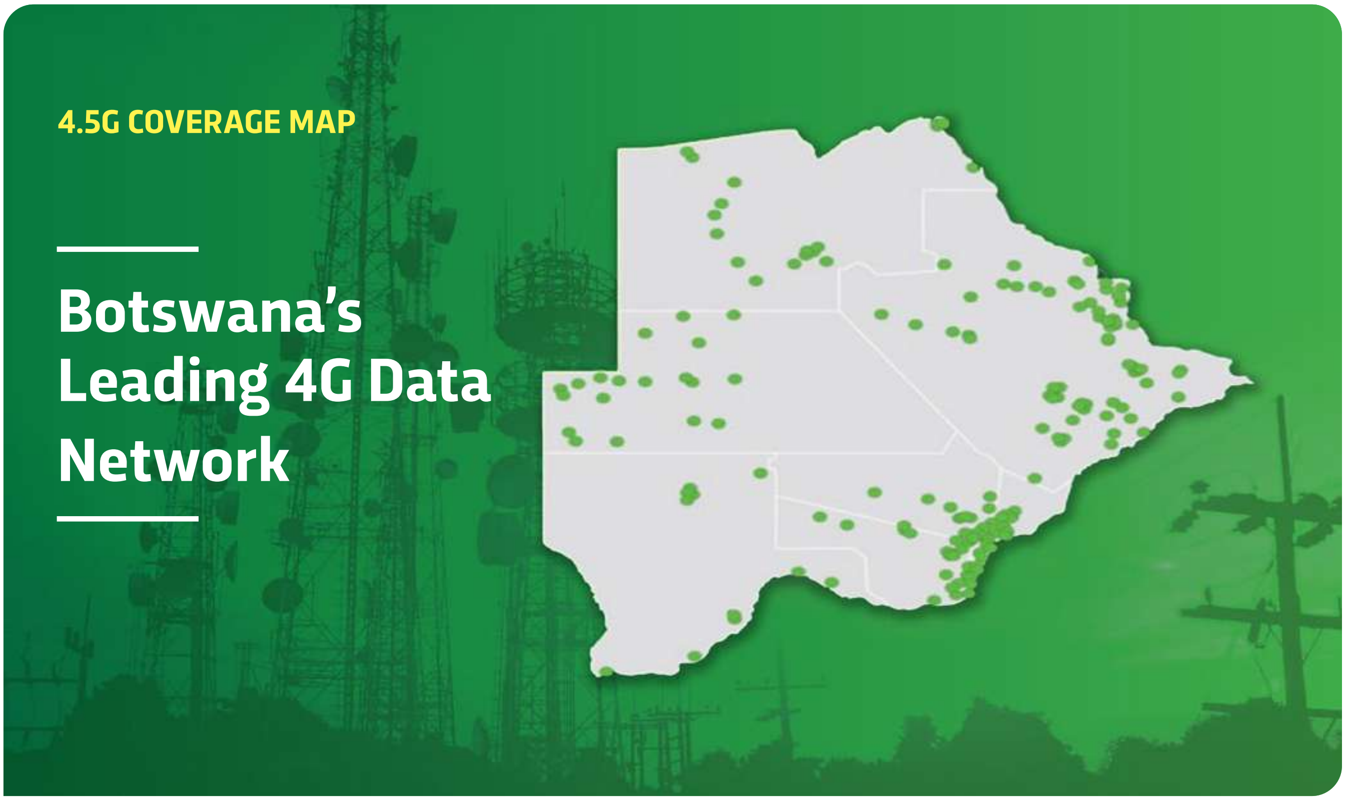
Customers on the FTTC and FTTH networks can now realise connectivity speeds of up to 50Mbps and 100Mbps.

Our Fixed Broadband Network (Continued)

BTC has also deployed Wireless-To-The-x (WTTx) technology powered by the 4.5G network. The WTTx delivers a fixed wireless high-speed fibre-like broadband connectivity to a residential or business customer with delivery speeds of up to 20Mbps in areas where there is no fixed wireline infrastructure.

Our Mobile Broadband Network

During the 2020/21 financial year, BTC continued its mobile network transformation initiatives with an increased focus on radio access network deployment. The corporation deployed an additional 49 LTE sites within the year despite the business challenges that came with the COVID-19 pandemic. The BTC LTE (4.5G) network supports combined mobile data throughput of up to 293Mbps per site which was previously only available in Gaborone and Francistown but has extended to semi-urban areas. The rest of the country supports throughput capacities of 195Mbps per site. Due to high demand on the LTE fixed wireless services with mobility, we are aggressively increasing bandwidth per site using carrier aggregation and cloud air technologies leveraging the available IMT2000 L2300Mhz spectrum that offers high spectral efficiency and supports high internet throughputs. BTC is poised to take advantage of any future spectrum that is released by enhancing its throughputs.



Mobile Spectrum & Licenses

BTC has the following spectrum as assigned by the Botswana Communications Regulatory Authority (BOCRA):

- GSM900 – 6Mhz
- GSM1800Mhz – 12Mhz
- UMTS2100 – 10Mhz
- LTE1800 – 10Mhz
- TDD LTE2300Mhz – 40Mhz
- Point-to-Multi Point 3500Mhz – 30Mhz.

These spectra continue to enable BTC to provide high speed wireless and mobile broadband services across the country at the highest throughput levels ever experienced in Botswana. BTC has positioned itself to compete for more spectrum as soon as it is released by BOCRA.

Digital Transformation

After completing the converged billing project in the previous financial year that became the bedrock of our digital transformation, the business continued to realise significant benefits in the following areas during 2020/21:

- Improved billing efficiency e.g. bill time reduced from 30 days to 1 day
- Accurate transactional revenue reporting
- Process Automation - Reseller products invoicing, Self-service portal, Online prepaid airtime recharges
- Turnaround times for customer queries improved from 20 days to 2 days
- Improved Time to Market - product development lead times improved from 55 days to an average 15 days for simple, medium, and complex products.

BTC continues to enhance the customer experience for today's digital customers that require everything online from service application/ordering to billing receipt and payment. During the 2020/21 financial year, BTC implemented e-bills, single bills, automated dealer sales, an automated dunning process and improved management of customer segments.

In addition, the mobile application offered payment features. A dynamic e-commerce website provides customers with a digital portal to access all BTC services as part of the digital customer experience the organisation is building into the future.

BTC Data Centre and Digital Services offerings

BTC continues to offer a suite of cloud services from the Sentlhaga Data Centre. The services offered include Virtual Data Centre (VDC), Storage-as-a-Service (STaaS) and Backup-as-a-Service. The VDC is a cloud service that offers enterprise clients a virtual IT infrastructure service hosted by a private cloud vendor or service provider. The BTC cloud offering deploys cost-effective, accessible OPEX based virtual data centre infrastructure. We offer complete VDC solutions consisting of computing, storage and backup infrastructure to meet customer hosting needs. The VDC includes a dedicated single pane of glass management to provide 24/7 visibility of the deployed cloud environment. Our solution allows for rapid deployment of a data centre environment for a fraction of the cost and deployment time required for traditional server rooms. This solution is accessible through a variety of connectivity solutions such as MPLS and the Internet.

In a nutshell, the BTC VDC offering provides:

- Reduced total cost of ownership with the ability to easily scale and control your computing and storage usage
- Optimal performance for your mission-critical workloads
- Centralised access to manage the VDC environment leveraging cutting-edge automation systems and self-service orchestration tools to retain control of your virtual environment
- Secure and stable online cloud services.

With Storage-as-a-Service, BTC offers cloud infrastructure that provides enterprises with secure and scalable data storage services for any workloads, enabling customers to enjoy low-latency and highly reliable computing services.

Customers can use Backup-as-a-Service to replicate their computer systems efficiently while addressing recovery-point-objectives (RPO) and recovery-time-objectives (RTO). BTC BaaS allows customers to avoid downtime by securing their mission-critical data with a managed, off-site file-level backup with data encryption while in transit and at rest.

Furthermore, BTC offers seamless migration to the cloud and customers can leverage the expertise and experience of our cloud engineers and dedicated 24/7-365 support.

Securing Critical Infrastructure

One operational challenge that BTC faced was vandalism and theft of copper cables and site backup batteries resulting in occasional service outages and service discontinuities experienced by customers. During the 2020/21 financial year, BTC lost over P11 million worth of copper cables and batteries due to theft. However, working in collaboration with law enforcement agencies in the country, several arrests were made. Furthermore, the escalating global cybersecurity attacks did not spare BTC or its customers. Several cyber-attacks and threats were detected and defused through our cybersecurity defence systems. BTC will continue to enhance the security of its critical network infrastructure and information assets to ensure business operations are not compromised.

SUSTAINABILITY REVIEW

04.

BOARD OF DIRECTORS

The Board's primary duty is to define BTC's purpose and ensure that a robust strategy is in place to achieve the organisation's long term objectives.

BOARD OF DIRECTORS

BOARD OF DIRECTORS

1. Ms. Lorato Boakgomo- Ntakhwana
Independent Non-Executive Chairperson
Board Chairperson
Member - Human Resources Committee, Chairperson-Directors Affairs and Governance Committee
Date of Appointment: October 2016
Nationality: Motswana

Ms. Boakgomo-Ntakhwana is a career banker whose professional experience spans over 30 years. She previously held a position of Deputy CEO of FNB International and Portfolio Executive for Emerging Countries. Prior to this role, she was the CEO of First National Bank of Botswana Limited. She has been associated with the FirstRand Group since August 2008 where she served as a Board Member and Board Committee Member in several countries.

Currently, she is the Managing Director of Sally Dairy. Ms. Boakgomo-Ntakhwana has a Bachelor of Commerce degree from the University of Botswana and an MBA from Loyola College in Baltimore, USA, and holds several other professional qualifications.

2. Mr. Andrew Johnson
Independent Non-Executive Director
Chairperson - Technology and Investment Committee
Date of Appointment: May 2017
Nationality: South African

Mr. Johnson is a telecommunications expert whose career in the industry spans over 34 years, with a special focus on mobile telecommunications and fibre infrastructure development. He has worked as Chief Technical Officer for the MTN Group, Chief Executive Officer for MTN Rwanda, and Chief Technical Officer for MTN Uganda, as well as other positions within MTN Group. Prior to that, he worked as a telecommunications engineer for Eskom.

Mr. Johnson has extensive business and technology management consulting experience within the Sub-Saharan Africa and the Pacific regions in 18 different countries for the African Development Bank, World Bank and other entities and operators. He is worked as Principal Consultant at Tubitayeho Telecomms Consulting in South Africa for the past 12 years.

He previously served as a Director for MTN subsidiaries in Cameroon, Cote d'Ivoire, Nigeria, Rwanda and Uganda, whilst working for MTN Group and MTN International.

Mr. Johnson holds a BSc (Eng) Electrical - Light Current, from the University of the Witwatersrand in South Africa, with a specialisation in Telecommunications and Alternative Energies.

3. Mr. Ranjith Priyalal De Silva
Independent Non-Executive Director
Chairperson - Audit and Risk Committee
Member - Human Resources Committee, Directors Affairs and Governance Committee
Date of Appointment: May 2017
Nationality: Sri Lankan

Mr. De Silva is a Chartered Accountant whose expertise covers Auditing, Accounting, Tax Planning, Financial Investigations and Fiscal Management.

Now retired, he has over 36 years of experience in the profession mainly spent at PriceWaterhouseCoopers (PwC) Botswana, where he was a partner for 19 years and Chief Operating Officer for 9 years. While still with PwC Botswana, he served a large portfolio of Audit/Tax Clients and provided Business Advisory Services to many large privately-owned corporates in Botswana.

Mr. De Silva is an Independent Non-Executive Director for three Old Mutual subsidiaries in Botswana and Debt Participation Capital Funding Limited. He is a member of numerous professional bodies including, Associate Member of the Chartered Institute of Management Accountants (CIMA) of UK and Fellow Member of the Botswana Institute of Chartered Accountants (BICA) and the Institute of Chartered Accountants of Sri Lanka.

BOARD OF DIRECTORS (Continued)

4. Mr. MacLean Letshwiti
Independent Non-Executive Director
Member - Technology and Investment Committee, Directors Affairs and Governance Committee
Date of Appointment: October 2016
Nationality: Motswana

Mr. Letshwiti is a respected entrepreneur whose expertise spans business management, commercial and industrial development, and project appraisal and monitoring. He was instrumental in setting up Avis Rent-a-Car.

He is currently a Director of several companies, namely: Kalahari Mining and Machinery, Laurelton Diamonds Botswana (a subsidiary of Tiffany and Co. and a company listed on the New York Stock Exchange), and Avis Rent-A-Car.

He has served on a number of Boards of listed companies, including Botswana Insurance Holdings Limited (BIHL) Group, of which he was Chairman. He was also a Board Member of Botswana Housing Corporation (BHC), among other entities.

Mr. Letshwiti holds a Bachelor of Arts degree in Administration from the University of Botswana (UB) and Swaziland (Botswana campus) and other professional and leadership qualifications.

5. Ms. Gaone Macholo
Independent Non-Executive Director
Chairperson - Human Resources Committee
Date of Appointment: October 2020
Nationality: Motswana

Gaone Macholo is a seasoned human capital executive with professional experience spanning 25 years in the health, telecommunications, mining and

5. Ms. Gaone Macholo *(Continued)*

financial services sectors, and has previously held various executive positions, including at First National Bank Botswana, Debswana and BCL.

Currently the Chairperson of G4S Botswana Limited, Gaone is a strong believer in the alignment of people strategies to employees' productivity, age and professional experience and prioritises maintaining cordial and constructive relations with the Union.

She holds a BA in in Social Sciences from the University of Botswana and a Masters from the University of Massachusetts, USA. She has also attended a myriad of leadership, business management and technical courses, including the Executive Leadership Programme from the University of Cape Town.

6. Mr. Bafana Molomo
Independent Non-Executive Director
Member - Audit and Risk Committee, Technology and Investment Committee
Date of Appointment: September 2018
Nationality: Motswana

Mr. Molomo is Co-founder and Managing Partner at Aleyo Capital a Botswana-based private equity fund manager. He was previously the Chief Investment Officer at the Botswana Development Corporation (BDC) having joined from Vantage Capital – a leading mezzanine fund manager based in Johannesburg and operating across Sub-Saharan Africa.

At Vantage, Mr. Molomo was a Senior Associate originating and structuring deals in South Africa, Botswana, Namibia and Mozambique.

6. Mr. Bafana Molomo *(Continued)*

Prior to that he was with VPB in Botswana and Namibia as a senior investment professional in their private equity team. He began his career as an investment analyst with Fleming Asset Management.

He brings extensive experience in private equity, corporate finance, strategy and project finance.

Mr. Molomo earned a Bachelor of Commerce (Economics and Finance) and an MBA from the University of Cape Town. He also holds a Post-graduate Diploma in Business from the University of Pretoria's Gordon Institute of Business Science. He has also held a number of board roles in hospitality, healthcare, ICT, property, FMCG and beverage companies.

7. Ms. Serty Leburu
Independent Non-Executive Director
Member - Audit and Risk Committee
Date of Appointment: April 2009
Nationality: Motswana

Ms. Leburu is currently the Executive Director of Botswana Accountancy College (BAC). She was previously a Deputy Chief Executive Officer-Support Services at Botswana Housing Corporation (BHC). She served as Deputy Chief Executive Officer at Standard Chartered Bank of Botswana before joining BHC. Prior to joining Standard Chartered Bank, she spent 17 years in the Diamond Mining Sector.

BOARD OF DIRECTORS (Continued)

7. Ms. Serty Leburu *(Continued)*

She has broad experience in all areas of strategy, finance, governance, supply chain, risk management, general administration and leadership.

Ms. Leburu graduated with a Bachelor of Commerce degree from the University of Botswana (UB) and is a Fellow Chartered Accountant (FCMA) with a CIMA qualification.

8. Mr. Thari G. Pheko

Independent Non-Executive Director
Member - Technology and Investment Committee, Human Resources Committee
Date of Appointment: September 2018
Nationality: Motswana

Mr. Thari G. Pheko is the founding Chief Executive and Member of Botswana Communications Regulatory Authority (BOCRA) Board having been the Chief Executive of the sector specific regulator Botswana Telecommunications Authority (BTA) for six years prior to its dissolution on 31 March 2013. He successfully managed the transition from BTA to BOCRA, which a wider integrated ICT regulatory mandate.

Mr. Pheko served in a number of consultancies, including Consultancy on the Information Society and ICT Development Strategy and the formulation of the National ICT Policy for Botswana.

He previously held board membership of Botswana Post and was a part-time lecturer in Management Information Systems at University of Botswana.

8. Mr. Thari G. Pheko *(Continued)*

He was President of Botswana Information Technology Society and also a Commissioner of the Botswana National Commission for UNESCO. Mr. Pheko is an ICT Consultant and on serves on Boitumelo Foundation.

He holds a BSc. (Hons) in Business Finance and Economics from University of East Anglia, UK obtained in 1983 and an MSc. in Management Information Systems obtained in the same university in 1986. He attended numerous Executive Management Programs from University of Cape Town, University of Kent Canterbury, Rutgers University and other professional institutions.

9. Ms. Choice Pitso

Independent Non-Executive Director
Retired October 2020
Nationality: Motswana

Ms. Pitso is Head of Human Resources (HR) at Metropolitan Botswana. She has over 15 years of general HR management and diverse industry experience in government, private and parastatals ranging from Department of Mines, Laurelton Diamonds Botswana, Botswana Agricultural Marketing Board (BAMB), and Debswana Mining Company. Her experience includes development of human resources strategies, their integrated implementation across human resources functional areas of resourcing, learning and development, talent & succession management, staff remuneration and rewards, employee relations, as well as provision of HR operational leadership and internal HR consultancy.

9. Ms. Choice Pitso *(Continued)*

She holds an MSc Human Resource Management from the University of Manchester, UK, and a BA Social Sciences degree from the University of Botswana.

She is also a member of the Institute of People Management (IPM) South Africa, and previously served as Publicity Secretary for Botswana Institute of Human Resources Management (IHRM).

10. Mr. Anthony Masunga

Executive Director
Managing Director
Date of Appointment: January 2017
Nationality: Motswana

As Managing Director, Mr. Masunga is tasked with leading the growth and transformation of BTC post listing to deliver shareholder value. He provides overall leadership to the business including ensuring adherence to the highest corporate governance standards, management of all financial and technical systems and processes, and development and management of the human resource capital.

He was previously the Company's Chief Operating Officer, Acting Group General Manager Commercial and Privatisation Programme Manager, and is the founding General Manager of beMOBILE (now BTC Mobile).

He has over 20 years' experience in the field of Telecommunications and Information Technology. Mr. Masunga holds a BSc Computer Science degree from McGill University (Canada) and an MBA from De Montfort University (UK). He is an Alumni of the University of Stellenbosch Business School, having completed their Executive Development Programme.

EXECUTIVE COMMITTEE

BTC is proud to have an Executive Management team that wields unrivalled expertise and exeprience and who are united in their ambition to deliver on BTC's Strategy.

EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE

1. Anthony Masunga

Managing Director
Date of Appointment: January 2017

As Managing Director, Anthony is tasked with leading the growth and transformation of BTC post listing to deliver shareholder value. He provides overall leadership to the business including ensuring adherence to the highest corporate governance standards, management of all financial and technical systems and processes, and development and management of the human resource capital.

He was previously the Company's Chief Operating Officer, Acting Group General Manager Commercial and Privatisation Programme Manager and is the founding General Manager of beMOBILE (now BTC Mobile).

He has over 20 years' experience in the field of Telecommunications and Information Technology. Mr. Masunga holds a BSc Computer Science degree from McGill University (Canada) and an MBA from De Montfort University (UK). He is an Alumni of the University of Stellenbosch Business School, having completed their Executive Development Programme.

2. Boitumelo Paya

Chief Financial Officer
Date of Appointment: April 2020

Boitumelo is responsible for providing the strategic financial direction to the Company, its Executive and the Board as well as provide oversight of the management of financial forecasting and budgeting. She also provides oversight of the preparation of all financial reporting and analysis and advisory on long-term business and financial planning.

Boitumelo is armed with over 20 years work experience in financial management including finance integration, business transformation, financial planning & analysis, audit and assurance, strategic decision support, investor relations and Mergers & Acquisitions support. She has held various senior positions in several companies listed below:

- Finance Director - Kgalagadi Breweries (Pty) Limited;
- Finance Director - Malawi Beverages Limited; and
- Finance Executive - SABMiller plc in the United Kingdom;

She is a Fellow Member of the Chartered Certified Accountants (FCCA) as well as a Fellow Member of Botswana Institute of Chartered Accountants (BICA). She also holds a Master of Business Administration (MBA) from the University of Derby. She has previously undertaken a Management Development Programme through the Gordon Institute of Business School (GIBS).

3. Aldrin Sivako

Chief Operations Officer
Date of Appointment: October 2017

Aldrin is responsible for the technical arm of the business, overseeing the Information Systems Division, Technology Division, and the Transformation Division. He is also responsible for BTC's corporate security services which covers Physical and Cybersecurity. He provides leadership in implementing the Company's Technology and Digital Strategy, leading the delivery of corporate programmes portfolio and identifying and forging relationships with strategic partners.

Aldrin is an astute Telecommunications engineering Executive with over 20 years of experience in the telecommunications industry. He has led Telecommunication engineering transformation initiatives covering Technology strategy formulation and execution, new business development/product development and management. He was the founding Technical Executive of BoFiNet from inception and was previously the Chief Technical Officer of Liquid Telecom Botswana.

He holds a Master of Business Administration (MBA) degree from the Management College of South Africa (MANCOSA), and a Bachelor of Engineering (Hons) degree in Telecommunication Systems from Coventry University (UK). He is an Alumni of the University of Stellenbosch Business School Executive Development Programme, and the Africa Directors programme.

EXECUTIVE COMMITTEE (Continued)

4. Edward Wicks
Chief Commercial Officer
Date of Appointment: April 2018

Edward oversees the commercial arm of BTC, directing and driving performance in the Marketing, Enterprise Sales, Consumer Sales and Quality of Service functions within the organisation. He is responsible for the delivery of the company's commercial strategy.

Edward has been in the telecommunications industry for more than 25 years and has in-depth knowledge and expertise in most aspects of telecommunications. This includes Commercial Management, Strategic Marketing, Product Development, Business Development and Distribution. He has held various senior positions and directorships in numerous companies. As a strategic consulting expert, he has also been involved in launching two new mobile networks.

Edward holds a Bachelor of Commerce (Honours) degree from the University of Edinburgh.

5. Sidney Mganga
Company Secretary
Date of Appointment: May 2018

Sidney is tasked with advising the Board and Company on governance matters and providing secretarial services to the Board. He also oversees the Legal and Regulatory functions of the Company to ensure compliance with statutory and regulatory requirements.

He has over 18 years' cumulative private sector experience in legal, compliance and regulation and corporate governance.

5. Sidney Mganga *(Continued)*

Sidney holds a Bachelor of Laws (LLB) degree from the University of Botswana (UB) and is also an Associate Chartered Company Secretary from the Institute of Chartered Secretaries and Administrators of Southern Africa (ICSA). Sidney completed a Post Graduate Certificate in Advanced Tax & Audit from the Botswana Accountancy College (BAC). He has also undergone Senior Management Development Programme (SMDP) training with the University of Stellenbosch Business School.

6. Abel Bogatsu
General Manager Finance
Date of Appointment: November 2010

Abel oversees the operation and management of all financial systems and processes within the business, which includes Treasury, Budgeting, Credit and Financial Control, etc., to ensure compliance with regulatory and financial reporting standards. He also provides professional finance input into the creation and maintenance of a BTC business strategy that delivers shareholder value.

He has more than 25 years' experience in both the private and public sectors. Abel possesses a Bachelor of Commerce degree in Accounting from the University of Botswana and is a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Accountants (BICA). He is an Alumni of the University of Stellenbosch Business School Executive Development Programme.

7. Same Read Kgosiemang
General Manager Internal Audit and Risk Management
Date of Appointment: January 2017

Same's role is to ensure that BTC has and maintains a robust Risk and Internal Audit Strategy. He oversees the Risk and Internal Audit Division, providing BTC Management and Board with an independent and objective assurance on risk management, internal controls and governance processes. Reporting to the Managing Director and the Board, Same ensures business continuity, sustainability and compliance with best practice corporate governance and reporting standards.

Same has over 24 years' experience in Internal Audit and Risk Management. He is an Associate Member of the Chartered Institute of Management Accountants (CIMA) UK, and a Fellow Member of the Botswana Institute of Chartered Accountants (BICA). He is also a member of the Institute of Internal Auditors (IIA) USA and the Institute of Risk Management (IRM) in the UK.

EXECUTIVE COMMITTEE (Continued)

8. Mmamotse Wilkinson
General Manager - Support Services & Human Resources
Date of Appointment: January 2017

Mmamotse provides professional input and directs the BTC Human Resources function within an agreed strategic framework that supports the achievement of business objectives in a bid to promote high employee satisfaction and inculcate a high-performance culture. She is also tasked with providing strategic guidance in ensuring the delivery of high standard of safety health and environmental services.

Mmamotse has more than 17 years of experience in the industry. She holds a Bachelor of Commerce degree majoring in Human Resource Management and Industrial Relations from Curtin University of Technology in Western Australia and a Post Graduate Diploma in Strategic Management from the University of Derby.

9. Peter Olyn
General Manager Technology
Date of Appointment: January 2018

Peter is mandated with planning, building and managing the operational functions of the vast BTC telecommunications network. He is also tasked with developing strategic plans to transform and deploy the BTC network to achieve business targets.

He has over 21 years' experience in the telecommunications industry. Peter holds a Bachelor of Engineering in Electronics and Electrical Engineering from the University of Botswana (UB). He is also an Alumnus of the Stellenbosch Business School, Senior Management Development Training Programme.

10. Kutlo Mokgosana
General Manager Transformation
Date of Appointment: October 2018

Kutlo is responsible for driving the delivery of transformational, strategic programs in line with BTC's corporate strategy. He is also tasked with ensuring synergies and collaborations in line with BTC's Corporate Strategy Management, Innovation and Digital Strategy and Quality & Processes functions to achieve high customer service standards.

He has over 15 years' experience from the mining and logistics sectors. Kutlo has a Bachelor of Accountancy from University of Botswana. He is a certified Prince2 Practitioner and a Balanced Scorecard Graduate. He is also an Alumnus of the London Business School Emerging Leaders Programme and the University of Stellenbosch Business School Executive Development Programme.

EXECUTIVE COMMITTEE (Continued)

11. Nelson Disang

GM Information Systems
Date of Appointment: September 2018

Nelson is responsible for directing BTC's overall Information Systems (IS) strategy to ensure that the company's IS investments are aligned to the strategic business initiatives. He develops IT governance frameworks, policies and ensures implementation that enable the efficient and secure utilization of BTC Information Technology platforms.

Nelson has been in the Information Technology (IT) industry for 16 years and has in-depth knowledge and expertise in IT management, IT strategy planning, development and execution, risk optimization, resource optimization and benefit realization. He has held various positions in numerous companies namely; Huawei Technologies-Botswana, Mascom Wireless, and most recently Botswana Power Corporation (BPC) where he was Head of IT department.

Nelson has a Bachelor of Science Computer Engineering from Clarkson University, New York, United States of America. He is a certified Balanced Scorecard practitioner with the Balanced Scorecard Institute, a certified COBIT practitioner and a professional member of ISACA. He has undergone Management Development Programme and Senior Management Development Programme with the University of Stellenbosch.

12. Boitumelo Masoko

General Manager Consumer Sales
Date of Appointment: October 2017

Boitumelo is an experienced and result oriented professional with over 25 years' experience in the telecommunications industry, spent mainly at BTC. She is strong on Strategic Planning, Sales and Customer Care Management, Market Execution and Operational Delivery.

Boitumelo's role is to create and maintain a targeted strategy for the consumer market. She is responsible for developing and implementing a comprehensive sales plan for customer acquisition, retention and revenue growth. She also has an oversight over the Contact Centre, Business Support and Indirect Sales which supports and drives airtime sales through third parties.

Boitumelo holds a Bachelor of Arts in Social Sciences degree from the University of Botswana (UB) as well as a Masters Degree in Science in Strategic Management from the University of Derby. She is also an alumna of the University of Stellenbosch Executive Development Programme and UNISA Graduate School of Business Leadership (SBL) Executive Development Programme.

13. Malebogo Mosinyi

General Manager Marketing
Date of Appointment: April 2019

Malebogo is responsible for developing the marketing strategy and marketing plan. She is responsible for positioning BTC to compete effectively in a highly competitive and mature telco market through Fixed and Mobile products and services.

Malebogo has 15 years' experience in Research and Marketing. She oversees product conceptualization and insights, consumer and enterprise product development, MFS and brand marketing. Malebogo has worked in various organization including BIDPA, Bank Gaborone, KBL before joining BTC in 2016.

Malebogo holds a Master of Commerce in Management Practice from the University of Cape Town. She also holds a master's degree in Economics and bachelor's degree in Social Sciences from the University of Botswana. She has also completed her Senior Management Development Programme (SMDP) through the University of Stellenbosch.

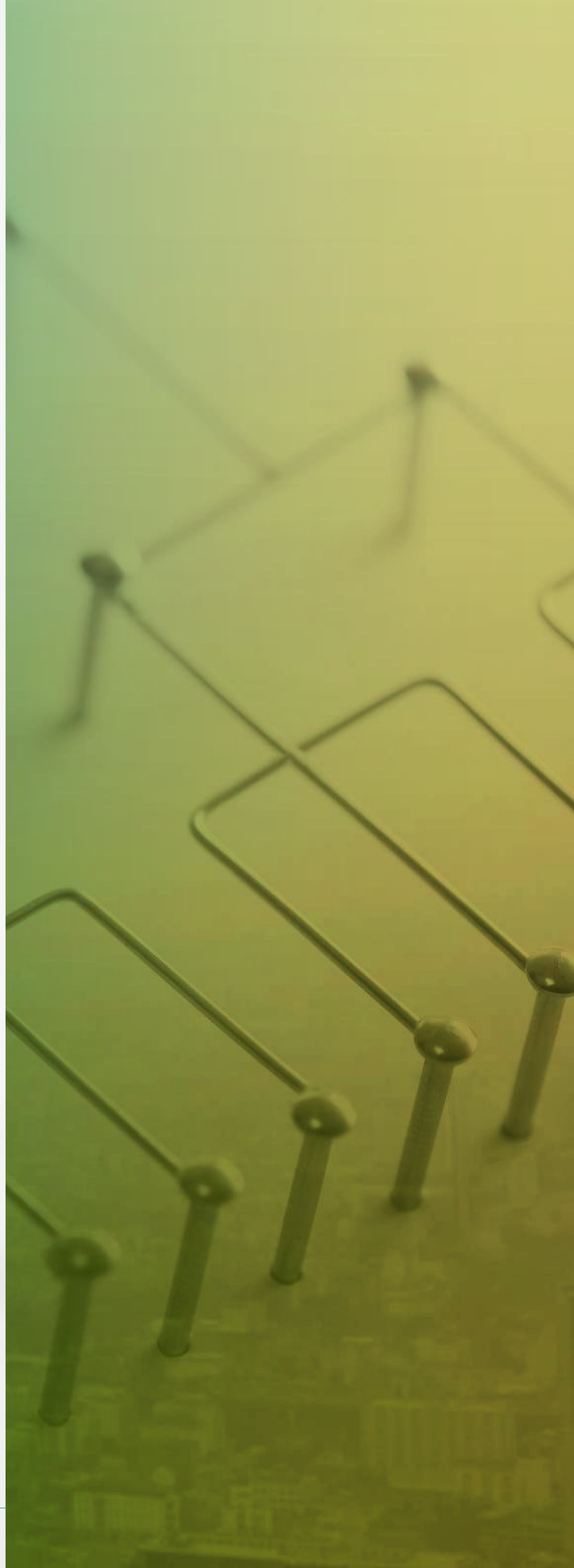
EXECUTIVE COMMITTEE (Continued)

14. Lebudi Kgetse
General Manager Enterprise Sales
Date of Appointment: November 2019

Lebudi is tasked with maintaining a comprehensive Sales Strategy for the Enterprise market segment which will drive sales and revenue growth thus contributing towards the delivery of Shareholder value for BTC. He is responsible for positioning BTC to compete effectively in a highly competitive and mature telecommunications market for Fixed, Mobile and Digital products and services.

He has over 20 years' experience in the Telecommunications industry having spent most of his career at BTC and rising through the ranks. He has experience in Customer Relationship Management (Front Office and Back Office) and Strategy Development, amongst others.

Lebudi holds a Master of Business Administration (MBA) from North West University in South Africa and a Bachelor of Commerce from the University of Botswana. He also holds a Diploma in Telecommunications Management, Associate Diploma in Banking, Post Graduate certificate in Enterprise Risk Management and Prince2 Foundation Certificate in Project Management. He successfully completed the Senior Management Development Programme (SMDP) through the University of Stellenbosch.



OUR PEOPLE

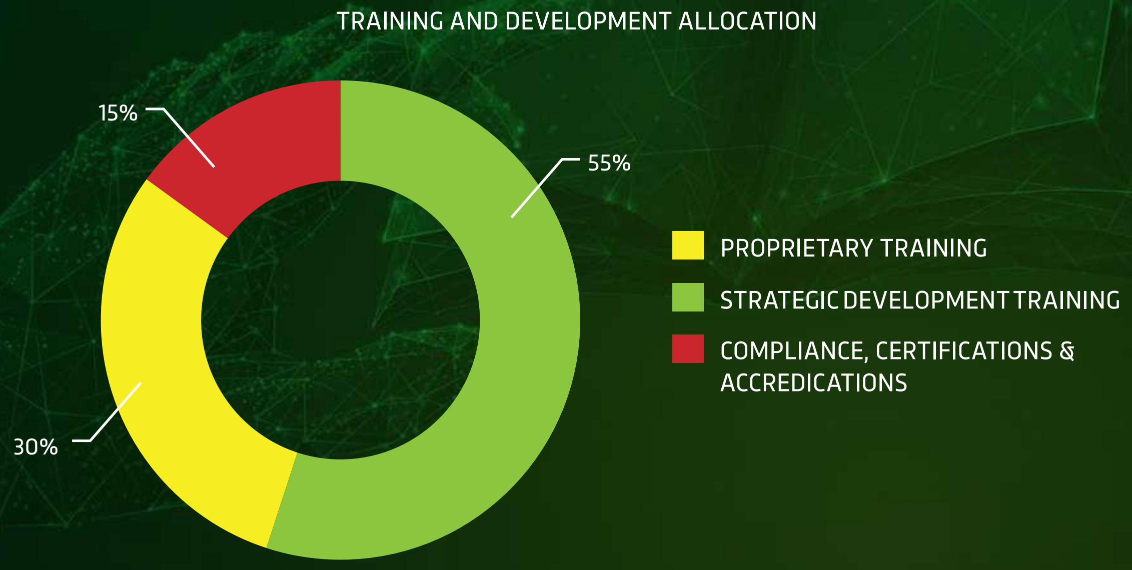
BTC values its employees and pursues employment practices that attract, retain and develop talented employees who can positively impact the company and associated communities. This process is achieved by providing the best service and improving stakeholder satisfaction levels. BTC adheres to established policies and guidelines that support the employee life cycle, and where possible, benchmarks against industry best practices. BTC is an equal opportunity, equal access employer that prides itself with having the employee at the core of its operations.

CAPACITY DEVELOPMENT

BTC continues to make an investment in the next generation of leaders, by ensuring that learning interventions support professional development and builds capacity across the business, on time, and in a cost-effective manner. Furthermore, these interventions enhance company culture and encourage employees to live the company's purpose.

Below is the allocation of the training spend that will support the strategic direction of the Company:

TRAINING ALLOCATION



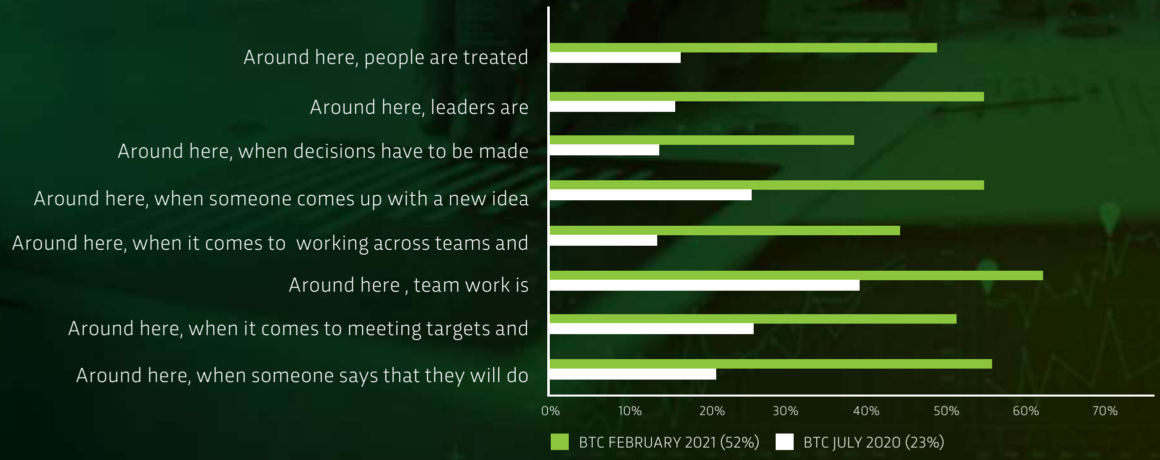
CULTURE TRANSFORMATION

BTC initiated and rolled out a Culture Transformation project named "Project Morero" in the year 2020. The ideation of this programme was undertaken with the full participation of all staff with the view to elevate ownership. Culture transformation remains at the top of BTC People agenda as it has a direct correlation with excellent customer experience. The BTC Culture Transformation process included interventions that engaged and mobilised all BTC staff to improve on individual and collective focus and commitment to delivery of the BTC mandate through the introduction of the Unwritten Ground Rules (UGRs) concept. The UGRs developed for BTC align with its Values and improve employee participation and ownership towards performance. As a result, employee Culture Index indicates an upward trajectory in positive employee responses from 23% to 52% in just over 6 months.

UGR Stock Take Results

JULY 2020 STOCK TAKE RESULTS — **FEBRUARY 2021 STOCK TAKE RESULTS**

UGR STOCK TAKE SURVEY 8 MONTHS COMPARISON PER LEAD IN QUESTION



TALENT MANAGEMENT

The Talent Management process continues to facilitate and catalyse the BTC Culture transformation. BTC continues to assess its Talent in line with its strategic intent to ensure that the right people do the right things, at the right time and place. BTC continues to engage in robust conversations about our talent in a bid to ensure its best deployment. The development and implementation of differentiated and targeted Learning and Development interventions remain key to the success of our Talent Management journey.

SUCCESSION PLANNING

BTC has a robust Succession Plan in place that is reviewed on a yearly basis. This ensures that there is minimal exposure and guarantees business continuity. The BTC Succession Plan stipulates a pool of employees to be developed as feeder stock into all leadership positions.

PERFORMANCE MANAGEMENT

BTC continues to improve its discipline of managing performance. Individual Performance forms a basis for most people related conversations and as such its integrity is critical. The Company strives to become a high performing organisation by inculcating a high-performance culture.

EMPLOYEE RELATIONS

Deliberate interventions have been put in place to create and maintain a cordial employee relations climate in the Company.

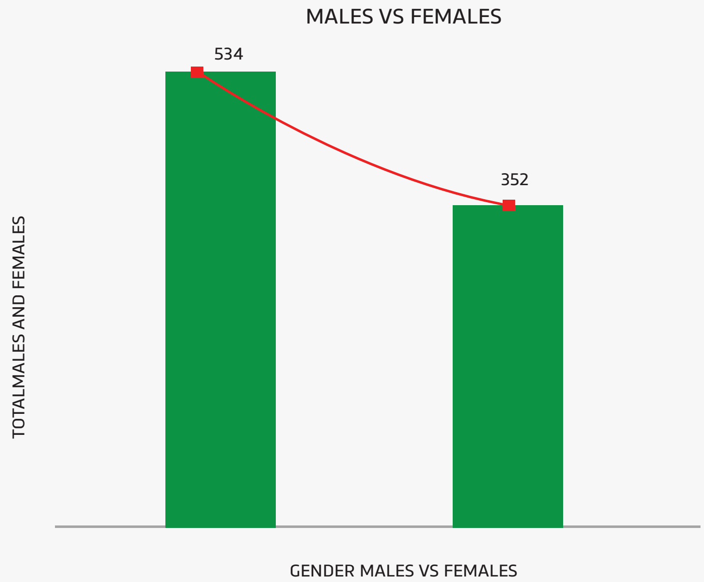
SAFETY, HEALTH, AND ENVIRONMENT

BTC continued monitoring the environment for Occupational Health and Safety conditions and appropriate risk assessments to ensure that control measures related to the risks to the specific evolving processes, conditions of work and characteristics of the workforce during the COVID -19 pandemic.

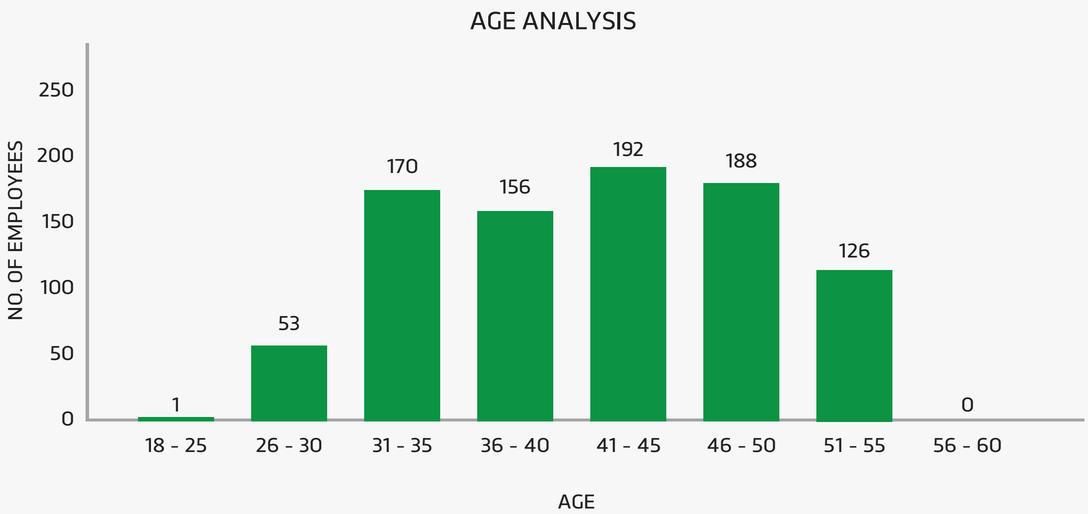
STAFFING PROFILE

Gender Analysis
The number of male employees in the Company surpasses that of females purely due to nature of the industry within which we operate. We continue to promote the girls in ICT movement by attracting more women into the Company at all levels and in all disciplines.

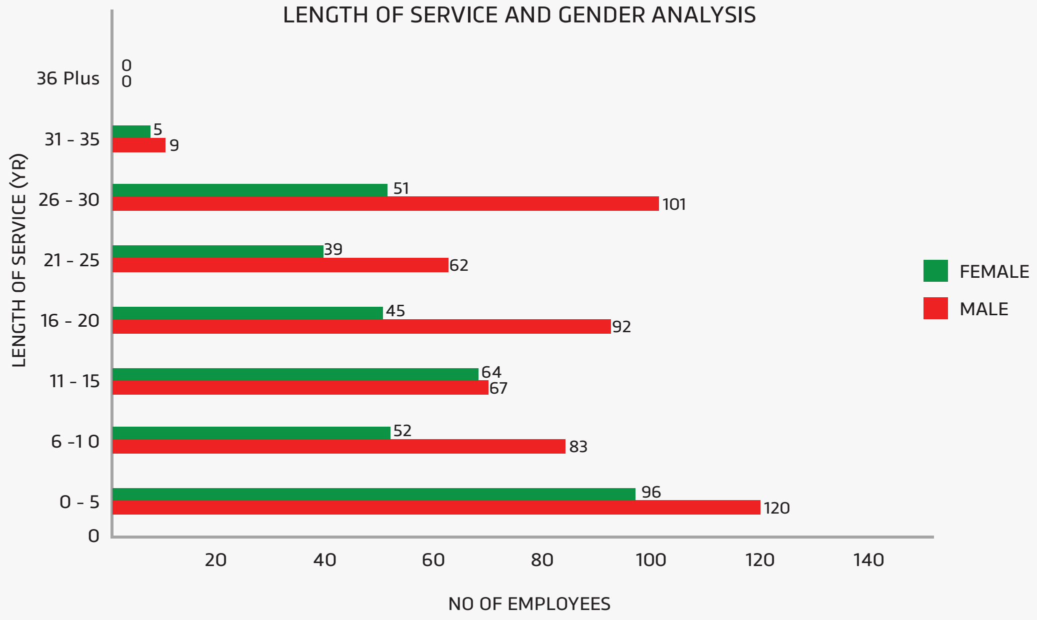
The table below represents the number of males and females in the Company:



The table below represents the age analysis. The average age is 41 years.



The table below represents the length of service and gender analysis. The average length of service is 15 years.



OUR STAKEHOLDER ENGAGEMENT

As we continue to celebrate our 40th Anniversary, dubbed "40 Years of Progress", we have made a deliberate undertaking to invest in and manage relationships with key stakeholders. BTC recognises its stakeholder engagement activities as a critical value driver towards building a commercially sustainable company.

Our Stakeholder Engagement approach

The BTC stakeholder base includes individuals, groups and organisations that use our products and services, invest in the company, or provide goods and services. Our engagements are proactive, open platforms offering an opportunity to engage and effectively address the concerns and issues of stakeholders. We respect the interests of the different groups, hence fostering a culture of mutual respect and dialogue.

To continually improve and manage these relationships, BTC regularly engages with its key stakeholders through various platforms. These engagements serve opportunities for information exchange and as a feedback mechanism on our performance.

The messages that are shared include but are not limited to BTC's:

- Adherence to the highest corporate governance standards
- Contribution to and digitisation of the local economy
- Support for local businesses
- Viability as an investment option which delivers value to shareholders
- Business sustainability
- Responsibility as a corporate citizen that gives back to Batswana and supports initiatives that uplift lives

Beyond enhanced stakeholder satisfaction levels, BTC hopes to be recognised as a company that:

- Enables Batswana to live connected everywhere and anywhere
- Adheres to the highest corporate governance standards
- Delivers value to all stakeholders
- Is a dependable investment
- Positively impacts communities in which it operates

STAKEHOLDER ENGAGEMENT (Continued)

STAKEHOLDER	METHOD OF ENGAGEMENT	KEY AREAS OF INTEREST	BTC RESPONSE
Employees	• Employee Engagement SurveInternal Customer Satisfaction Survey • MD Staff Addresses • Divisional/Departmental meetings • Intranet – Mowana' Yammer, Share Point • Internal company newsletter • Emails • Leadership virtual road shows	• Conditions of Service • Career progression • Staff welfare • Company Strategy and Performance • Training and Development • General information dissemination	• Culture change project • Introduction of new cultural norms along with rewards and recognition • Implementation of a new performance management tool & rewards system. • Implementation of Talent Management Programme and online training opportunities • Company-wide strategy cascade • Weekly Safety, Health & Environment (SHE) awareness communications
Customer	• Customer Satisfactions Surveys • Call centres • Retail outlets • Interviews and focus groups • Social Media • Bulk SMS • Product launches • Consumer fairs • Competitions and reward mechanisms	• Quality of Service • Better value offerings • Faster data networks and wider coverage • Making it simpler and quicker to deal with BTC (improved turnaround times) • Converged solutions for business customers	• Significant investments in network modernisation & expansion to improve network quality and enhance Customer experience • Consolidation of a new Converged Billing Platform • Introduced a new website with increased functionality
Suppliers	• Breakfast meetings • Formal one on one meetings • Ongoing site visit audits	• Timely payment and favourable terms • Debriefing on tenders • Improving health and safety standards	• Introduced a supplier payment management process • Timely processing of supplier invoices • Promote SHE standards
Policy Maker and Regulators	• Active participation in policy forums • Formal periodic briefings • Ad hoc engagement on regulatory matters • Engagement through industry consultative bodies	• Licensing and compliance • Quality of service and network • performance • Wider access to broadband communication services • Tariff reduction	• Compliance with regulatory requirements • Engage as part of stakeholder management • Improved service delivery turnaround times. • Continuously reviewing tariffs for the benefit of our stakeholders

STAKEHOLDER ENGAGEMENT (Continued)

STAKEHOLDER	METHOD OF ENGAGEMENT	KEY AREAS OF INTEREST	BTC RESPONSE
Shareholders and Analysts	• Annual General Meeting • Print and broadcast media updates • Formal one on one meeting (Institutional Investors) • Annual and interim financial results briefings • Social media updates	• Return on Investment (share price and dividends) • Corporate Performance • Corporate Governance • Business sustainability • Access to information • Enhanced communication (in Setswana) • Financial literacy	• Increased investments on future growth areas of the business • Developed & introduced a Dividend Policy • Continuous monitoring of compliance with corporate governance standards • Monetisation of the network • Introduced an Investor Relations portal as part of the Mobile App • Revamped corporate website incorporating an Investor Relations page • We have diverse information dissemination platforms
Media	• One- on-one interviews • Media briefings • Radio interviews • Media releases • Annual and interim financial results briefings • Radio talk shows • Product launches • Editors forum	• Access to Information • Quality of service • Company performance • Products and Services • Covering events and activities	• Developed & implemented a media engagement strategy & plan
Community and Local Leadership	• Corporate Social Responsibility Programmes • Print and broadcast media • Events and product launches • Formal meetings • Courtesy calls	• Access to services • Quality of service Sponsorships and donations • Impact of our operations on the communities	• Increased customer service points • Network expansion & modernization. • Implement CSI agenda through the BTC Foundation • We give back to the community guided by four focus areas: • Entrepreneurship & Innovation, • Wellness & Sports • Arts & Culture, • Employee Engagement.

CORPORATE SOCIAL INVESTMENT (CSI) REPORT

Our Corporate Social Investment (CSI) is driven by our firm belief that while corporate growth and profitability are essential, corporations must pursue societal goals related to sustainable development.

We established the BTC Foundation in 2014 to manage and coordinate the CSI programme. The Foundation is a legal entity registered through a Deed of Trust and administered by a Board of Trustees. It is a non-profit initiative that seeks to be responsive to the needs of the communities in which BTC, its partners and suppliers operate. The Foundation mandate is to have a long-term impact on the lives of communities in pursuit of social, economic, and environmental sustainability.

VISION

"To excel in changing the lives of our people."

MISSION

"We create social value for communities through partnerships."

OUR VALUES

- **Giving back to the community** – We are committed not only to making a profit but also ensuring the well-being of communities.
- **Positive impact** – We pride ourselves on the impact we have on our people.
- **Integrity** – We are committed to creating trust for mutual benefit.
- **Excellence** – We uphold a high level of excellence in everything we do.

The BTC Foundation's current three-year strategy is ISO26000 compliant. This framework focuses on stakeholder engagement, materiality, monitoring and evaluation, and reporting of projects and activities. Furthermore, the framework emphasises efficiency, effectiveness and employee engagement.

Projects and activities are essential stakeholder engagement platforms for the company. BTC employees are integral to the culture of socially responsible conduct and are involved in BTC Foundation initiatives.

We invest through partnerships with Non-Profit Organisations, sponsorship of CSI projects and direct donations to causes in line with our focus areas.

Under the current strategy, the BTC Foundation's key focus areas are as follows:

- Entrepreneurship and Innovation
- Wellness and Sports
- Environmental Protection
- Arts and Culture
- Employee Welfare

BTC FOUNDATION PROJECTS

WELLNESS AND SPORTS

Princess marina hospital waiting area

During the year under review, BTC Foundation undertook the Princess Marina Shelters project, whose objective is to construct a waiting area for the hospital. The project is estimated to cost around P197,500 and will be completed during the 2021 /2022 financial year.

University of Botswana Partnership

The BTC Foundation and the University of Botswana continued their partnership on the "Train a trainer" project. Through the training and mentorship of teachers and students in secondary schools, the project aims to enable some of the least-performing schools to access a programme of games and mental skill development activities to enhance the students' life skills, self-worth and happiness, and to improve overall wellbeing. Experts from different industries and volunteers within the community assisted in the programme. The programme has been rolled out successfully in the following schools:

- Shakawe Senior Secondary School
- Nata Senior Secondary School
- Good Hope Secondary School

Edutainment Partnership with Nufix (Pty) Ltd

The BTC Foundation partnered with Nufix (Pty) Ltd to support the yearlong Isago Edutainment Project. Project objectives are to influence and reinforce good behaviour and positive life choices for youth attending secondary school. Through edutainment events, students learn about the risks and consequences of alcohol and substance abuse. The events have been well received by the recipients, with the following three schools engaged to date:

- Morama Junior Secondary School
- Ledumang Senior Secondary School
- Ramotswa Junior Secondary School

ARTS AND CULTURE

Thapong Visual Arts Partnership

The BTC Foundation and Thapong Visual Arts Centre have partnered to encourage the preservation and promotion of arts and culture from the grass-root level. The three-year partnership, valued at P1.7 million, commenced in 2018. Activities include the BTC Phonebook Cover Design Competition, the Thapong Artist of the Year Awards (TAYA) and a series of countrywide artist development workshops. This partnership has unearthed great artists and provided them with a platform to grow their careers and better their livelihoods.

The Foundation's partnership with Thapong Visual Arts Centre contributes to the development of the creative industry by conducting workshops across the country, providing artists with professional exposure, skills development, and the introduction of new art ideas. The workshop attendees were artists, art trainers and teachers.

A COVID-19 compliant award ceremony was held in December 2020 to award the 2021 BTC Phonebook Cover Competition and Thapong Artist of the Year Awards (TAYA). A record 268 entrants participated in both competitions.

ENTREPRENEURSHIP AND INNOVATION

Hawkers Challenge

The BTC Foundation partnered with the Consumer Sales division to hold the Hawkers Challenge competition. In line with the Foundation's Entrepreneurship and Innovation strategic pillar, the competition aims to reward BTC's informal vendors (hawkers) by capacitating them with resources to grow their businesses.

The total donation was P393,282. The grand prize was a Hyundai Bakkie (Matshelonyana).

ENVIRONMENTAL PROTECTION

Moshana Community Development Trust (MCDT)

BTC established a partnership with Moshana Community Development Trust (MCDT) to the value of P615,000 to construct an Eco Park for conservation and environmental protection of exotic plants. A modest conference facility with amenities is also due to be built in the park. The Trust aims to conserve and protect natural resources of the area against extinction, damage or misuse, and to promote the sustainable use of natural resources in the area, while also seeking to establish and encourage tourism and entrepreneurship initiatives for the benefit of the community.

Project implementation, resourcing and engagement of suppliers is centred in the local community to encourage economic inclusion and build social capital within the community.

CORPORATE GOVERNANCE

05.

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT OF COMMITMENT

BTC is dedicated to the implementation of effective structures, policies and practices that enhance corporate governance and create sustainable value for our shareholders and stakeholders. The Board believes that excellent corporate governance is fundamental in ensuring a sustainable and successful business, and as such remains committed to ensuring that the Company is managed in a responsible manner with integrity, fairness, transparency and accountability.

As a listed entity, BTC strives to achieve and uphold the highest principles of business ethics, corporate governance and reporting. In complying with the guidelines of the BSE Code of Corporate Governance, BTC has complied with the principles of King III and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2021 financial year. BTC's corporate governance practices are continually being reviewed and improved by benchmarking against accepted international best practice.

CORPORATE GOVERNANCE

The Board is the custodian of corporate governance and is responsible for ensuring that the business of BTC is conducted according to sound corporate governance principles. This is done through approving key policies and ensuring that the Company meets its obligations to all stakeholders.

The Board directs BTC's strategic planning, its risk assessment, internal controls, financial and operational management to ensure that BTC's obligations to its stakeholders are understood and observed. BTC also acknowledges its corporate social responsibility and provides assistance and developmental support to the communities in which it operates, and to deserving institutions at large.

Adherence to sound principles of corporate governance by BTC is critical to earning and maintaining the trust of key stakeholders and, ultimately achieving its performance goals, while acknowledging that the methods it employs to achieve these goals are as important as the goals themselves.

The BTC Board is committed to the practice of good corporate governance and subscribes to the following:

- The King Code III of Good Governance, and now transitioning to King Code IV
- The Companies Act
- The BSE Equity Listings Requirements
- The International Financial Reporting Standards (IFRS)
- The Global Reporting Initiative's (GRI) Sustainability Reporting - guidelines on Economic, Environmental and Social performance.

COMPLIANCE WITH KING III

In addition to complying with the BSE Code of Corporate Governance, the Company has complied with the principles of King III and is aligning itself to ensure compliance with the King IV Code of Good Governance by the end of the 2021 financial year.

BTC believes that compliance with recognised best practices will provide superior levels of performance in terms of sustainable returns to all stakeholders. We take into consideration not only the interests of the Company and its shareholders, but the wider environment including suppliers, employees and the community as a whole. A representative of our stakeholders is included on page 65 of this report.

This Report is prepared in compliance with the principles of King III. Where the Directors have deemed it impractical to apply certain recommended practices, the rationale is explained under the relevant section.

BOARD'S GOVERNANCE AND STRUCTURE

The governing body of BTC is the Board of Directors which consists of the Chairperson, the Managing Director and seven other independent members appointed by the shareholders in line with the Companies Act. BTC has a unitary Board structure with the majority of members being Non-Executive Directors. The preponderance of Independent Non-Executive Directors is strongly encouraged on the Board.

The roles of the Chairperson and the Managing Director are separate, and the composition of the Board ensures a balance of authority precluding any one Director from exercising unfettered powers of decision making.

The Board retains full control over BTC and monitors executive management in the implementation and execution of strategies and policies. The Board is assisted in fulfilling its responsibilities by the following sub-committees:

- Audit and Risk Committee
- Human Resources Committee
- Technology and Investment Committee
- Directors' Affairs and Governance Committee

The responsibility for the implementation and monitoring of corporate governance in BTC rests with the Board, which is assisted by the above-mentioned sub-committees.

The delegation of authority to Committees does not absolve nor transfer any of the responsibilities of the Board to the respective Committees, and the Board remains ultimately accountable to the shareholders of the Company.

The Board is led by a Non-Executive Chairperson. During the financial year under review, the Board was chaired by Ms Lorato Boakgomo-Ntakhwana, who is an Independent Non-Executive Director.

The Chairperson has no executive function but meets regularly with Senior Executive Management to monitor progress and discuss relevant business issues and is available to respond to stakeholder queries or other issues relating to BTC. Non-Executive Directors have the opportunity to meet separately without the BTC Managing Director as and when circumstances warrant.

DEFINITION OF INDEPENDENCE

For purposes of this Report, Directors are classified as follows:

- Executive Directors: Who are involved in the day-to-day management of BTC and are in its full time employ
- Non-Executive Directors: Include Directors who may be nominees or representatives of a shareholder
- Independent Non-Executive Directors: Being Directors who are neither involved in the day-to-day management of BTC, nor are nominees or representatives of a shareholder.

Board Charter

The Board operates in terms of a formal Charter, the purpose of which is to regulate the conduct of its business in accordance with sound corporate governance principles.

The objectives of the Charter are to ensure that all Directors acting on behalf of BTC are aware of their duties and responsibilities and the legislation and regulations affecting their conduct. Furthermore, it seeks to ensure that sound corporate governance principles are applied in all dealings by the Directors. The Charter sets out the responsibilities to be discharged by Directors collectively and individually.

APPOINTMENT OF DIRECTORS

In making Board appointments, the broad principles that are followed are to maintain an independent and vibrant Board that constructively challenges Management's strategies and evaluates performance against agreed benchmarks and applicable codes of conduct. A balance is maintained among Non-Executive Directors which ensures that the majority of these are independent Directors. The BTC Board regularly reviews its required mix of skills, experience and other qualities such as its demographics and diversity so as to assess the effectiveness of the Board. This review is by means of a self-evaluation of the BTC Board as a whole, its committees and the contribution of each individual Director.

The Directors are chosen for their business acumen and their wide range of skills and experience.

The Board gives strategic direction to BTC, appoints the Managing Director and ensures that succession planning is in place. In appointing Directors, emphasis is placed on achieving the necessary balance of skills, experience, professional and industry knowledge to meet BTC strategic objectives. The selection and appointment of Directors is a formal and transparent process, is a matter for the whole Board assisted by the Directors' Affairs and Governance Committee and is subject to approval by the shareholders at the Annual General Meeting (AGM) of the company. All BTC Directors are subject to an annual performance evaluation. Succession planning is also reviewed regularly.

In line with Principle 78 of King III, the Board conducted an independence assessment of Serty Leburu who had served more than nine (9) years on the Board and came to the conclusion that there are no relationships or circumstances likely to affect or are to affect the Director's judgment. The Director's independence of character and judgment has not in any way been affected or impaired by the length of service on the Board.

Shareholders are ultimately responsible for the composition of the Board and it is in their interests to ensure that the Board is properly constituted.

During the financial year under review, Ms. Gaone Macholo was appointed to the Board on the 23rd October 2020 and Ms. Choice Pitso retired from the Board on the 23rd October 2020.

APPOINTMENTS:

For the year under review the BTC Board was constituted by the following directors:

MEMBER	POSITION	DATE AND PERIOD OF APPOINTMENT	QUALIFICATIONS
Ms Lorato Boakgomo-Ntakhwana	Chairperson	Appointed in October 2016	BA Commerce (UB); MBA (Loyola College, USA)
Mr McLean Letshwiti	Independent Member	Appointed in October 2016	BA Administration (BOLESWA)
Mr Anthony Masunga	Managing Director	Appointed in January 2017	BSc Computer Science (McGill University, Canada); MBA (De Montfort University, UK)
Ms Serty Leburu	Independent Member	Appointed in April 2009	BCom (UB), Fellow of the Chartered Institute of Management Accountants of UK (FCMA)
Ms Choice Pitso	Independent Member	Appointed in April 2012 (retired on 23 October 2020)	BA Social Sciences (UB), MSc HR Management (Manchester, UK)
Mr Andrew Johnson	Independent Member	Appointed in May 2017	BSc (Eng) Electrical [Telecommunications and Alternative Energies] (University of the Witwatersrand, RSA)
Mr Ranjith Priyalal De Silva	Independent Member	Appointed in May 2017	Fellow Member of the Botswana Institute of Chartered Accountants (FCA); Fellow Member of the Institute of Chartered Accountants of Sri Lanka (FCA); Associate of the Chartered Institute of Management Accountants of UK (ACMA)
Mr Thari Pheko	Independent Member	Appointed 27 September 2018	BSc (Hons) in Business Finance and Management; M.Sc. in Management Information Systems (University of East Anglia, UK)
Mr Bafana Molomo	Independent Member	Appointed 27 September 2018	BCom (Economics and Finance): MBA (University of Cape Town): Post-graduate Diploma in Business (University of Pretoria's Gordon Institute of Business Science)
Ms. Gaone Macholo	Independent Member	Appointed 23 October 2020	BA Social Sciences (UB), Masters Degree in Public Health (University of Massachusetts, USA), Certificate in Industrial Relations (Wits University, RSA)

The Managing Director is engaged on a fixed term contract of employment with agreed and set targets which are appraised by the Board from time to time. The contract may be renewed if the Board is satisfied with his performance.

RESPONSIBILITIES OF THE BOARD AND THE EXECUTIVE MANAGEMENT

BTC is led by a Board that brings leadership, commitment and rigour to the business of the organisation, as well as its good governance in pursuit of its statutory mandate, ensuring proper and effective control of the BTC's business and carrying out periodic evaluation of corporate performance.

The Board is also responsible for guiding corporate governance by establishing committees and structures within the organisation to assist it in the effective fulfilment of its responsibilities.

The Board delegates certain functions to well-structured Sub-committees without abdicating its own responsibility.

The Board, directly or through its sub-committees:

- Approves BTC's Corporate Strategies, annual budgets and business plans
- Approves significant capital expenditure projects, selection of suppliers and major financial proposals
- Assesses the comprehensive system of reporting on financial and non-financial matters, strategy and other operational matters
- Ensures compliance with applicable laws and regulations
- Approves acquisitions and divestments
- Assesses key business risks and monitors the management of those risks
- Ensures the effectiveness of internal control system
- Appoints senior management, evaluates and monitors their performance.

Management is required to implement BTC's approved plans and strategies and to support the Board. The Board monitors management's performance on an ongoing basis.

DIVISION OF RESPONSIBILITIES BETWEEN THE BOARD AND EXECUTIVE MANAGEMENT

There is a clear division of responsibilities between the Executive Management and the BTC Board. The Executive Directors and the Executive Management have responsibility for the daily operations of the business and the execution of BTC's strategy, subject to the policies and positions adopted by the BTC Board.

ETHICAL STANDARDS

Members of the Board and all employees are required to conduct themselves according to the highest ethical standards. BTC strives to always make relevant disclosures of information to stakeholders in a transparent manner.

BTC has in place a Code of Ethics and Conduct which establishes the principles and guidelines of conduct and behaviours that individuals are subject to. In addition, the purpose of the Code is to ensure ethical leadership and ethical interactions with both internal and external stakeholders. The Directors' Affairs and Governance Committee reviews compliance with the Code of Ethics and Conduct in BTC.

BOARD SUB-COMMITTEES

In the course and scope of discharging their mandate, the Directors are empowered to delegate part of their duties to various Board Sub-Committees.

Certain functions of the Board are facilitated through the main Sub-Committees including the Audit and Risk Committee, the Human Resources Committee, Directors Affairs and Governance Committee and the Technology and Investment Committee; each constituted in accordance with section 20.3.2 of the Company Constitution.

These Sub-Committees have formal charters and report to the Board at regular intervals. The Committees are fully mandated by the BTC Board as to their membership, scope of authority, responsibilities and duties. These committees are chaired by Independent Non-Executive Directors and are comprised of a majority of Independent Non-Executive Directors.

The Board is supported by specialist Committees as follows:

AUDIT AND RISK COMMITTEE

Members

- Mr Ranjith Priyalal De Silva (Chairperson)
- Ms Serty Leburu
- Mr Bafana Molomo

Overview

The Committee operates within defined terms of reference as set out in its Charter and the authority granted to it by the Board, and meets at least quarterly with more meetings being held when necessary. The internal and external auditors attend these meetings and have unrestricted access to the Chairperson.

The Company's Audit and Risk Committee is composed of at least three Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director. There are no relationship overlaps that could interfere with the Audit and Risk Committee members' independence from Management.

The main responsibility of the Audit and Risk Committee is to assist the Board in discharging its responsibilities under the Companies Act and ensuring compliance with other applicable legislation and requirements of regulatory authorities. In particular, it monitors financial controls, accounting systems and reporting, compliance with legal and statutory requirements, evaluation and the management of risk and internal control systems, and the effectiveness of the internal and external auditors. The Committee also evaluates BTC's exposure and response to significant risks, including risks to its sustainability.

The activities of the Audit and Risk Committee are set out in the Report of the Audit and Risk Committee on page 82.

TECHNOLOGY AND INVESTMENT COMMITTEE

Members

- Mr. Andrew Johnson (Chairperson)
- Mr. Maclean Letshwiti
- Mr. Thari Pheko
- Mr. Bafana Molomo

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least quarterly with more meetings being held when necessary. BTC's Technology and Investment Committee is composed of no fewer than three Non-Executive Board Members.

The role of the Committee is to assist the Board to ensure that it fulfils its corporate governance and oversight responsibilities for BTC's strategy in relation to Technology and Investment opportunities. The duties of the Committee include the following:

On Technology, to:

Review BTC's technology planning and strategy, including the financial, tactical and strategic benefits of proposed significant technology-related projects and initiatives:

- Receive reports on existing and future trends in technology that may affect BTC's strategic plans, including monitoring overall industry trends;
- Provide oversight over new innovative technology developments for future deployment within BTC;
- Increase awareness of key technology changes and innovations within BTC and in the marketplace;
- Review and endorse technology investments and projects including monitoring and reviewing post implementation results of all such key technology projects;
- Consider the negative impact that technology could have on the environment and provide sustainable solutions for Management's action;
- Ensure that there are appropriate systems in place for the management of information assets and the performance of data functions;
- Ensure that there are systems in place for private information (such as intellectual property, investment decisions and tendering processes) to be treated by BTC as an important business asset and that all personal information that is processed by BTC is identified;
- Ensure that an Information Security Management System (ISMS) is developed and incorporates the following high-level information security principles:
    1. Confidentiality of information
    2. Integrity of information
    3. Availability of information and information systems in a timely manner.

TECHNOLOGY AND INVESTMENT COMMITTEE (Continued)

On Investment activities, to:

- Review the performance of BTC investments linked to BTC's overall investment strategy;

- Consider capital projects, acquisitions and disposal of assets in line with the BTC's overall strategy;

- Consider changes in the scope of projects that exceed limits, as may be determined by the Board from time to time, in approving the tender regulations, whether once-off or collectively, of the approved project estimate and advise the Board on any other investment;

- Consider the viability of the capital projects and/or acquisitions and/or disposals and the effect they may have on BTC's cash flow, as well as whether they comply with BTC's overall strategy;

- Ensure that appropriate due diligence procedures are followed when acquiring or disposing of assets;

- Oversee the proper value delivery of Technology and ensure that the expected return on investment from significant Technology investments and projects is delivered and that the information and intellectual property contained in the information systems are protected.

On Mergers and Acquisitions activities, to:

Evaluate and review mergers and acquisitions approval policies for investment, acquisition, enterprise services, joint venture and divestiture transactions, and consider requests from Management to approve such proposed transactions

- Evaluate the execution, financial results and integration of completed investment, acquisition, enterprise services, joint venture and divestiture transactions.
- Report to the Board, and make recommendations to the Board, as to the scope, direction, quality, investment levels and execution of investment, acquisition, enterprise services, joint venture and divestiture transactions.
- Oversee and recommend strategic alliances
- Oversee loans and loan guarantees of third-party debt and obligations
- Oversee investor relations activities.

On material tender decisions, to:

- Review quarterly reports on the decisions of the Management Tender Committee;
- Award tenders in line with BTC's approved procurement policy and tender regulations;
- Review significant technology expenditures, including the associated budget for BTC and its business segments;
- Receive reports from management, as and when appropriate, concerning the implementation of BTC's technology initiatives, including the cost compared to budget, the expected benefits and the timelines of implementation;

HUMAN RESOURCES COMMITTEE

Members

- Ms. Gaone Macholo (Chairperson)
- Ms. Lorato Boakgomo-Ntakhwana
- Mr. Ranjith Priyalal De Silva
- Mr Thari Pheko

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board, and meets at least quarterly with more meetings being held when necessary. BTC's Human Resources, Committee is composed of at least three Independent Non-Executive Board Members.

The Committee's mandate includes:

- Review and monitor BTC's strategic human resource initiatives and their compliance with the BTC's human resource policies.
- Ensuring alignment of the remuneration strategy and policy with BTC's business strategy
- Determining remuneration packages needed to attract, retain and motivate high performing staff.
- Ensuring that remuneration relative to other comparable companies is pitched at the desired level taking relative performance into account.

DIRECTORS' AFFAIRS AND GOVERNANCE COMMITTEE

Members

- Ms. Lorato Boakgomo-Ntakhwana (Chairperson)
- Mr. Ranjith Priyalal De Silva
- Mr. Maclean Letshwiti

Overview

The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board and meets at least twice a year with more meetings being held when necessary.

The Committee's mandate includes:

- Ensuring the establishment of a formal process for the appointment of Directors and make recommendations for consideration by the Board pertaining to the appointment and removal of Directors including the Managing Director
- Maintaining objectivity and neutrality in determining the remuneration and benefits of Directors
- Ensuring that a succession plan is in place for the Directors including the Managing Director
- Overseeing the performance and evaluation of the Board
- Ensuring that a process of nominating, electing and appointing Directors is in place
- Reviewing compliance with the Code of Ethics and Conduct by Executive and Non-Executive Directors.

Ad-hoc Committees

Ad-hoc Committees are appointed by the Board, as and when necessary, to consider specific issues before submission to the Board for a final decision. The Board, as it finds necessary, determines the terms of reference of such committees.

Board and Committee Meetings

A minimum of four (4) Board meetings are scheduled each financial year to consider strategic and key issues, financial matters, operational performance and any specific proposal for capital expenditure and investment, where applicable.

Additional meetings are convened on an ad-hoc basis to consider extraordinary items of importance which may require urgent attention.

Board meetings are convened by a formal notice incorporating a detailed agenda together with relevant written proposals and reports. Information is distributed in a timely manner prior to Board meetings to facilitate adequate preparation for thorough discussion at these meetings. A number of decisions may be taken between Board meetings by written resolution in accordance with BTC's founding documents.

Attendance and Meetings of the Board and Board Committees

The BTC Board is expected to meet at least quarterly and retains full control over BTC. The BTC Board monitors Management, ensuring that material matters are subject to BTC Board approval, and reserves to itself a range of key decisions to ensure that it retains proper direction and control of BTC.

RESPONSIBILITIES OF THE BOARD AND THE EXECUTIVE MANAGEMENT (Continued)

A summary of meetings held and attended is presented below:

	MAIN BOARD		TECHNOLOGY & INVESTMENT COMMITTEE		AUDIT AND RISK COMMITTEE		HUMAN RESOURCES COMMITTEE		DIRECTORS AFFAIRS AND GOVERNANCE COMMITTEE	
	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance	Member	Attendance
Ms Lorato Boakgomo-Ntakhwana	√	5/5					√	3/3	√	2/2
Ms. Serty Leburu	√	3/5			√	4/4				
Ms Choice Pitso (retired on 23 October 2020)	√	2/2					√	1/1		
Mr Maclean Letshwiti	√	5/5	√	4/4					√	2/2
Mr Andrew Johnson	√	5/5	√	4/4	By invitation	1/1				
Mr Priyalal De Silva	√	4/5			√	4/4	√	2/2	√	2/2
Mr Thari Pheko	√	5/5	√	4/4			√	1/1		
Mr Bafana Molomo	√	4/5	√	2/2	√	4/4				
Ms. Gaone Macholo (appointed on 23 October 2020)	√	3/3					√	2/2		
Mr. Anthony Masunga	√	5/5	√	4/4	√	4/4	√	3/3	√	2/2

REPORT OF THE AUDIT AND RISK COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2021.

The report is presented in accordance with the recommendations contained in the King III Report on Corporate Governance. The Committee operates within defined terms of reference as set out in its charter and the authority granted to it by the Board.

The Audit and Risk Committee ensures that there is appropriate independence relating to non-audit services provided by the external auditors.

During the period under review the following activities, amongst others, were carried out:

- Reviewed and commented on the Annual Financial Statements and the accounting policies and ensured that the Annual Financial Statements of the Company comply with all statutory requirements
- Monitored compliance with accounting standards and legal requirements
- Reviewed the quality and effectiveness of the external audit process, the External Auditor's Report to the Committee and Management's responses.
- Reviewed interim reports, results announcements and other releases of price-sensitive information
- Reviewed significant judgements and/or unadjusted differences resulting from the audit, as well as any reporting decisions made.
- Recommended the appointment of Deloitte & Touche as the registered Independent Auditors
- Set the terms of Deloitte & Touche 's engagement
- Determined the fees to be paid to Deloitte & Touche and ensured that the fees are fair and equitable
- Maintained a non-audit services policy which determines the nature and extent of any non-audit services that Deloitte & Touche may provide to the Company
- Ensured that the BTC's existing combined assurance model addresses the significant risks facing the business
- Formed an integral component of the risk management process and, amongst others, monitored:
    - Financial reporting risks
    - Internal financial controls
    - Fraud risks as they relate to financial reporting
    - Information techonology (ICT) risks in fo far as they relate to financial reporting
- Played an oversight role in respect of the internal audit function to ensure its effectiveness
- Approved the Internal Audit Annual Plan
- Monitored closure of reported audit findings
- Reviewed developments in corporate governance and best practice and considered their impact and implications on BTC and in particular ensured that the principles of King III are embedded throughout the business
- Satisfied itself that the Chief Financial Officer is appropriately qualified and experienced to fulfil his role and that the Finance function is suitably resourced and skilled to carry out its obligations
- Reviewed the text of various reports, including the Going Concern Statement, Corporate Governance Report and Directors' report for inclusion in the Integrated Annual Report for the year ended 31 March 2021.

Annual financial statements

The Audit and Risk Committee has evaluated the Consolidated and Separate annual financial statements for the year ended 31 March 2021 and ensured that they comply, in all material aspects, with the requirements of the Companies Act and appropriate International Financial Reporting Standards. The Committee has therefore recommended the annual financial statements for approval to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

Conclusion on fulfilment of duties and obligations

Given the above, the Committee is of the opinion that it has appropriately addressed its key responsibilities in respect of:

- Internal control
- Financial accounting control
- Risk management
- Selected stakeholder reporting that relates to the Audit and Risk Committee
- Statutory and regulatory requirements.

REPORT OF THE HUMAN RESOURCES COMMITTEE

The Committee is pleased to present its report for the financial year ended 31 March 2021. This report sets out the Company's remuneration philosophy.

Remuneration philosophy

The remuneration philosophy applies to all the BTC's operations. It is the BTC's philosophy to:

- Appropriately compensate employees for the services they provide the business
- Reward and recognise employees for the attainment of specific BTC performance targets as well as the attainment of individual performance goals through variable pay
- Inculcate a positive culture through proper recognition structures
- Attract and retain talented, skilled and high performing employees to effectively manage the operations and growth of the business
- Motivate employees to perform in the best interests of BTC and its stakeholders
- Assist its employees on career development through training and development.

REPORT OF THE HUMAN RESOURCES COMMITTEE (Continued)

Remuneration levels are positioned relative to other comparable organisations, the current economic environment, and individuals' personal performance and the BTC's business model. Remuneration comprises elements of fixed remuneration and performance-based (variable) remuneration.

Remuneration structure

The various elements of the remuneration structure are discussed below.

Remuneration

The basic element of remuneration is a base salary that is required to attract and retain a given set of skills, competencies and experience.

Employee benefits and retirement funding

Other components of reward are given to employees. These are subject to local competitive practice and legislation. BTC provides, where appropriate, through third parties, additional elements of compensation:

- Pension or Retirement savings, comprising full or partially matched (with employee) contributions towards retirement savings, subject to local competitive practice and legislation;
- Gratuity
- Group Life Assurance;
- Medical Aid; and
- Allowances

Short term incentives (STI)

Employees have an element of STI based remuneration, comprising one of the following:

- A pool-based Performance Incentive Bonus which award is at the Board's discretion
- A bonus triggered by the achievement of the budgeted Profit Before Tax (PBT) as determined by the Board at the beginning of the financial year under review
- An individual award based on performance.

Non-Executive Directors' Remuneration

The remuneration for the Non-Executive Directors for the year ended 31 March 2021 was approved by the shareholders at BTC's Annual General Meeting on 23 October 2020.

Directors; Remuneration and Shareholding

Except for the Managing Director, members of the Board are not entitled to monthly or annual salaries. Members of the Board and Sub-committees are paid a sitting allowance.
The aggregate number of Botswana Telecommunications Corporation Limited shares held directly by Directors as at 31 March 2021 is 814,488. Details of the shareholding are as per the table below:

MEMBER	POSITION	DIRECTORS REMUNERATION (AMOUNT IN PULA)	DIRECTORS SHAREHOLDING (NUMBER OF SHARES)
Ms Lorato Boakgomo-Ntakhwana	Chairperson	195,000	254,488
Mr Anthony Masunga	Managing Director	2,483,161*	250,000
Ms Serty Leburu	Director	115,000	NIL
Ms Choice Pitso (retired on 23 October 2020)	Director	37,000	100,000
Mr McLean Letshwiti	Director	125,000	100,000
Mr Andrew Reginald Johnson	Director	145,000	NIL
Mr Ranjith Priyalal De Silva	Director	187,000	NIL
Mr Thari Pheko	Director	135,000	110,000
Mr Bafana Molomo	Director	185,000	NIL
Ms Gaone Macholo (appointed on 23 October 2020)	Director	72,000	NIL

*Managing Director's remuneration includes salaries and benefits

INTERNAL AUDIT

BTC has an Internal Audit function that is mandated to provide assurance on the adequacy and effectiveness of controls to mitigate risks to its strategic, operational, financial and compliance objectives. Internal controls however can only provide reasonable and not absolute assurance against material misstatements or loss. The key elements of the system of internal control are delegation, operations, planning and empowerment, competence, monitoring and reporting, and Internal Audit.

The systems are designed to provide reasonable assurances to the integrity and reliability of the financial statements and other operational information. Such systems of internal controls are designed to manage rather than eliminate the risks of failure to meet business objectives, providing a reasonable but not an absolute assurance against material loss or misstatement.

Based on the information received from management, the Audit and Risk Committee and the Internal Audit Division, the Board believes that the systems of internal controls can be reasonably relied upon, and that there was no material threat in the effectiveness of the system of internal control during the year under review.

Internal Audit Function

According to the King III Code of Corporate Governance, the key responsibility of Internal Audit is to the Board and/or its committees in discharging its governance responsibilities. It is for this reason that BTC has an independent Internal Audit function which administratively reports directly to the Managing Director, with a dual reporting responsibility to the Audit and Risk Committee.

The Internal Audit process provides an assurance that significant risks are subject to periodic review and that control processes are in place and weaknesses are identified and mitigated. The Internal Audit is also expected to advise the Board whether the BTC's framework of risk management, internal control and governance processes, as designed by the management, is adequate and functioning. The Internal Audit Department has an Internal Audit Charter setting out the independence of the function, which has been adopted by the Audit and Risk Committee and signed by the Chairperson of that Committee.

BTC's Internal Audit function is designed to add value and enhance the Company's operations. It helps the Company to accomplish its strategic objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In performing its duties, Internal Audit is principally guided by the Institute of Internal Auditors' professional practice framework, King III and other relevant standards in undertaking internal audit responsibilities.

The Internal Audit Charter places considerable emphasis on:

• Independence of the internal audit function
• Integrity and professionalism within internal audit
• Risk-Based Internal Auditing.

The Internal Audit function reports administratively to the Managing Director and functionally to the Board via the Audit and Risk Committee. Internal Audit also advises the Board on BTC's risk management framework, control effectiveness and compliance to laws and regulatory requirements.

The Internal Audit follows a risk-based methodology to develop the annual audit plan, which is reviewed and approved by the Audit and Risk Committee. The Chairperson of the Audit and Risk Committee appraises the Board on the duties of the Internal Audit function on quarterly basis. All the work is conducted by appropriately qualified and experience team members and follows the Institute of Internal Audit Standards.

A summary of audit results, progress against delivery of the audit plan and progress in closing both Internal and External Audit findings items are presented bi-weekly to the Executive Management and quarterly to the Audit and Risk Committee. The Committee actively reviews the Internal Audit submissions and appraises the Board accordingly.

Through the anonymous tip-off line managed by Deloitte, Internal Audit investigates all reported cases and conveys its findings and recommendations to the Managing Director and the Audit and Risk Committee.

Monitoring Results and Management Reporting

Effective internal controls should prioritise the timing of information required as per the applicable laws and needs of management. All reporting of financial and other results is carried out as an effective monitoring mechanism; actual results are compared against the annual plans and against the historical trends of the previous years.

Going Concern

The Board has considered and recorded all relevant facts and assumptions and has concluded that BTC has adequate resources to continue in operational existence for the foreseeable future. Their statement in this regard is also contained in the statement of Director's responsibility for the Annual Financial Statements.

Review and Approval of Annual Financial Statements

The financial statements of BTC have been reviewed by the Audit and Risk Committee, approved by the Board and can be signed off by any two Directors. In practice, however, they are usually signed on behalf of the Company by the BTC Chairperson and the Managing Director.

External Auditors

The external auditors provide an independent assessment of BTC's systems of internal financial control and express an independent opinion on the Annual Financial Statements. The external audit function provides reasonable assurance on the accuracy of financial disclosures within the approved thresholds of materiality. The external auditors' plan is reviewed by the Audit and Risk Committee to ensure all significant areas of concern are covered, without infringing on the external auditor's independence and right to the audit.

Close cooperation between the internal and external auditors ensures that there is adequate coverage of all material areas within BTC. In terms of the Companies Act, the shareholders at the Annual General Meeting appointed Deloitte & Touche, a firm of Certified Auditors, as the auditors for the year under review.

Compliance with Laws and other legal Requirements

BTC considers compliance with applicable laws, industry regulations, codes and its own ethical standards and internal policies to be an integral part of doing business. BTC's Company Secretary function facilitates the management of compliance through analysing statutory and regulatory requirements, drafting compliance management plans and subsequently implementing those plans throughout BTC and monitoring the implementation of suggested controls to ensure compliance with applicable statutory and regulatory requirements.

The Compliance Checklist and Legal Register rolled out to the business covers dissemination of new legislation, handling of regulatory visits, development and review of risk universes, and various regulatory reporting procedures.

Various pieces of legislation including the Companies Act, the Communications and Regulatory Act, Competition Act, the Financial Intelligence Act (FIA) and Bank of Botswana Act (Electronic Payments Regulations) were analysed for purposes of developing and reviewing the risk universes of the business. The Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board, through the Company Secretary's office, strives to ensure that the businesses of BTC comply with the laws and regulations of Botswana.

Company Secretary and Professional Advice

The Company Secretary is Mr. S. Mganga. All Directors have unlimited access to the advice and services of the Company Secretary, who is accountable to the Board for ensuring that all prescribed procedures are complied with, and that sound corporate governance and ethical principles are adhered to. Any Director is entitled to seek independent professional advice concerning the discharge of his or her responsibilities at BTC's expense, though the encouraged practice is to arrange this through the Company Secretary.

Relationship with Employee Representatives

As part of maintaining harmonious relations and a conducive employee relations climate within the Company, the Botswana Telecommunications Employee Union (BOTEU) and Management continue to engage each other through the established communication, consultation and negotiation forums.

Employee Share Ownership Plan ("ESOP")

As part of the BTC Initial Public Offer ("IPO"), the Government of the Republic of Botswana ("the Government" or "Majority Shareholder") reserved 5% of the issued share capital of BTC (52,500,000 shares) for the benefit of Citizen BTC Employees.

Initially the shares were to be deposited into an Employee Share Trust and dividends accrued were to be shared equally amongst employees. The Government through a Presidential Directive (CAB 10(A)/2016) amended the terms of the Employee Share Scheme to allow for employees to directly purchase the reserved shares. This amendment was approved at the 2016 Annual General Meeting.

820 out of 950 eligible BTC Employees purchased 19,269,200 of the reserved shares at 85thebe per share, a 15% discount to the IPO price of P1.00. A total of 33,230,800 shares (3.16% of the issued share capital of BTC) remain.

The Company and Majority Shareholder are still in discussion about how both the Company and BTC employees can benefit from the remaining shares which are still in the hands of Government.

Environment, health, safety and sustainability

BTC strives to conform to, and to exceed, environmental, health and safety laws in its operations and seeks to add value to the quality of life of its employees through preventative health programmes.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

To improve the corporate governance principles and to enhance the Board's accountability, BTC voluntarily decided to subject itself to the world class code on Corporate Governance, the King III Code on Corporate Governance (www.kingIII.co.za). The statement below, which is based on the code published by the King Committee, measures the degree of its compliance to the respective codes. BTC has complied with the Codes of Best Practice throughout the financial year ended 31st March 2021, other than with the exceptions stated below:

COMPLIANCE WITH KING III PRINCIPLES

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
1. Ethical Leadership and Corporate Citizenship			
1.1	The Board should provide effective leadership based on an ethical foundation.	√	In accordance with the Board Charter, the Board is the curator of the values and ethics of BTC. BTC recognises that good governance emanates from effective, responsible leadership, which is characterised by ethical values. The Company has in place a Code of Ethics and Conduct to ensure ethical leadership and ethical interactions with both internal and external BTC stakeholders.
1.2	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	BTC Corporate Social Responsibility reports adequately reflects the Company's commitment to good corporate citizenship.
1.3	The Board should ensure that the Company's ethics are managed effectively.	√	BTC has a Code of Ethics and Conduct integral to the Company's employment conditions, which promotes, amongst other things the ethical values of responsibility, accountability, fairness and transparency.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
2. Board and Directors			
2.1	The Board should act as the focal point for, and custodian of, corporate governance.	√	In accordance with the Board Charter, the Board is committed to the highest standards of corporate governance.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	√	The Board, in accordance with the Board Charter, is responsible for aligning the strategic objectives, vision and mission with performance and sustainability considerations. BTC's risk management process considers the full range of risks including strategic and operational risks covering all areas of performance.
2.3	The Board should provide effective leadership based on an ethical foundation.	√	See 1.1 above
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	√	See 1.2 above
2.5	The Board should ensure that the Company's ethics are managed effectively.	√	See 1.1 above
2.6	The Board should ensure that the Company has an effective and independent Audit and Risk Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by a Non-Executive Director.
2.7	The Board should be responsible for the governance of risk.	√	The Board, through its Audit and Risk Committee, oversees the management of risks companywide.
2.8	The Board should be responsible for information technology (IT) governance.	√	A Technology and Investment Committee responsible for this function is in place.
2.9	The Board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	A compliance framework is monitored by the BTC legal team. In the Board's view, BTC is in compliance with all laws and regulations (see also 6.1).
2.10	The Board should ensure that there is an effective risk-based internal audit.	√	The Internal Audit function, with the help of the external auditors, handles this function prudently.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
2. Board and Directors (Continued)			
2.11	The Board should appreciate that stakeholder's perceptions affect the Company's reputation.	√	As part of the risk assessment process, the Board, through its Audit and Risk Committee, evaluates all risks relating to reputational issues arising from customers, employees, shareholders, government agencies, local communities, etc.
2.12	The Board should ensure the integrity of the Company's Integrated Report.		Annual financial statements are reviewed by the Audit and Risk Committee and the Board. Further the significant components of the Annual Report are reviewed by the Board before being officially released.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	√	As part of the Internal Audit Charter, the Internal Auditors review the Company's internal control systems and provide a report to the Audit and Risk Committee and to the Board. The Audit and Risk Committee as part of its reporting, confirms the adequacy of the internal controls in operation at the Company.
2.14	The Board and its Directors should act in the best interests of the Company.	√	The terms of appointment and the acceptance of appointment as Directors dictate that the Directors act in the best interest of the Company and that all conflicts of interest are declared and/or reported and adequately dealt with.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act.	√	The Company always ensures that it meets the solvency tests. The Company also prepares a three-year business plan incorporating financial forecasts for early detection of any financial distress situations.
2.16	The Board should elect a Chairman of the Board who is an Independent Non-Executive Director. The CEO of the company should not also fulfil the role of Chairman of the Board.	√	The Board Chairperson is an Independent Non-Executive Director chosen at the Annual General Meeting of the Company. The Managing Director, the equivalent of the CEO, is not the Chairperson of the Board.
2.17	The Board should appoint the chief Executive Officer and establish a framework for the delegation of authority.	√	The Managing Director (equivalent to the CEO) is appointed by the Board on a fixed period contract basis. The Company has a well-defined organisational structure with strategies, targets and authority to achieve them.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
2. Board and Directors (Continued)			
2.18	The Board should comprise a balance of power, with a majority of Non-Executive Directors. The majority of Non-Executive Directors should be independent.	√	Currently, all but one of the positions on the Board are filled by Non-Executive Directors.
2.19	Directors should be appointed through a formal process.	√	Currently, Directors are selected by the Nominations Committee and approved by the Board at the Annual General Meeting.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes.	√	Currently, the Directors are inducted through a process of dissemination of relevant and pertinent company information, which is yet to be formalised.
2.21	The Board should be assisted by a competent, suitably qualified and experienced company secretary.	√	The Company Secretary is a legal professional, suitably qualified to handle the company secretarial matters of BTC.
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	√	The Company carries out a self-evaluation and of the targets set.
2.23	The Board should delegate certain functions to well-structured committees but without abdicating its own responsibilities.	√	The Board has appointed four sub-committees viz. the Audit and Risk Committee, the Technology and Investment Committee and the Human Resources Committee and the Directors' Affairs and Governance Committee.
2.24	A governance framework should be agreed between the group and its subsidiary boards.	√	Each committee has terms of reference. All memberships to these committees are approved by the Board.
2.25	Companies should remunerate directors and executives fairly and responsibly.	√	All Directors except the Managing Director are currently remunerated only for time spent at meetings, in line with the fees approved by shareholders.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives.	√	The Annual Report adequately discloses all remuneration paid to Directors, their shareholdings and other relationships to the Company.
2.27	Shareholders should approve the Company's remuneration policy.	√	The Company's remuneration policies are approved only by the Board save for the remuneration philosophy which must be approved by shareholders.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
3. Audit Committees			
3.1	The Board should ensure that the Company has an effective and independent Audit Committee.	√	BTC has an effective and independent Audit and Risk Committee reporting to the Board and chaired by a Non-Executive Director.
3.2	Audit Committee members should be suitably skilled and experienced Independent Non-Executive Directors.	√	BTC has an effective and independent Audit and Risk Committee comprising qualified accounting professionals and chaired by an Independent Non-Executive Director.
3.3	The Audit Committee should be chaired by an Independent Non-Executive Director.	√	The Audit and Risk Committee is chaired by an Independent Non-Executive Director.
3.4	The Audit Committee should oversee integrated reporting.	√	The annual financial statements are evaluated and approved by the Audit and Risk Committee.
3.5	The Audit Committee should ensure that a combined assurance model is applied to provide a co-ordinated approach to all assurance activities.	√	The Audit and Risk Committee ensures that internal audit function provides the umbrella guarantee in collaboration with other assurance providers namely Risk Management, Regulatory Compliance, Revenue Assurance and Fraud Management. External auditors also review the work carried out by Internal Audit to provide assurance and determine the level of reliance to be placed on internal audit work.
3.6	The Audit Committee should satisfy itself of the expertise, resources and experience of the Company's finance function.	√	All members of the Audit and Risk Committee are adequately qualified.
3.7	The Audit Committee should be responsible for overseeing of internal audit.	√	The Internal Audit function's annual audit plans are approved by the Audit and Risk Committee. The Internal Audit function periodically reports to the Board and has unfettered access to the Committee.
3.8	The Audit Committee should be an integral component of the risk management process.	√	The Audit and Risk Committee periodically reviews the Company's risk profile and risk management approach. The Committee is of the view that the risks are being adequately addressed.
3.9	The Audit Committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process.	√	The Audit and Risk Committee recommends the appointment of the external auditor to the Board and to the Annual General Meeting.
3.10	The Audit Committee should report to the Board and shareholders on how it has discharged its duties.	√	The Audit and Risk Committee formally reports to the Board after each meeting. A report of the Committee is included in the Annual Report.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
4. The Governance of Risk			
4.1	The Board should be responsible for the governance of risk.	√	The Board is aware of this risk and has delegated this task to the Audit and Risk Committee.
4.2	The Board should determine the levels of risk tolerance.	√	The Board has established levels of risks, their impact and likelihood. The risk that can be tolerated and the risks that it is willing to take are continuously examined by the Audit and Risk Committee. A risk register is in place to address this.
4.3	The Risk and Audit Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	√	The Audit and Risk Committee is a sub-committee of the Board and assists the Board in its responsibility for the governance of risks.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	√	The Board has delegated to management the responsibility to design and implement risk management measures and to monitor the risks.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	√	The Audit and Risk Committee meets periodically to consider various matters including discussions of the risk assessments, risk framework and methodology.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	√	The Audit and Risk Committee looks at the risk frameworks and methodologies and ensures that unpredictable risks are well managed. This is an on-going process.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	√	The annual risk management report is submitted to the Audit and Risk Committee and to the Board containing the risk responses. These are periodically monitored.
4.8	The Board should ensure continual risk monitoring by management.	√	A risk register is in place for purposes of managing all risks.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	√	The Audit and Risk Committee provides the required level of comfort in the evaluation of the effectiveness of the risk management process.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	√	A risk management report containing all high level and operational risks, their impact and the level of responses are included in the Annual Report.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
5. The Governance of Information Technology (IT)			
5.1	The Board should be responsible for information technology (IT) governance.	√	The Board understands the importance of the information technology governance and associated risks. It has delegated the responsibility for IT governance issues through the Managing Director to the appropriate management personnel.
5.2	IT should be aligned with the performance and sustainability objectives of the Company.	√	IT is a significant component of BTC's operations, most of which are based on IT platforms, technologies and processes and are crucial to its performance and sustainability. As such, adequate attention is being given to IT.
5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework.	√	The responsibility for investing, implementing and managing the IT function is delegated to the management as well as other functions within the IT infrastructure.
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	√	Responsibility for managing the IT governance framework is delegated to management. The framework supports effective and efficient decision-making around the utilisation of IT resources to facilitate the achievement of the Company's objectives.
5.6	The Board should ensure that information assets are managed effectively.	√	In BTC, the IT assets are an integral part of the overall asset structure of the Company and are, therefore, adequately managed.
5.7	A Risk Committee and Audit Committee should assist the Board in carrying out its IT responsibilities.	√	IT risk management is part of the overall risk management profile of the Audit and Risk Committee.
6. Compliance with Laws, Rules, Codes and Standards			
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards.	√	A compliance framework is monitored by the BTC legal team through the office of the Company Secretary. In the Board's view, BTC is compliant with all laws and regulations.
6.2	The Board and each individual Director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business.	√	The induction process for new Board members attempts to sensitise the Directors with all laws and regulations affecting the company as well as their roles and responsibilities which include fiduciary duties.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
6.3	Compliance risk should form an integral part of the Company's risk management process.	√	Compliance to laws and regulations is identified under different risk dimensions, such as market risks, regulatory risks, finance risks, etc., and are adequately considered.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes.	√	BTC has an adequate level of responsibilities ensuring compliance with all applicable laws and regulations.
7. Internal Audit			
7.1	The Board should ensure that there is an effective risk based internal audit.	√	The Company has a dedicated Internal Audit function responsible for this detail.
7.2	Internal audit should follow a risk-based approach to its plan.	√	See 7.1 above
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	√	The Internal Audit reports quarterly to the Audit and Risk Committee on audits carried out in order to assess effectiveness of the internal controls.
7.4	The Audit Committee should be responsible for overseeing internal audit.	√	See 7.1 above
7.5	Internal audit should be strategically positioned to achieve its objectives.	√	See 7.1 above
8. Governing Stakeholder Relationships			
8.1	The Board should appreciate that stakeholder's perceptions affect a company's reputation.	√	The Board is aware of reputational risk and its potential effect on the Company's operations, performance and results. It takes reputational issues seriously and these are regularly discussed at Board meetings.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	√	The BTC management structure and the organisational responsibility adequately deal with the issues relating to the various stakeholders.

COMPLIANCE WITH KING III PRINCIPLES (Continued)

PRINCIPLE	DESCRIPTION OF PRINCIPLE	COMPLIANCE	COMPLIANCE STATUS AND ADDITIONAL COMMENTS
8. Governing Stakeholder Relationships (Continued)			
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	√	The Board has delegated its responsibilities to address the relationship with stakeholders to various Board committees to and, in some instances, to the management.
8.4	Companies should ensure the equitable treatment of shareholders.	√	BTC is an equal opportunity employer and carries out its activities within ethical guidelines and with the utmost impartiality. As such, all shareholders are treated equitably and receive information simultaneously.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	√	BTC has adopted a responsible practice in communicating transparently and effectively with its various stakeholders.
8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.	√	BTC has dispute resolution mechanisms with various stakeholder, such as customers, employees, suppliers, community, shareholders, etc.
9. Integrated Reporting and Disclosure			
9.1	The Board should ensure the integrity of the Company's Integrated Report.	√	The Board upholds globally recognised high standards of reporting and rigorously ensures the integrity of any data before disclosure for reporting purposes.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	√	Sustainability reporting is included as part of the Annual Report.

RISK MANAGEMENT REPORT

Risk management has always been fundamental to BTC strategy, and as such, considers risk as a natural part of any business process. The management of risk is a critical operating philosophy and an integral component of the Company's activities.

BTC faces a wide range of risks, internal and external to the organisation, which can have significant potential to impact the outcome of its operations. BTC considers risk management to be fundamental to good governance practices and an integral part of the corporate governance process. BTC recognises that the risk management process is crucial for the business to succeed, meet its objectives and create shareholder value.

Risk management activities at BTC are governed by the following principles, and are aligned with its strategy and business model:

- The integration of the culture of risk management throughout BTC's attitudes, values, processes, decision making and business planning;
- An organisational and governance model that assigns all risks to those responsible for their control and management;
- Independence of the risk function, covering all risks and providing adequate separation between the risk generating functions and those responsible for its control and supervision;
- A complete framework of process control mechanisms for managing and controlling risks;
- A comprehensive approach to all risks, internal and external, involves drawing establishing a risk universe and clearly defining the risks, their nature, impact and mitigation strategy.

BTC has a global framework for identifying and managing risk within our defined tolerance levels, to our operations and risk appetite relative to upside risks as determined in our strategy. The framework has been designed to provide the Executive Committee and Board with a clear line of sight over risk and to enable informed decision making. This framework helps the Company to manage risk in a systematic, transparent and cost-effective manner.

BTC RISK PHILOSOPHY

BTC recognises that an effective risk management process is fundamental to achieving its business goals. The Company is aware that business opportunities can be enhanced through better management of risks. The risk management process, therefore, aims to ensure that a more inter-dependent and more explicit connection exists between managing the business and managing the risks.

BTC also believes that it can manage risks only if its employees are equipped to handle risks and believes that corporate culture facilitates the enterprise-wide risk management process. BTC, therefore, recognises that to add value to its business, it needs to take business risks. BTC's view is that it is not possible to eliminate risk entirely and therefore manages risk rather than seeking to eliminate it altogether.

Understanding strategic, operational, compliance and financial risk is a vital element of BTC's risk management and oversight process. BTC's risk management and oversight programme is not an end in itself, but a means to support management in achieving its set goals. BTC understands that no matter how comprehensive its risk management and control system may be, it cannot be assumed to be exhaustive. Nor can it provide certainty that it will prevent adverse developments in BTC's business or that its mitigating actions will be fully effective.

It is important to note that new, as yet unknown, risks may still be identified and that any of the risks identified in this report could have a material adverse effect on BTC's financial position, results of operations, liquidity or the actual outcome including those referred to in the forward-looking statements contained in this Annual Report.

RISK MANAGEMENT RESPONSIBILITY

The effective management of risk within BTC is essential to and underpins the delivery of the Company's objectives. The Board is responsible for the oversight of the risk management processes, stipulating that risks are identified and appropriately managed across the Company. It has delegated the responsibility for reviewing the effectiveness of the Company's internal controls, including the systems established to identify, assess, manage and monitor risks, to the Audit and Risk Committee.

Day-to-day responsibility for risk identification, analysis, evaluation, mitigation, reporting and monitoring rests with the operating divisions and business units of the Company and coordinated by the Head of Risk Management and Divisional Risk Champions. The Company's risk management policy requires all operating divisions and business units to identify and assess the risks to which they are exposed. Risk registers document identified risks, their cause, possible consequences, and control and mitigation mechanisms.

On identification, risks are analysed in terms of likelihood of occurrence and potential impact on the business. Action plans are then developed and put in place to mitigate or eliminate unwanted exposure to identified risks. Responsibility for assessing and managing risks identified within their business units is allocated to individual managers. Risks and their corresponding mitigation actions are subject to review within the Company.

Established business reporting systems exist to ensure that significant risks are escalated through operating division or business units to the Executive Committee and the Board.

BTC ENTERPRISE WIDE RISK MANAGEMENT PROCESS

BTC identifies and analyses risks it faces with due consideration of which risks may impact corporate strategic objectives. Risks are then ranked by likelihood of occurrence and significance of consequences before management options are formulated. Strategic risks are most significant to BTC's ability to achieve and realise its strategic objectives. A bottom-up and top-down approach is followed to ensure a holistic process.

BTC's Headline Risk Register groups the risks into five broad categories - people, processes, technology, customers and shareholders. High-level risk assessments are initiated under each category dimensions, with analysis including operational risks, market risks, network obsolescence risks, internal processes risks, and regulatory/ compliance risks.

THE PROCESS OF DEFINING, ASSESSING, CLASSIFYING AND MONITORING RISKS IS PRESENTED BELOW:

1. DEFINING THE RISKS

Various levels of management in each operating business unit define risks according to risk tolerance at a project, process, operational, tactical and strategic levels.

2. SETTING THE RISK APPETITE

The type of risk determines BTC's risk appetite, allowing for a more controlled approach to managing risk levels. Aggregation of total risk is performed qualitatively, with management assessing the acceptability of BTC's consolidated risk profile.

3. ASSESSING THE IMPACT AND LIKELIHOOD OF THE RISKS ON THE ORGANISATION SHOULD THEY OCCUR

Risks are assessed based on the likelihood of occurrence and possible impact on the business, i.e. customers, business operating systems and process, employees, financial position, and brand and reputation, among others.

4. DETERMINING THE RISK RESPONSE:

Control strategies considered are:

5. CLASSIFYING THE RISKS

BTC classifies risks as high, medium or low based on their impact and the likelihood of them occurring. Therefore, where a risk has a high probability of occurring and the impact on our business, financial position or reputation is assessed as high, it would be considered critical.

RISK MANAGEMENT REPORT (Continued)

6. MONITORING AND REPORTING THE RISKS

We capture all risks across the business, operational, tactical and strategic, into our risk system. As part of continuous improvement and strengthening of the risk framework, we have made the following enhancements over the last 12 months:

- Through the standing Risk Committee and the compliance and business continuity management programme, we continue to identify and review new and existing risks. This approach has enhanced risk governance and provides direction for BTC towards embedding a risk and compliance culture and ensuring consistent control evaluation across the group.

- We developed the BTC risk universe to assess the specific risk environment in which BTC operates and the sources of the risks that BTC may be exposed to in line with the purpose, strategy, operations/processes.

- Risk assessed the functional effectiveness and delivery of C1 converged billing platform from legacy systems, compliance policies, controls and the overall project management framework including AMDOCS C1 efficiency including redundancy capabilities.

- Developed the DR plans for MFS (Smega) and further assessed the risk on Smega mobile money platform on BTC infrastructure including functional effectiveness and delivery of critical products, services and vendor management compliance policies against business continuity management framework.

- Instituted a globally accepted maturity continuum survey on BTC to assess BTCL's risk management and business continuity maturity levels:. BTC risk maturity has been rated at 3 Implementable.

- Following the outbreak of the COVID-19 pandemic in 2020, Risk Management undertook detailed assessment and developed a comprehensive covid 19 reporting tool that is based in the four key areas of Business impact, Financial impact, Supply Chain & the People.

BTC's risk management approach and practices continued to focus on minimising the adverse impact of risks on our business objectives, enabling the Company to leverage market opportunities based on risk-return balance.

BUSINESS CONTINUITY MANAGEMENT

BTC considers Business Continuity Management (BCM) an integral part of good risk management practice and corporate governance. To this end, and as part of continuous improvement, BTC has reviewed the existing BCM framework to align it to the ever-changing technological deployments and the customer demand for increased network quality of service and exceptional customer experience.

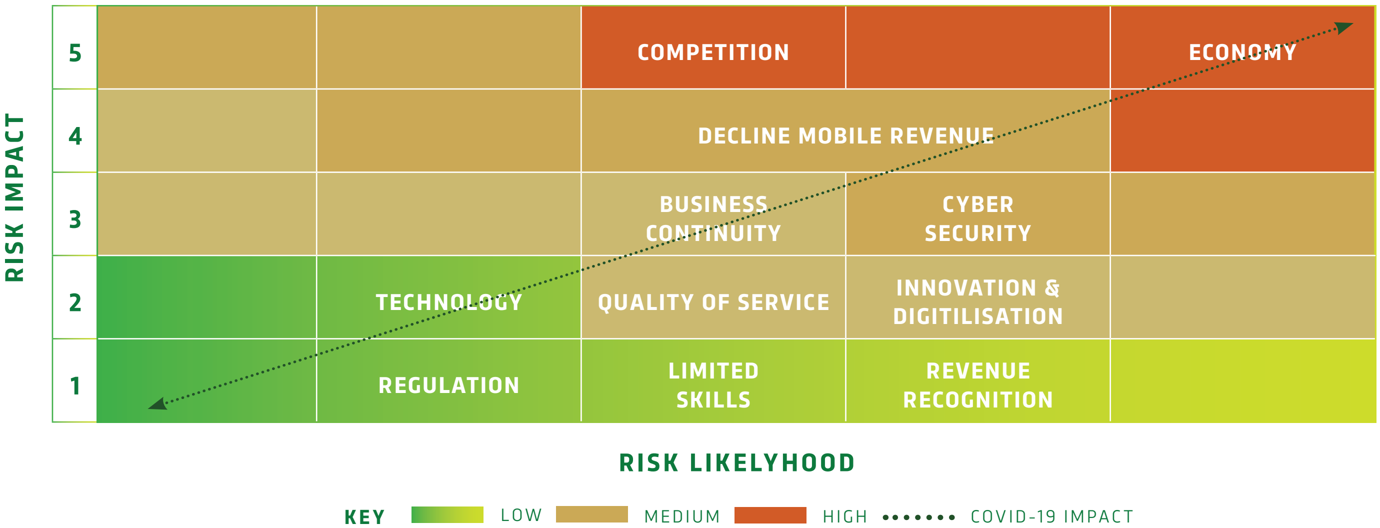
This programme is implemented using a comprehensively defined Business Continuity Management Framework, integrating key elements from ISO22301, global leading practices and guidelines from institutes such as the Business Continuity Institute (BCI), the Disaster Recovery Institute (DRI), and the King III Report. The framework integrates people, technologies and processes as part of organisation-wide risk management and a robust approach to business resilience.

To this end, BTC implemented an annual and structured BCM testing schedule on critical functions to provide assurance, protection, preparedness, mitigation and response for system and process recovery. Mission-critical systems include, but are not limited to, the transmission network systems, switching systems, power and mechanical systems, data systems, IP systems, enterprise systems, mobile systems, billing systems. Mobile financial Services and IT systems. This process ensures that a high level of service is available to customers, ensuring that systems are given appropriate priority during failures, resources are available for recovery and fault restoration, that crises are managed and cleared on time, and guidance provided for recovery, escalation and crisis coordination.

RISK MANAGEMENT REPORT (Continued)

HIGH-LEVEL RISKS

Several risk factors may affect BTC's businesses and are shown here on a BTC heat map.



FINANCIALS REVIEW

06.

OVERVIEW

This financial review and management discussion reviews the results of the operations, performance and financial position of the Group for the financial year ended March 2021. The commentary is intended to help the reader to understand the results of the operations and financial position of BTC and is provided as a supplement to be read in conjunction with the Group's audited consolidated and separate financial statements for the year just ended compared with the year ended March 2020. The audited consolidated and separate financial statements and the accompanying notes are prepared in accordance with International Financial Reporting Standards (IFRS) and reported in Botswana Pula (BWP).

Throughout the commentary, references to "We", "Our", "Group" and "BTC" all refer to consolidated entities of Botswana Telecommunications Corporation Limited (BTCL or Company) and Botswana Telecommunication Corporation Foundation (Foundation). BTCL is a converged telecommunications operator offering fixed, mobile and broadband (fixed data) services to individuals, enterprises and other licensed service providers. These segments are further broken down or analysed into distinct revenue sources notably voice, access service, data usage and provision of customer premises equipment. The analysis is designed to assist management and other readers to compare the operating results and financial performance in a meaningful way.

The Foundation was established in 2014 to coordinate and deliver the Company's corporate social investments initiatives. The results of the two entities were consolidated for the first time in the prior financial year.

Basis of financial analysis and other measures

Unless expressly stated or indicated otherwise, figures in the review have been extracted from the financial statements and are therefore IFRS compliant. One such departure is the 10-year trend which, for purposes of computing measures such as EBIDTA, has had the order of account lines re-aligned in relation to IFRS, some of the balances re-classified and lastly some of the numbers summarised. Reconciliations or explanations have been included in areas where there are departures or differences to the audited accounts.

It should also be noted that BTC also presents other financial performance and position measures including the various margins (Gross profit, EBIDTA, EBIT and Net profit) and various returns measures such as ROA, ROE, ROCE etc. These measures do not have a standardised meaning under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, as other entities may define these terms in different ways.

The Group includes the following measures because it believes certain investors use these measures as a means of assessing the financial performance and position of the Group;

- Gross profit is calculated as revenue from contracts with customers less costs of services and goods sold with the gross profit margin being the gross profit divided by revenue from contracts with customers.

- Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) is calculated as gross profit plus other income less all costs but excluding depreciation, amortisation, interest and taxation. The EBITDA margin is EBITDA divided by revenue from contracts with customers.

- Earnings before interest and taxes (EBIT) or Operating income, is calculated as net earnings before finance costs (net of finance income) and income taxes. Operating margin is therefore EBIT divided by revenue from contracts with customers.

- Return on average capital employed (ROCE) is computed as EBIT over the average (sum of opening and closing balances divided by two) capital employed i.e. total assets minus current liabilities.

- Return on average shareholders' equity (ROE) is computed as profit for the year (PAT) over average shareholders' equity.

- Return on average assets (ROA) is computed as profit for the year over average total assets.

- Solvency ratio is calculated as profit for the year plus depreciation and amortisation charge for the year over both long term and short-term liabilities.

TEN YEAR REVIEW

The commentary starts with a 10-year reproduction of the Group's footprint which highlights the transformation journey that the Group has undergone which includes the following highlights:

- In 2012, in line with the decision of the Government of Botswana to commercialise and privatise BTC, the Company was converted to a public company limited by shares, continuing with all the existing assets, liabilities, operations, licenses etc.

  The new legal form assumed the name Botswana Telecommunications Corporation Limited (BTCL). On the same date, BTCL also changed from being tax-exempt to a tax paying entity, falling under the purview of the Income Tax Act regulations. With the change in tax status, the Group changed its dividend policy from the then prescribed 25% rate to a rate determined by the Board of Directors.

- Network separation in 2014 in line with a Government directive, where all fibre network assets, related capital grants and deferred revenue amounting to P284.2 million were transferred to the newly created Botswana Fibre Network (BoFiNet). BTC also provided P121.2 million cash funding as initial set up costs to BoFiNet. The separation exercise resulted in a P405.4 million reduction in shareholders equity.

- Following the separation above and the loss of cash-flows attributable to the transfer of the back-bone plant and equipment to BoFiNet, an impairment charge of P266.1 million was recognised.

- In the same year, an organisational restructuring exercise was undertaken resulting in separation costs of P31.2 million.

- Two years later, the impairment figure increased by P522.4 million on account of significant changes in the business environment attributable to regulatory changes resulting in increased network related costs, a reduction on revenue lines, increased competition and more importantly, substantial wholesale tariff reductions.

- In both instances (2014 and 2016), BTCL's value-in-use of its assets were below their respective carrying amounts, necessitating impairment adjustments for the respective years.

- In April 2016, BTCL was listed on the Botswana Stock Exchange following an Initial Public Offering (IPO) making it the first listed telecommunication entity in the exchange. The IPO included an issue of 250 million subscription shares, thereby increasing total number of outstanding ordinary shares to the current 1.05 billion.

- BTC has Continued to be self-financing and a debt free enterprise since fully paying off its Government loans and redeeming the bonds that were issued. This is on the face of a defined programme over the period of Continued investments in infrastructure through number of projects aimed at modernising the infrastructure and expanding network capacity where needed. There has been steady migration to next generation service provider networks to support the converged service offerings and requirements of our customers.

- The cornerstone of this transition has, to a large extent, being propelled by our innate ability to initiate and build successful partnerships and forging highly valued relationships with a multitude of associates. The sustainability of these relationships has played a pivotal role in our quest to provide world class service.

- The current year saw the ushering in of the new 3-year strategy focusing of strengthening of the core business, optimisation of efficiencies and return on assets in addition to pursuit of growth opportunities. This was a follow up to the 2018-20 strategy direction which was geared towards technological, commercial and cultural transformations.

TEN YEAR TREND

Performance Statements (P 000's)	2012	2013	2014	2015	2016	2017	2018	Restated 2019	Restated 2020	2021
Revenue from contracts with customers	1,173,909	1,384,222	1,463,931	1,479,988	1,485,839	1,615,022	1,566,908	1,410,352	1,416,977	1,426,409
Cost of services and goods sold (excluding depreciation and amortisation)	(363,583)	(397,505)	(375,054)	(399,923)	(471,427)	(541,447)	(461,955)	(396,361)	(350,098)	(299,099)
Gross Profit	810,326	986,717	1,088,877	1,080,065	1,014,412	1,073,575	1,104,953	1,013,991	1,066,879	1,127,310
Other income	1,471	565	9,444	15,254	5,028	6,094	1,455	246	2,105	-
Selling and distribution costs	(26,372)	(23,649)	(29,810)	(38,168)	(42,188)	(48,728)	(41,096)	(37,332)	(25,385)	(21,015)
Administrative expenses (excluding depreciation)	(276,420)	(317,624)	(367,264)	(389,309)	(397,012)	(389,116)	(422,570)	(390,209)	(395,972)	(397,358)
Impairment losses and gains on financial assets and contract assets	-	-	-	-	-	-	-	10,683	(18,803)	(12,865)
Other expenses	(134,645)	(198,669)	(282,000)	(315,666)	(317,038)	(272,489)	(273,313)	(270,261)	(221,572)	(233,334)
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	374,360	447,340	419,247	352,176	263,202	369,336	369,429	327,118	407,252	462,738
Depreciation and amortisation (of intangibles, IRU and leased assets)	(191,218)	(220,353)	(217,782)	(202,070)	(259,593)	(147,321)	(156,098)	(201,130)	(274,359)	(307,284)
Amortisation of government grants	40,489	38,669	42,670	24,397	24,397	29,453	29,453	29,657	29,862	30,990
Impairment of property, plant and equipment	-	-	(266,051)	-	(522,404)	-	-	-	-	-
Earnings before interest and taxation (EBIT)	223,631	265,656	(21,916)	174,503	(494,398)	251,468	242,784	155,645	162,755	186,444
Interest income	13,415	18,451	25,144	26,066	26,451	23,075	21,131	17,606	7,303	6,360
Interest expense	(184)	(184)	(208)	-	-	-	-	(9,257)	(31,015)	(26,972)
Profit before taxation (PBT)	236,862	283,923	3,020	200,569	(467,947)	274,543	263,915	163,994	139,043	165,832
Income tax expense	-	(10,277)	(2,880)	(53,814)	97,127	(37,194)	(46,564)	(15,540)	(22,249)	(30,498)
Profit for the year (PAT)	236,862	273,646	140	146,755	(370,820)	237,349	217,351	148,454	116,794	135,334
Position Statements (P 000's)										
Property, Plant, Equipment and Intangible assets	1,772,827	1,886,115	1,251,793	1,556,197	1,028,771	1,279,488	1,488,331	1,772,147	1,782,293	1,815,446
Right of use assets	-	-	-	-	-	-	-	-	144,629	129,325
IRU asset	-	-	-	-	-	-	-	534,932	496,723	458,514
Deferred taxation	7,052	-	89,751	26,611	123,738	87,947	51,634	38,854	18,434	-
Other current assets	310,667	315,680	434,926	455,316	406,481	442,040	442,829	276,948	312,376	263,956

TEN YEAR TREND (Continued)

Position Statements (P 000's) (Continued)	2012	2013	2014	2015	2016	2017	2018	Restated 2019	Restated 2020	2021
Cash and cash equivalents	292,882	405,548	353,462	365,977	390,029	516,549	450,074	305,456	119,700	363,806
Total Assets	2,383,428	2,607,343	2,129,932	2,404,101	1,949,019	2,326,024	2,432,868	2,928,337	2,874,155	3,031,047
Capital employed	1,779,199	1,993,628	1,588,319	1,922,930	1,552,110	1,949,159	2,062,663	2,094,872	2,118,174	2,272,250
Non-current liabilities	345,784	304,337	198,050	201,512	180,842	130,322	113,899	384,908	420,570	347,276
Current liabilities	258,445	309,378	343,563	279,659	216,067	246,543	256,306	448,557	335,411	411,521
Total Equity and Liabilities	2,383,428	2,607,343	2,129,932	2,404,101	1,949,019	2,326,024	2,432,868	2,928,337	2,874,155	3,031,047
Capital Expenditure	380,456	333,896	194,846	264,498	254,570	398,969	299,793	455,820	229,968	217,092
Ratios										
Revenue growth		18%	6%	1%	0%	9%	(3%)	(13%)	(10%)	1%
Earning per share (Thebe) (1, 050,000,000 shares)	22.56	26.06	0.01	13.98	(35.32)	22.60	20.70	14.14	11.12	12.89
EBIDTA margin	32%	32%	29%	24%	18%	23%	24%	23%	29%	32%
Current ratio	2.3	2.3	2.3	2.9	3.7	3.9	3.5	1.3	1.3	1.5
Capex to revenue ratio	32%	24%	13%	18%	17%	25%	19%	32%	16%	15%
Capex to depreciation charge	2.0	1.5	0.9	1.3	1.0	2.7	1.9	2.3	0.8	0.7
Turnover ratio	49%	53%	69%	62%	76%	69%	64%	48%	49%	47%
Return on average equity		15%	0%	8%	(21%)	14%	11%	7%	6%	6%
Return on capital employed		12%	0%	8%	(29%)	12%	11%	6%	6%	7%
Return on average operating assets		11%	0%	6%	(17%)	11%	9%	6%	4%	5%
Other Operational Data										
Staff strength	942	962	932	934	944	919	920	914	914	886
Economic data										
Inflation (consumer price inflation)	8.20	6.20	8.20	4.50	2.50	3.00	2.80	3.30	3.30	3.30
Value of Pula (1 Pula equals to US $)	0.14	0.15	0.11	0.10	0.09	0.09	0.10	0.09	0.08	0.09

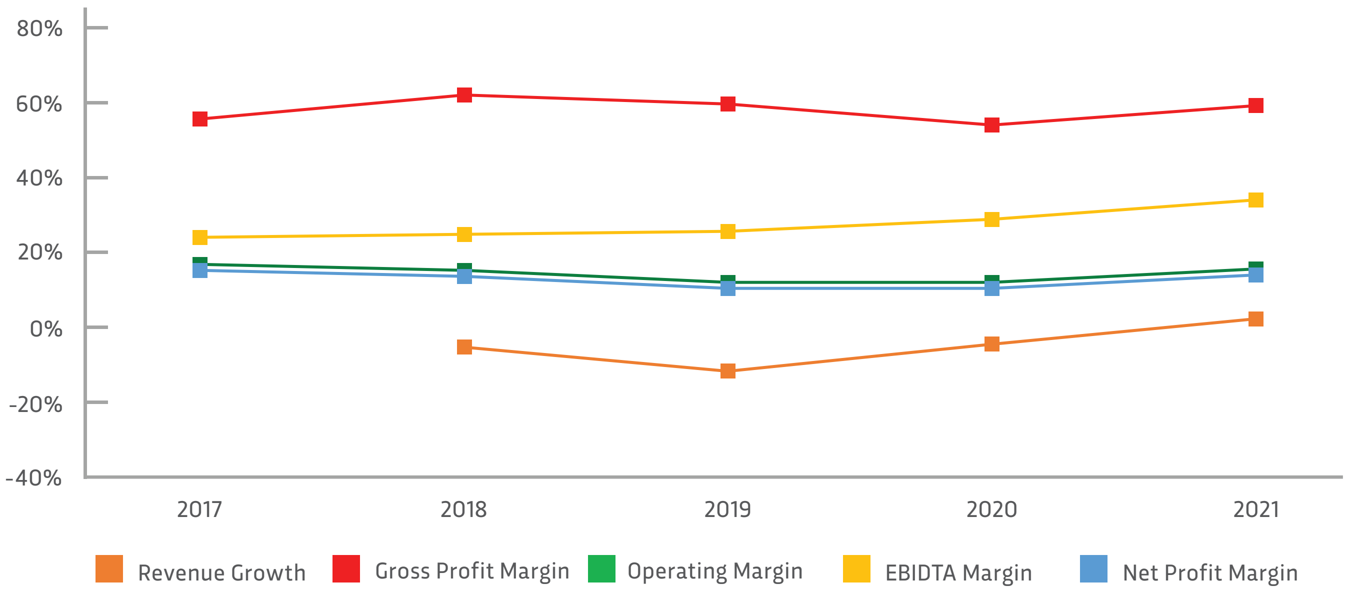
CURRENT YEAR PERFORMANCE REVIEW

Review of the results based on the statement of profit or loss as published (Group)

All figures in P'000	2017	2018	Restated 2019	Restated 2020	2021	Change 2021 vs 2020 P'000	Change 2021 vs 2020 %
Revenue from contracts with customers	1,615,022	1,566,908	1,410,352	1,416,977	1,426,409	9,432	1%
Cost of services and goods sold	(675,573)	(600,895)	(578,117)	(611,695)	(594,446)	17,249	(3%)
Gross Profit	939,449	966,013	832,235	805,282	831,963	26,681	3%
Other income	35,547	30,908	29,903	31,967	30,990	(977)	(3%)
Selling and distribution costs	(48,728)	(41,096)	(37,332)	(25,385)	(21,015)	4,370	(17%)
Administrative expenses	(402,311)	(439,728)	(409,583)	(408,734)	(409,295)	(561)	0%
Impairment losses and gains on financial assets and contract assets	-	-	10,683	(18,803)	(12,865)	5,938	(32%)
Other expenses	(272,489)	(273,313)	(270,261)	(221,572)	(233,334)	(11,762)	5%
Earnings before interest and taxation (EBIT)	251,468	242,784	155,645	162,755	186,444	23,689	15%
Interest Income	23,075	21,131	17,606	7,303	6,360	(943)	(13%)
Interest expense	-	-	(9,257)	(31,015)	(26,972)	4,043	(13%)
Profit before taxation (PBT)	274,543	263,915	163,994	139,043	165,832	26,789	19%
Income tax expense	(37,194)	(46,564)	(15,540)	(22,249)	(30,498)	(8,249)	37%
Profit for the year (PAT)	237,349	217,351	148,454	116,794	135,334	18,540	16%
Earnings before interest, depreciation, taxation and amortisation (EBIDTA)	369,336	369,429	327,118	407,252	462,738	55,486	14%
Earning per share (Thebe) (1,050,000,000 shares)	22.60	20.70	14.14	11.12	12.89	1.77	27%

All figures in P'000	2017	2018	2019	2020	2021	
Performance ratios (%)						
Revenue growth		(3%)	(10%)	(4%)	1%	4%
Gross profit margin	58%	62%	59%	57%	58%	1%
EBIDTA margin	23%	24%	23%	29%	32%	4%
Operating margin	16%	15%	11%	11%	13%	2%
Net Profit margin	15%	14%	11%	8%	9%	1%

PERFORMANCE RATIOS (%)



The Group delivered a solid P1.4 billion in revenue from contracts with customers, which is a 1% increase on prior year. The cost of services and goods sold reduced by 3% from P612 million to P594 million when compared to the previous year, leading to an increase in gross profit for the year by 3%,an increase of P27 million to P832 million, translating to an improvement in gross profit margin from 57% to 58%.

Despite the increase in the top line which would have led to an increase in the cost base, the Group Continued with its robust cost containment measures leading to a slight increase in all other operating costs byP3 million. The control in costs led to an overall increase in the earnings before interest, depreciation, taxation and amortisation (EBIDTA) by P55 million, with margin expansion of 370 basis points when compared to the previous year. The operating margin increased by 2% to 13% coming from the improvement in the earnings before interest and tax (EBIT) to P186 million, a P24 million increase when compared to the prior year figure of P163 million.

Net interest increased significantly driven by the new accounting treatment of the IRU liability. All the above led to an overall increase in the profit before tax of P27 million which increased to reportable profit to P166 million. The Group ended the year with a P135 million profit after tax compared to P117 million for the same period last year with a tax expense of P31 million in the current year which is higher when compared to the P22 million reported in 2020. In conclusion, the Group delivered an impressive 16% increase year on year with a 9% net profit margin, compared to 8% in the prior year.

Revenue Analysis by business streams

All figures in P'millions	2017	2018	Restated 2019	Restated 2020	2021	CAGR	2017	2018	Restated 2019	Restated 2020	2021
Current year amount							*Revenue* Contribution				
Fixed Voice	520.7	524.1	481.0	471.1	407.6	(6.3%)	32%	33%	34%	33%	29%
Mobile	593.4	544.3	471.2	424.7	452.4	(7.0%)	37%	35%	33%	30%	32%
Fixed data	472.0	468.3	432.5	473.1	506.1	1.7%	29%	30%	31%	33%	35%
Other revenues	28.9	30.2	25.7	48.2	60.3	16.8%	2%	2%	2%	3%	4%
Total revenues	1,615.0	1,566.9	1,410.3	1,417.0	1,426.4	(3.2%)	100%	100%	100%	100%	100%

Change in revenue (in P millions)

	17/18	18/19	19/20	20/21
Fixed Voice	3.4	(43.1)	(9.9)	(63.5)
Mobile	(49.1)	(73.1)	(46.5)	27.7
Fixed data	(3.7)	(35.8)	40.6	33.1
Other revenues	1.3	(4.5)	22.5	12.1
Total revenue	(48.1)	(156.6)	6.6	9.4

Change in Revenue (in percentage)

	17/18	18/19	19/20	20/21
Fixed Voice	0.7%	(8.2%)	(2.1%)	(13.5%)
Mobile	(8.3%)	(13.4%)	(9.9%)	6.5%
Fixed data	-0.8%	(7.6%)	9.4%	7.0%
Other revenues	4.5%	(14.9%)	87.4%	25.2%
Total revenue	(3.0%)	(10.0%)	0.5%	0.7%

CAGR = Compound Annual Growth from 2017 to 2021

The Group's revenue from contracts with customers is derived from three major business streams – fixed voice revenue, mobile revenues and fixed data (sometimes referred to as fixed broadband or just broadband) and other revenues namely directory services, property rentals, third party collection services, value added services and mobile money services (Smega).

BTCL overall increase in revenue from contracts with customers was P9.4 million driven by fixed data which increased by 7% and Mobile data by 7% which was partially offset by the decline on the voice streams. Although not significant overall other revenues increased by 25% when compared to prior year ending the year at P60.3 million.

In line with global expectations brought about by customer trends of switching to newer and cheaper alternative products with lower margins i.e. the shift from voice to data centric services, the revenue proportions of the three main lines have started swaying towards fixed data and mobile with fixed voice now trailing the pack at 29% and broadband taking the lion's share at 35% of total revenues. This trend is expected to continue given the level of capital expenditure and general business direction over the past few years.

Fixed Voice

Although registering a decline when compared with prior year delivering P408 million, the fixed voice category remains a significant contributor to the overall sales revenue of the Group.

The reduction in the category can be largely attributed to the decline in both the local and international economies. The start of the financial year coincided with the implementation of the national measures to contain the Covid-19 virus leading to national lockdowns. The national lockdown placed significant pressure on the voice calls sub-segment especially during the first half of the year due to the overall reduction in economic activities and travel.

However, the decline in this category has remained small with a Compounded Annual Growth Rate (CAGR) of negative 6% between 2017 and 2021. This was driven by the downward pressure on prices due to regulation, competition, impact of the raging COVID-19 virus and the ever-evolving customer preferences over time. With the institutional and business communications being predominantly fixed voice, this segment is nonetheless expected to continue being a significant contributor to BTC despite the gradual decline overtime.

Mobile Revenue

This segment saw an impressive change in fortunes registering an increase when compared to the 2020 financial year. This follows three successive years of decline for the category even with the introduction of new products and services, the extensive capital expenditure and other initiatives launched over the past 5 years.

From a sub segment analysis, the voice component of the mobile category declined when compared to the same period last year. This reduction was offset by the increase in the mobile data and Customer Premises Equipment (CPE).. This trend is expected to continue in the future driven by the monetisation of significant investments in fixed and mobile broadband infrastructure in support of high-speed internet services at homes and offices across most parts of the country (note that this point also applies to the fixed data revenue below).

Fixed data revenue

The benefit of the extensive capital expenditure over the past few years following successful completion and commissioning of both the fixed broadband and mobile broadband projects in the 2019 financial year, have started to pay off with the data category surpassing the other two segments to complete the year with a 33% increase relative to prior year and a 2% CAGR since 2017.

With improvements across the different facets of the Group including the liquidity position by more than 200% compared to prior year, the Group was able to further finance expansion on the mobile data network and replacement of traditional copper network with fibre as a way of supporting the ever-evolving needs of its customers. This led to improvements in the quality of services for our customers, translating to impressive uptake in data products and by extension increased revenues.

This category is expected to continue anchoring revenue growth into the future.

Other Revenue

Although very small in relation to the main revenue lines, the other revenue Continued to grow year on year contributing P60 million to the total revenues. The growth is mainly driven by property and site rentals. Other than the increase in the numbers of sites rented out, the increase was in part due to the contribution of revenues from the new data centre which was commissioned in the 2019 financial year.

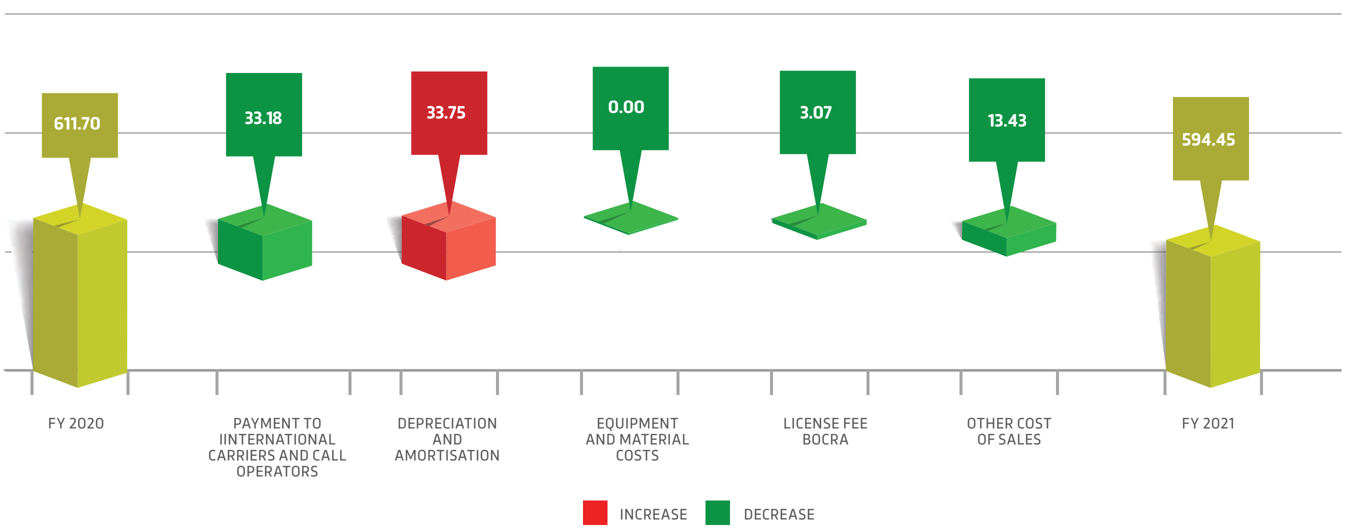
The category registered the highest CARG of 17%.

OPERATING COSTS

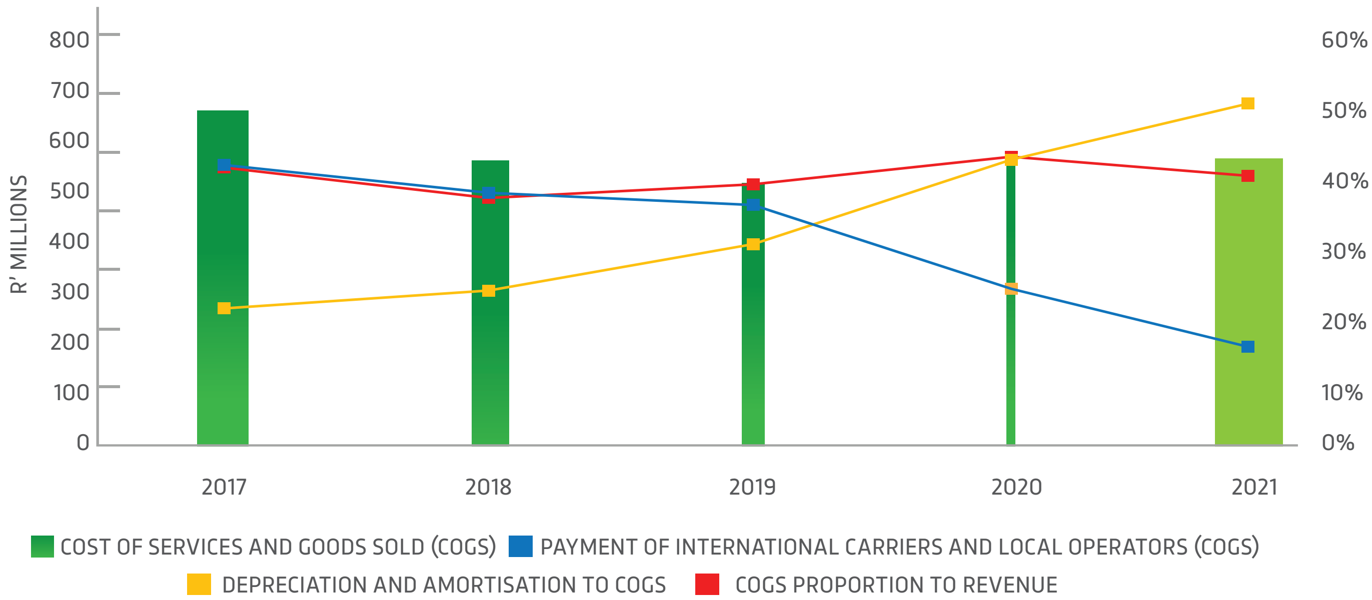
Total operating costs, comprising cost of goods sold and other operating costs reduced by P15 million during the year under review. Costs of goods sold which are directly related to revenue such as call based costs (payments to both international and local operators) were closely managed hence the reduction whilst other controllable costs such as sponsorships, repairs, utilities and employee costs were managed tightly.

To counter the declining revenue trend that the Group has experienced over the last few years, cost optimization has become a key strategic initiative resulting in the proportion of the costs to revenue remaining relatively level over the last few years. The new 3-year strategy 2021-2023 has a primary focus of streamlining operations to gain cost efficiencies throughout the business ultimately leading to year on year profit growth.

COST OF SERVICES AND GOODS SOLD



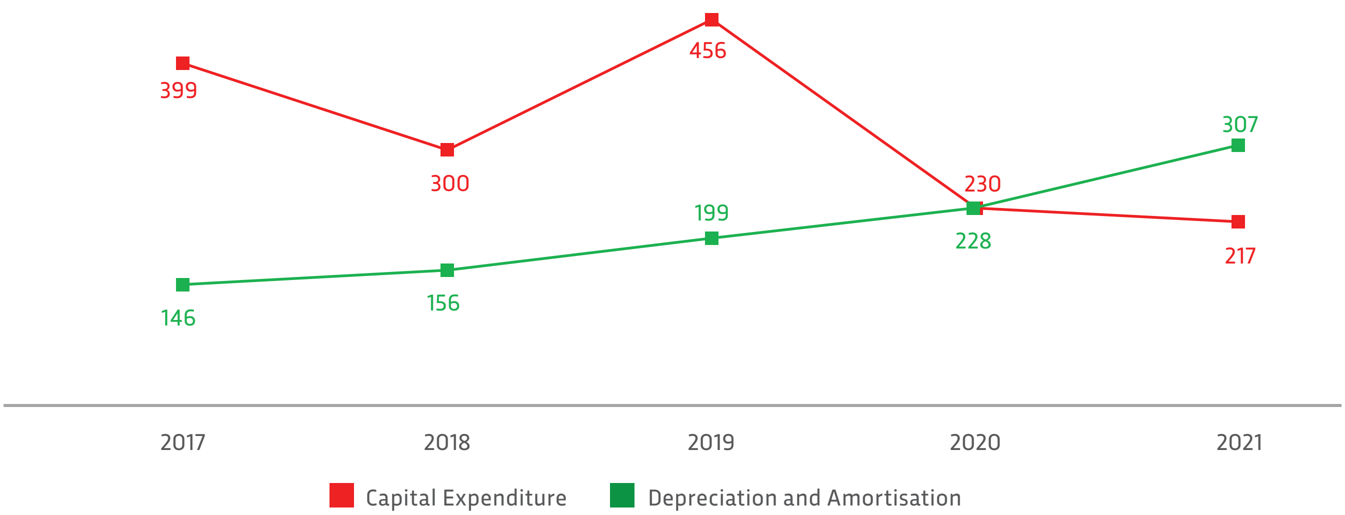
COST OF SERVICES AND GOODS SOLD (TREND PROPORTION TO REVENUE)



Cost of services and goods sold were about 40% of total revenue during the year under review, this comprises primarily of payments for interconnection to international carriers and local operators, depreciation and amortisation charges. There was a reduction in the payments to international carriers in line with the overall decline in corresponding revenues due to decline in international traffic due to lockdowns and restrictions globally on international travel.

The reduction was offset by an increase in the depreciation and amortisation charge attributable to the Continued capitalization of new projects. The previous strategy that ended in 2020 was primarily transformational with extensive capital expenditure that saw the implementation of several large-scale projects including fixed and mobile broadband (FBB and MBB), the data centre, revamp of the Head office and motor fleet and lastly the converged billing system. Such levels of expenditure have thus far been put on hold as the new strategy is geared towards smart capital investments whilst "sweating the current assets". The expectation is that the depreciation charge going forward will increase gradually.
The remaining cost of sales cumulatively reduced by P18 million compared to the previous financial year in line with the cost containment measures in place.

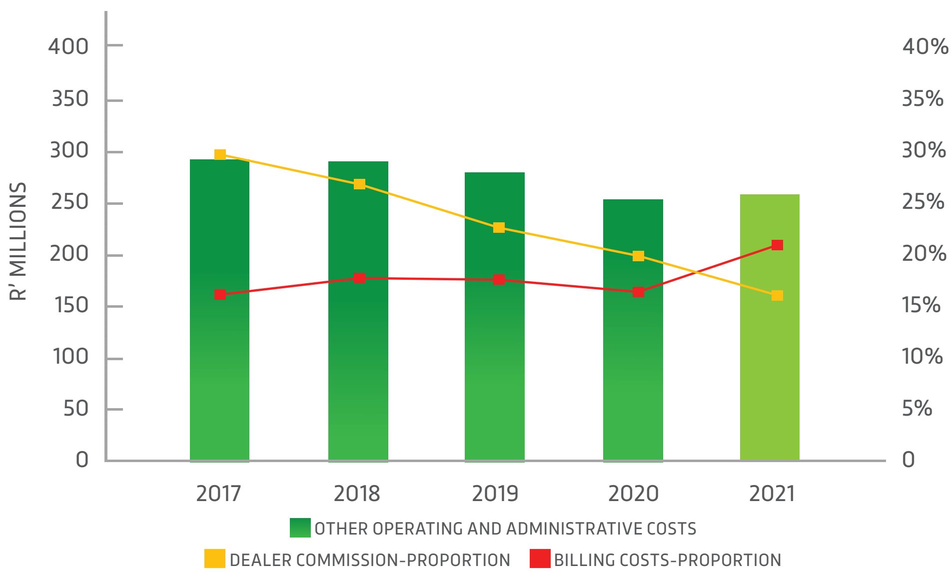
DEPRECIATION AND CAPITAL EXPENDITURE



BTC's strategic focus for the three-year period ending March 2021 was of growth and transformation which was anchored on three transformation pillars; commercial transformation, technological transformation and lastly cultural transformation. Under the technology transformation pillar, BTC had set itself a target of transforming and modernising its network by consistently investing in the latest generation network technology, a robust capital expenditure program averaging P330 million per annum up to 2020.

The depreciation and amortisation amount had remained at around P228 million per year for the same period. With history of the 2014 and 2016 impairments when the Group's assets value-in-use were below the carrying value of the net assets triggering impairments, the Group's long-term aim is to ensure that further investments in networks are backed up by a strong monetisation or commercialisation programmes. The aim going forward, is therefore to continue growing the value of the Group on a stable net assets base to create sufficient impairment headroom.

EMPLOYEE COSTS



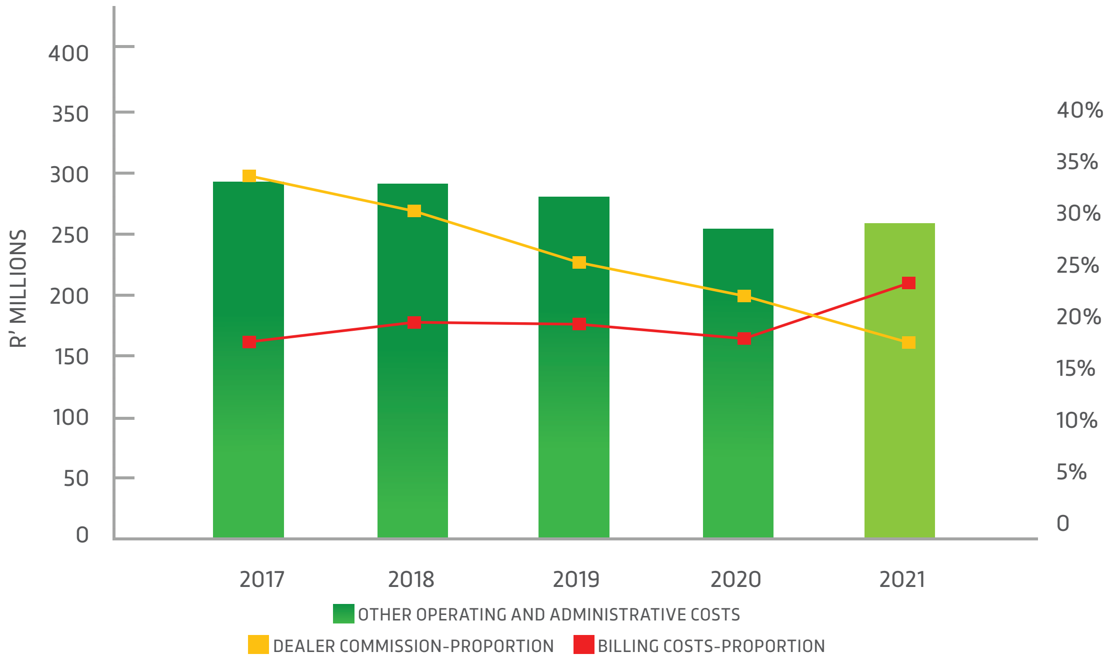
Employee costs for the year were P382 million, which is a slight reduction when compared to the previous year. This follows the Group conscious initiative of managing its cost base including reductions of overtime and leave pay.

Selling and distribution costs

In line with the other overall management of corporate wide costs, the Selling and distribution costs ended the year at P21 million which is 25% lower than the prior year. The reduction came primarily from the Group decision to scale down the football premier league sponsorship.

Other operating and administrative costs

The other operating and administrative costs increased slightly ending the year at P262 million. This category is primarily made up of dealer commissions and billing costs. With the reduction in mobile voice revenues, there was a corresponding reduction on dealer commissions however billing costs have increased relative to prior year to support improvements in the overall billing processes.



CASH-FLOWS, CASH POSITIONS AND LIQUIDITY RATIOS

Summarised Statement of Cash flows (5 years)

All figures in P' millions	2017	2018	2019	2020	2021
Profit before Tax	274.5	263.9	164.0	139.0	165.8
Net increase/ (decrease) in cash and cash equivalents	126.5	(66.4)	(144.6)	(185.7)	244.1
Cash-flows from operating activities	267.7	213.3	264.5	154.7	545.4
Cash-flows utilised for investing activities	(368.9)	(278.1)	(409.9)	(216.9)	(210.4)
Cash-flows from / (used in) financing activities	250.0	-	2.9	(121.8)	(95.9)
Net foreign exchange on cash & cash equivalents	(22.3)	(1.6)	(2.1)	(1.7)	5.0
Cash and cash equivalents at beginning of the year	390.0	516.5	450.1	305.5	119.7
Cash and cash equivalents at end of the year	516.5	450.1	305.5	119.7	363.8
Analysis of closing bank balances					
Cash and bank and on hand	16.8	25.6	36.2	35.3	140.3
Short term deposits	499.7	424.5	269.3	84.4	223.5
	516.5	450.1	305.5	119.7	363.8
Interest income received	23.1	21.1	17.6	7.3	6.4
Banking facilties	110	110	15	15	20
Liquidity ratios					
Current ratio	3.9	3.5	1.3	1.3	1.5
Quick ratio	3.6	3.3	1.2	1.1	1.4
Solvency ratio	102.1%	100.9%	41.7%	73.9%	58.3%
Solvency ratio (excluding development grants)	161.4%	143.0%	46.7%	84.3%	60.5%

With the delivery a strong double-digit growth in profit after tax of 16% when compared with the prior year and the continued robust cost reduction strategies including but not limited to implementation of collection measures, EBITDA accelerated to P463 million leading to an improvement on the cash-flows and respective liquidity ratios for the Group. The Group saw its cash balances increase by more than 200% to P364 million.

BTC cash-flows continue to remain positive which enables it to internally finance its capital expenditure program and pay dividends. As reflected in the capital expenditure and depreciation section, BTC continues to spend on the modernisation of its network and other strategic projects with total expenditure under the investing activities of P210 million.

LIQUIDITY RATIOS

The slight reduction in both the current and liquidity ratios was due to the change in accounting for the Group's IRU agreement (with BoFiNet) from being a current asset (prepayment) to IRU asset under the non-current asset section. This was offset by the increase in the cash balances because of the revenues earned and improvement in debt collection as indicated above.

With cash balances amounting to P364 million, coupled with the unutilised borrowing capacity, management still consider the balances adequate to meet the Group's future capital expenditure requirements and other obligations into the foreseeable future.

BTC's financing strategy remains unchanged with no debt finance raised in the current year.

CAPITAL STRUCTURE AND SHAREHOLDERS' RETURN RATIOS

All figures in P millions	2017	2018	Restated 2019	Restated 2020	2021
Profit for the year (available for distribution)	237.3	217.4	148.5	116.8	135.3
Ordinary dividends declared	(90.3)	(155.6)	(139.0)	(97.7)	(32.9)
Final (relating to previous year)	(52.5)	(116.4)	(101.9)	(60.2)	-
Interim (relating to current year)	(37.8)	(39.2)	(37.1)	(37.5)	(32.9)
Balance to Accumulated Profits	147.0	61.8	23.1	8.8	102.4
Shareholders equity at end of year	1,949	2,063	2,095	2,118	2,272
Opening balance	1,552	1,949	2,063	2,095	2,118
Impact of correction of prior period errors	-	-	28	-	-
Profit for the year (incl. restatement)	237	217	149	117	135
Issued/ (Redeemed) shares during the year	250	-	-	-	-
Ordinary dividends paid	(90)	(156)	(139)	(98)	(33)
Other comprehensive income / reserves	-	52	-	4	52
Impact of adopting new IFRS standards	-	-	(5)		
Analysis of total equity and liabilities	**2,326**	**2,433**	**2,928**	**2,874**	**3,031**
Shareholders equity	1,949	2,063	2,095	2,118	2,272
Development grants	139	109	88	58	27
Other liabilities	238	261	745	698	732

CAPITAL STRUCTURE AND CAPITAL RATIOS

All figures in P millions	2017	2018	Restated 2019	Restated 2020	2021
Capital ratios (%)					
	2017	**2018**	**2019**	**2020**	**2021**
Return on average capital employed (ROCE)	13.2%	13.2%	11.4%	6.7%	7.3%
Return on average shareholders equity (ROE)	13.6%	12.4%	7.4%	5.6%	6.2%
Return on average assets (ROA) - PBT approach	11.1%	10.2%	6.2%	4.4%	4.5%
Total assets turn-over	75.6%	75.6%	65.9%	52.6%	47.9%
Capex to revenue	24.7%	19.1%	32.3%	16.2%	15.2%
Weighted average cost of capital (WACC)	13.0%	12.0%	12.0%	12.0%	13.6%

Shareholders' equity increased by P154 million from P2 billion reflected in the prior year following the increase in profit after tax of P135 million compared to P116 million in the prior year and the payment of only an interim dividend in the current year. This followed uncertainties created by the COVID-19 pandemic immediately following the commencement of the 2021 financial year where the Group had decided not to declare a final dividend for the year ending March 2020. An interim dividend for the March 2021 financial year of 3.13 thebe per share was paid in February 2021 hence the total dividend paid in respect of the financial year was P33 million.

From that perspective, all the shareholders ratios improved relative to those of the 2020 financial year.

BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

31ST MARCH 2021

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

07.

BOARD APPROVAL OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

The Members of the Board are responsible for the consolidated and separate financial statements of Botswana Telecommunications Corporation Limited ("BTC" or "Company") and Botswana Telecommunications Corporation Limited Foundation (''Group''), prepared in accordance with International Financial Reporting Standards and the Botswana Companies Act (CAP 42:01).

The Audit and Risk Committee, which consists of three members of the Board and the Managing Director, meets at least four times a year with more meetings being held when necessary with senior management and internal auditors, to evaluate matters concerning accounting, internal controls, auditing and financial reporting. The external auditors attend these meetings twice a year and have unrestricted access to the Chairperson. The members of the Board, supported by the Audit and Risk Committee, are satisfied that management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the consolidated and separate financial statements, to verify and maintain accountability of assets of the Group to prevent and detect mismanagement and loss of the assets of the Group. Nothing has been brought to the attention of the Board to reasonably indicate any breakdown in the functioning of these controls, procedures and systems during the period under review.

The financial statements have been prepared on a going concern basis, since the Members of the Board have every reason to believe that the Group has adequate resources in place to continue in operation for the foreseeable future.

Against this background, the Members of the Board accept responsibility for the consolidated and separate financial statements and the information on pages 133 to 225 which were approved on 26 July 2021 and are signed on its behalf by:

....	....
LORATO BOAKGOMO-NTAKHWANA	**ANTHONY MASUNGA**
CHAIRPERSON	MANAGING DIRECTOR

GENERAL INFORMATION

For the year ended 31 March 2021

DIRECTORS	Lorato Boakgomo-Ntakhwana	Chairperson
	Anthony Masunga	Managing Director
	Serty Leburu	
	Maclean Letshwiti	
	Andrew Johnson	
	Ranjith Priyalal De Silva	
	Choice Pitso	(Retired October 2020)
	Thari Pheko	
	Bafana Molomo	
	Gaone Macholo	(Appointed October 2020)

INCORPORATION OF BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED

Botswana Telecommunications Corporation Limited was registered as a company under the Companies Act in the Republic of Botswana on 1 November 2012. The BTC Transition Act provides in section 13 that on the Conversion date, the BTC Act is repealed and BTC will be required to comply with all requirements of the Companies Act (CAP 42:01).

The consolidated and separate financial statements include those of the Group comprising of Botswana Telecommunications Corporation Limited,(Company or BTC) and Botswana Telecommunication Corporation Foundation(Group).

COUNTRY OF INCORPORATION AND DOMICILE	Botswana
REGISTERED OFFICE	Megaleng, Khama Crescent
	Plot 50350
	P.O. Box 700
	Gaborone, Botswana
COMPANY NUMBER	BW0000748937

NATURE OF BUSINESS AND PRINCIPAL ACTIVITES

The Group is engaged in the provision of telecommunication services in Botswana. The Group's services and products include fixed and mobile voice telephony, data services and directory services.

BANKERS	African Banking Corporation Botswana Limited
	ABSA Bank Botswana Limited
	First National Bank Botswana Limited
	Stanbic Bank Botswana Limited
	Standard Chartered Bank Botswana Limited
	Bank Gaborone
AUDITOR	Deloitte & Touche
	P.O. Box 778
	Gaborone, Botswana
FUNCTIONAL AND PRESENTATION CURRENCY	Botswana Pula

DIRECTORS REPORT

For the year ended 31 March 2021

Our Business

Botswana Telecommunications Corporation Limited ("BTC") is a converged telecommunications operator offering fixed (voice and data), mobile (voice and data) and broadband services to consumers, enterprises and other licensed service providers.

Basis of Preparation and Accounting Policies

The consolidated and separate financial statements have been prepared on a historical cost basis, except as modified by the revaluation of certain assets, and on the going concern basis. The consolidated and separate financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Standard Interpretations Committee and in the manner required by the Companies Act (CAP 42:01).

Restatement due to prior period errors

As disclosed in Note 24, the Group has restated its consolidated and separate financial statements to correct prior year errors.

Financial Results

The consolidated and separate financial statements of the Group for the year ended 31 March 2021 were authorized for issue by the Board of Directors on 26 July 2021.

The results for year are disclosed in the consolidated statement of profit or loss and other comprehensive income on page 133. The results are as follows:

- 1% increase in Revenues (2021:P1,426 billion 2020: P1,417 billion)
- 19% increase in Profit before tax (2021:P166 million, 2020: P139 million)
- 16% increase in Profit After tax (2021:P135 million, 2020: P117 million)

The Group revalued land an buildings as at 31 March 2021 in line with our policy to revalue properties every 3 years resulting in a gain on property revaluation of P64m (P52m after Tax).

The Directors have made an assessment of the impact of COVID-19 for the coming financial year on revenues and other aspects of the business and have considered the impact of impairments as a result of the prolonged COVID-19 restrictions and its impact on the general economy.

Stated Capital

Stated capital is as per note 17. There were no changes to the stated capital during the year under review.

Directors

The details of the Group directors are outlined on the general information page. Ms Choice Pitso retired in October 2020 and Ms Gaone Macholo was appointed in October 2020.

Events after the reporting period

Deregistration of BTC Foundation

On 29 April 2021, the Board of Trustees of Botswana Telecommunications Corporation Foundation unanimously approved the dissolution of its Notarial Deed of Trust MA245/2014 dated 19 March 2014 together with all its amendments.

Dividends Declaration

The directors have declared that a further dividend of 5.31 thebe be paid for the financial year ended 31 March 2021. An interim dividend of 3.13 thebe per share was paid in February 2021 hence the total annual dividend declared in respect of the financial year shall be 8.44 thebe per share. The dividend shall be payable to all shareholders registered in the books of the company at close of business on 18 August 2021. The ex-dividend date will be 16 August 2021. The dividends will be paid net of applicable withholding taxes under the Income Tax act on or before 27 August 2021.

INDEPENDENT AUDITOR'S REPORT

For the year ended 31 March 2021

To the shareholders of Botswana Telecommunications Corporation Limited
Report on the Audit of the Consolidated and Separate Financial Statements.

Opinion

We have audited the consolidated and separate financial statements of Botswana Telecommunications Corporation Limited (the Company) and subsidiaries (the Group) set out on pages 133 to 225, which comprise the consolidated and separate statements of financial position as at 31 March 2021, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Botswana Telecommunications Corporation Limited as at 31 March 2021 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition (Group and Company)	
The Group and Company's revenue streams are characterised by small transactions and high data volumes. The billing processes are highly automated, complex in nature and significantly dependent on complex IT systems. The completeness, accuracy and occurrence of revenue recognised in the financial statements is an inherent industry risk. Due to the complexity involved and materiality of the revenue balance, revenue recognition risk has been identified as a key audit matter which is subject to significant audit effort. Revenue recognition with respect to fixed voice, data and mobile revenue streams is complex because of the following: • During the current year and prior years, management processed revenue adjustments due to errors in billings previously made. Due to fact that these revenue adjustments are material, this poses an inherent risk in relation to revenue recognition. Management assessed that, because these billing errors, will take time to clean up and close, the Group and Company developed an estimate of the revenue adjustments to be made and built these it into the revenue recognition process. Significant judgement is made in the processes of determination of future revenue adjustments affecting current year and prior years; • The billing system is complex and processes a large amount of data which creates an inherent risk; • The revenue recognition criteria require management's judgement in the allocation of revenue to the various revenue streams; • The potential impact of small errors is significant due to the possibility of automated replication through the large volumes of transactions; • The deferral of prepaid revenue which is dependent on various automated and complex systems and processes; and • Revenue is a significant balance on the financial statements and is a key performance indicator.	To address this risk, we performed various procedures, including the following: • Evaluated the design and implementation of relevant controls around revenue. • Discussed with management and evaluated the reasons for the revenue adjustments processed in the current year and prior years. • Discussed with the revenue assurance team and obtained an understanding of the controls in place to ensure the completeness, accuracy, and occurrence of the recorded revenue. • Involved IT specialists who tested controls in the overall IT environment around the billing systems. • Evaluated the design and implementation of relevant controls around revenue, including the process of updating and application of new tariffs and the master file change controls in the billing process. Tested the design and implementation of certain automated controls with respect to routing of billing data and calculation of invoices. In addition, we performed the following substantive procedures: • Performed detailed testing of the revenue adjustments processed in the current year and prior year and evaluated the validity completeness and accuracy of the adjustments. • Performed tests of detail and substantive analytical procedures to independently determine the estimate of the future revenue reversals affecting the current financial year and prior years incorporated in the revenue recognised and evaluated the validity, completeness, and accuracy of the adjustments. • Performed tests of the revenue adjustments made after year end evaluated their impact on the current financial year and evaluated whether their effect on the current year was accurately adjusted for. • Performed test calls and compared these to the billing parameters to verify accuracy. • Reviewed revenue contracts with customers and evaluated the accounting treatment. • Tested key reconciliations between the billing system reports and the general ledger used by management to evaluate the completeness and accuracy of recorded revenue.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue recognition (Group and Company) (continued)	
Related disclosures in the financial statements: • Revenue recognition and presentation section of the significant accounting judgements and estimates. • Revenue Recognition accounting policy. • Note 1 – Revenue from contracts with customers.	• Reviewed the revenue related journals processed and assessed them for validity and accuracy. • Tested the accuracy of the calculation and allocation of revenue to separate elements in bundled transactions under contracts with customers in accordance with IFRS 15: Revenue from contracts with customers • Tested the billing system parameters to assess that network activity was appropriately recorded in the correct period. • Through assistance from our Data Analytics specialists, independently re-computed selected revenue lines using data analytical methods. • Reviewed and considered the adequacy of the disclosures on the assumptions and judgements applied in relation to revenue recognition. In conclusion, we considered the amount recorded as revenue and the related financial statements disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Impairment of property, plant and equipment and intangible assets (Group and Company)	
Significant judgements are involved in the assessment and determination of impairment of the non-financial assets of the Group and Company. The Company's shares trade at a discount to their book value. The market capitalisation was below the net asset value throughout the financial year. This, together with a current depressed economy because of the COVID-19 pandemic, are indicators of possible impairment of the entity's non- financial assets. IAS 36: requires that an entity's assets should not be carried at a value more than their recoverable amount and therefore requires an assessment at the end of each reporting period if there are any indicators that non-financial assets may be impaired. Directors carried out an impairment assessment and used the Discounted Cash Flows Model ("DCF") to determine the recoverable amount of the assets. The value in use amount calculated using the DCF is particularly sensitive to changes in future cash flow assumptions, future growth rates and the Weighted Average Cost of Capital (WACC) discount rate. Due to the materiality of the non-financial assets' account balances, the complexity of the cash flow forecasts, significant judgements and estimation uncertainty involved in the determination of the value in use and impairment assessment, this has been considered to be a key audit matter. Related disclosures in the financial statements: • Impairment of non-financial assets section of the significant accounting judgements and estimates. • Note 10 – Property, plant, and equipment. • Note 11 - Intangible assets. • Note 12 – Asset impairment.	In evaluating the impairment assessment of property, plant and equipment and intangible assets, we reviewed the accuracy of the value in use calculations and reasonableness of inputs used by management. We performed various procedures, including the following: • Discussed with management and obtained their understanding and justification of the financial and non-financial reasons why the Company's market value is significantly discounted compared to the book value. • Tested the design and implementation of management's controls around the impairment assessment process. In addition, we performed the following substantive procedures: • Obtained and reviewed for reasonableness, the quantitative and qualitative factors included in the reconciliation of the market value to the book value. • Performed recalculations and tested the underlying data used in the assessment for accuracy and completeness. • Through involvement of our internal valuation specialists, reviewed management's methodology used and the assumptions adopted for reasonableness. • Reviewed and compared the projected cash flows against the historical performance to test the reasonableness of management's projections. • Tested the reasonableness of the key inputs used in the computations which included the future growth rates, the discount rates, and gross profit margins and ratios used and took into consideration the impact of COVID-19 on future projections. • Reviewed and assessed the impact of contradictory evidence as well as subsequent events which may have an impact on the recorded amounts. • Performed sensitivity analysis of the headroom using key inputs (discount rates, future growth rates and volatility in future cash flows). • Evaluated the computations and disclosures in the financial statements for compliance with IAS 36. In conclusion, the inputs used in the calculation of the value in use were appropriate. We considered the property, plant and equipment and intangible assets impairment disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Valuation of expected credit losses on trade and other receivables (Group and Company)	
The Group has significant trade and other receivables, including contract assets. Specific areas of risk include: • The determination of trade receivables expected credit losses is inherently judgmental and relies on management's assumptions and best estimate of a variety of inputs. • Management has been experiencing challenges in relation to the accuracy and integrity of data used as well as the effect of revenue adjustments due to billing errors; and • The measures to combat COVID-19 are expected to impact the economy adversely going forward which will impact the forward-looking information. Due to the complexity in developing the model, the level of estimation uncertainty and the materiality of the balance, this has been considered to be a key audit matter. Related disclosures in the financial statements: • Provision for expected credit losses of trade receivables and contract assets section of the significant accounting judgements and estimates. • Trade and other receivables accounting policy. • Note 15 – Trade and other receivables.	We performed various procedures, including the following: • Evaluated the design and implementation of credit origination processes and controls, specifically focusing on client portfolios identified as carrying increased risk. Assessed the quality of the data used in credit management and modelling for completeness and accuracy through data analytics and appropriate substantive procedures. • Assessed the appropriateness of revisions to the impairment model. • Reviewed controls in respect of model governance in addition to substantive tests. • Tested the accuracy of inputs such as probability of default and loss given default ratios used based on historical experiences of the entity. • Developed an independent point estimate using data from collections and compared this against management's model. • Reviewed and assessed the impact of contradictory evidence as well as subsequent events which have an impact on the recorded amounts. • Tested the reasonableness of the assumptions around the forward-looking information used taking into consideration the adverse impact of COVID-19 on economic performance. • Evaluated the adequacy and appropriateness of the financial statements' disclosures relating to the impairment of trade and other receivables. In conclusion, we considered the judgements applied on the valuation of expected credit losses on trade receivables, the application of the standard thereof and related financial statements disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

Emphasis of matter

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

Note 24 to the consolidated and separate financial statements indicates that the previous financial statements for the year ended 31 March 2020, have been restated.

Other Matter

The consolidated and separate financial statements for the Group and Company for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements.

Other Information

The directors are responsible for the other information. The other information comprises the Board Approval of the Consolidated and Separate Financial Statements and the Directors' Report, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company'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 directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (Continued)

For the year ended 31 March 2021

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Certified Auditors
Practicing Member: Cecilia Ramatlapeng (CAP 008 2021)

Gaborone
30 July 2021

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

		Group		Company	
			Restated		Restated
		March	March	March	March
	Notes	2021	2020	2021	2020
		P'000	P'000	P'000	P'000
Revenue from contracts with customers	1	1,426,409	1,416,977	1,426,409	1,416,977
Cost of services and goods sold	2	(594,446)	(611,695)	(594,446)	(611,695)
Gross profit		831,963	805,282	831,963	805,282
Interest income	3.1	6,360	7,303	6,360	7,303
Interest expense	3.2	(26,972)	(31,015)	(26,972)	(31,015)
Other income	4	30,990	31,967	30,990	31,967
Selling and distribution costs	5	(21,015)	(25,385)	(20,016)	(25,359)
Administrative expenses	6	(409,295)	(408,734)	(409,295)	(408,727)
Impairment losses and gains on financial assets and contract assets	15	(12,865)	(18,803)	(12,865)	(18,803)
Other expenses	7	(233,334)	(221,572)	(233,255)	(219,058)
Profit before tax		165,832	139,043	166,910	141,590
Income tax expense	8	(30,498)	(22,249)	(30,498)	(22,249)
Profit for the year		135,334	116,794	136,412	119,341
Other comprehensive income not to be reclassified to profit /loss in subsequent periods					
Gains on property revaluation		63,874	-	63,874	-
Income tax effect		(12,267)	-	(12,267)	-
Other comprehensive income for the year		51,607	-	51,607	-
Total comprehensive income for the year		186,941	116,794	188,019	119,341
Basic and diluted earnings per share (Thebe):	9	12.89	11.12	12.99	11.37

Details relating to the restatement of prior period errors have been disclosed in note 24

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

Group	Notes	March 2021 P'000	Restated March 2020 P'000	Restated March 2019 P'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	1,610,179	1,550,371	1,618,432
Intangible assets	11	205,267	231,922	153,715
Right of use assets	13.1	129,325	144,629	-
IRU asset	25.2	458,514	496,723	534,932
Deferred tax assets	22.2	-	18,434	38,854
		2,403,285	2,442,079	2,345,933
Current assets				
Inventories	14	45,222	49,256	54,594
Trade and other receivables	15	183,077	223,657	188,401
Contract assets	15	35,016	26,363	21,940
Income tax receivable	22.1	641	13,100	12,013
Cash and cash equivalents	16.1	363,806	119,700	305,456
		627,762	432,076	582,404
Total assets		3,031,047	2,874,155	2,928,337
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	17	478,892	478,892	478,892
Revaluation reserve	18	382,363	347,603	368,194
Accumulated profits		1,410,995	1,291,679	1,247,786
		2,272,250	2,118,174	2,094,872
Non-current liabilities				
Development grants	19	5,593	28,301	58,368
Lease liabilities	13.2	126,362	142,781	-
IRU liability	25.1	180,477	236,866	289,589
Deferred tax liability	22.2	24,331	-	-
Employee related provisions	21	10,513	12,622	36,951
		347,276	420,570	384,908
Current liabilities				
Trade and other payables	20	255,405	192,288	322,053
Contract liabilities	20	19,534	26,103	20,030
Lease liabilities	13.2	16,418	10,350	-
IRU Liability	25.1	56,389	52,723	49,364
Current portion of development grants	19	21,580	29,862	29,657
Current portion of employee related provisions	21	42,195	24,085	27,453
		411,521	335,411	448,557
Total equity and liabilities		3,031,047	2,874,155	2,928,337

Details relating to the restatement of prior period errors have been disclosed in note 24.

STATEMENTS OF FINANCIAL POSITION (Continued)

As at 31 March 2021

Company	Notes	March 2021 P'000	Restated March 2020 P'000	Restated March 2019 P'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	1,610,179	1,550,371	1,618,432
Intangible assets	11	205,267	231,922	153,715
Right of use assets	13.1	129,325	144,629	-
IRU asset	25.2	458,514	496,723	534,932
Deferred tax assets	22.2	-	18,434	38,854
		2,403,285	2,442,079	2,345,933
Current assets				
Inventories	14	45,222	49,256	54,594
Trade and other receivables	15	183,077	223,657	188,401
Contract assets	15	35,016	26,363	21,940
Income tax receivable	22.1	641	13,100	12,013
Cash and cash equivalents	16.1	363,273	118,089	305,456
		627,229	430,465	582,404
Total assets		3,030,514	2,872,544	2,928,337
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	17	478,892	478,892	478,892
Revaluation reserve	18	382,363	347,603	368,194
Accumulated profits		1,410,462	1,290,068	1,247,786
		2,271,717	2,116,563	2,094,872
Non-current liabilities				
Development grants	19	5,593	28,301	58,368
Lease liabilities	13.2	126,362	142,781	-
IRU liability	25.1	180,477	236,866	289,589
Deferred tax liability	22.2	24,331	-	-
Employee related provisions	21	10,513	12,622	36,951
		347,276	420,570	384,908
Current liabilities				
Trade and other payables	20	255,405	192,288	322,053
Contract liabilities	20	19,534	26,103	20,030
Lease liabilities	13.2	16,418	10,350	-
IRU Liability	25.1	56,389	52,723	49,364
Current portion of development grants	19	21,580	29,862	29,657
Current portion of employee related provisions	21	42,195	24,085	27,453
		411,521	335,411	448,557
Total equity and liabilities		3,030,514	2,872,544	2,928,337

Details relating to the restatement of prior period errors have been disclosed in note 24.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 March 2021

Group

	Notes	Stated Capital	Revaluation Reserve	Accumulated Profits	Total
		P'000	P'000	P'000	P'000
			Restated	Restated	
Balance at 1 April 2019 as previously stated		478,892	340,683	1,261,392	2,080,967
Impact of correction of prior period errors		-	27,511	(13,606)	13,905
Restated balance at 1 April 2019		478,892	368,194	1,247,786	2,094,872
Profit for the year (as previously stated)				106,384	106,384
Impact of correction of prior period errors		-	-	10,410	10,410
Other reserves*		-	-	4,158	4,158
Total Comprehensive Income (restated)		-	-	120,952	120,952
Ordinary dividend declared	17	-	-	(97,650)	(97,650)
Depreciation transfer for land and buildings	18	-	(20,591)	20,591	-
Balance at 31 March 2020 (restated)		478,892	347,603	1,291,679	2,118,174
Profit for the year		-	-	135,334	135,334
Other comprehensive income		-	51,607	-	51,607
Total Comprehensive Income		-	51,607	135,334	186,941
Ordinary dividend declared	17	-	-	(32,865)	(32,865)
Depreciation transfer for land and buildings	18	-	(16,847)	16,847	-
Balance at 31 March 2021		**478,892**	**382,363**	**1,410,995**	**2,272,250**

Details relating to the prior period errors have been disclosed in note 24.

* Relates to the BTC Foundation reserves. The results of the BTC Foundation have been consolidated.

STATEMENTS OF CHANGES IN EQUITY (Continued)

For the year ended 31 March 2021

Company

	Notes	Stated Capital	Revaluation Reserve	Accumulated Profits	Total
		P'000	P'000	P'000	P'000
			Restated	Restated	
Balance at 1 April 2019		478,892	340,683	1,261,392	2,080,967
Impact of correction of prior period errors		-	27,511	(13,606)	13,905
Restated balance at 1 April 2019		478,892	368,194	1,247,786	2,094,872
Profit for the year (as previously stated)		-	-	108,931	108,931
Impact of correction of prior period errors			-	10,410	10,410
Total Comprehensive Income		-	-	119,341	119,341
Ordinary dividend declared	17	-	-	(97,650)	(97,650)
Depreciation transfer for land and buildings	18	-	(20,591)	20,591	-
Balance at 31 March 2020 (restated)		478,892	347,603	1,290,068	2,116,563
Profit for the year		-	-	136,412	136,412
Other Comprehensive Income		-	51,607	-	51,607
Total Comprehensive Income		-	51,607	136,412	188,019
Ordinary dividend declared	17	-	-	(32,865)	(32,865)
Depreciation transfer for land and buildings	18	-	(16,847)	16,847	-
Balance at 31 March 2021		**478,892**	**382,363**	**1,410,462**	**2,271,717**

Details relating to the prior period errors have been disclosed in note 24.

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2021

	Notes	Group March 2021 P'000	Group Restated March 2020 P'000	Company March 2021 P'000	Company Restated March 2020 P'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating cash flow before working capital changes (restated)	16.2	480,474	404,415	481,552	402,804
Working capital adjustments:					
Decrease in inventories		4,034	5,338	4,034	5,338
Decrease/ (Increase) in trade and other receivables,contract assets and prepayments		22,926	(18,726)	22,926	(18,726)
Increase/ (decrease) in trade and other payables and contract liabilities		56,548	(141,165)	56,548	(141,165)
Cash generated from operations		563,982	249,862	565,060	248,251
Ordinary dividend paid to shareholders		(31,037)	(93,089)	(31,037)	(93,089)
Net Income tax received/(paid)	22.1	12,459	(2,076)	12,459	(2,076)
Net cash from operating activities		545,404	154,697	546,482	153,086
CASH FLOWS USED IN INVESTING ACTIVITIES:					
Investment to expand operations:					
Purchase of property, plant and equipment	10	(198,967)	(117,400)	(198,967)	(117,400)
Purchase of intangible assets	11	(18,125)	(112,568)	(18,125)	(112,568)
Proceeds from disposal of property, plant and equipment		771	2,608	771	2,608
Interest income received		5,957	10,427	5,957	10,427
Net cash used in investing activities		(210,364)	(216,933)	(210,364)	(216,933)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest paid		(28,858)	(32,377)	(28,858)	(32,377)
Payment of lease liabilities		(16,177)	(16,936)	(16,177)	(16,936)
Payment of IRU liability		(50,894)	(72,484)	(50,894)	(72,484)
Net cash from financing activities		(95,929)	(121,797)	(95,929)	(121,797)
Increase / (decrease) in cash and cash equivalents		239,111	(184,033)	240,189	(185,644)
Net foreign exchange difference on cash and cash equivalents		4,995	(1,723)	4,995	(1,723)
Cash and cash equivalents at beginning of the year		119,700	305,456	118,089	305,456
Cash and cash equivalents at end of the year	16.1	363,806	119,700	363,273	118,089

Details relating to the restatement of prior period errors have been disclosed in note 24.

ACCOUNTING POLICIES

For the year ended 31 March 2021

PRESENTATION OF FINANCIAL STATEMENTS

The consolidated and separate financial statements are presented in Botswana Pula which is the Group's functional currency. All financial information and values are rounded to the nearest thousand (P'000) except when otherwise indicated. The Financial Statements of the Group for the year ended 31 March 2021 were authorised for issue by the Members of the Board in accordance with a resolution on 26 July 2021.

CORPORATE INFORMATION

Botswana Telecommunications Corporation Limited ("BTC" or "the Group") is incorporated and domiciled in Botswana. The headquarters is situated at Megaleng, Khama Crescent, Gaborone, Botswana. BTC services and products include fixed and mobile voice telephony, national and international internet, directory services, data services, virtual private networks and customer premises equipment.

BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except as modified by the revaluation of certain assets as indicated in the accounting policies below, and on the going concern basis.

STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with International Financial Reporting Standards (''IFRS'') issued by the International Accounting Standards Board (''IASB'), interpretations issued by the International Financial Reporting Standard Interpretations Committee.

The financial statements include those of the Group which comprises of two entities being Botswana Telecommunications Corporation Limited (the Company) registered under the Botswana Companies Act (CAP 42:01) and Botswana Telecommunications Corporation Limited Foundation (the Trust) registered under Notarial Deed of Trust MA245/2014) and wholly owned the Company. The Trust was established by the Company to manage and coordinate the Company's corporate social investment programmes.

Subsidiaries are all entities over which the Group has control. The Group controls and hence consolidates an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group will only consider potential voting rights that are substantive when assessing whether it controls another entity. In order for the right to be substantive, the holder must have the practical ability to exercise that right. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intragroup transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group for the purposes of the consolidation.

ADOPTION OF NEW POLICIES

BTC has adopted the following new accounting pronouncements as issued by the IASB, which were effective for the Group from 01 April 2020:

Definition of a Business - Amendments to IFRS 3

The Group has adopted the amendments to IFRS 3 for the first time in the current year.

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all the inputs and processes needed to create outputs.

ACCOUNTING POLICIES

For the year ended 31 March 2021

ADOPTION OF NEW POLICIES (continued)

That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs".

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

The amendment has no impact on the Group as it currently does not have business combinations.

Definition of Material - Amendments to IAS 1 and IAS 8

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year.

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Management has assessed the impact on the Group and established that no significant impact on the Group as there are have been no departures from the definitions of material at an entity level.

Conceptual Framework for Financial Reporting

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year.

The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The IASB issued the Conceptual Framework in March 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards.

The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged as follows:

- The objective of financial reporting
- Qualitative characteristics of useful financial information
- Financial statements and the reporting entity
- The elements of financial statements
- Recognition and derecognition
- Measurement
- Presentation and disclosure
- Concepts of capital and capital maintenance

Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7

The Group has adopted the amendments to IFRS 9, IAS 39 and IFRS 7 for the first time in the current year.

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial.

ACCOUNTING POLICIES

For the year ended 31 March 2021

ADOPTION OF NEW POLICIES (continued)

Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7 (continued)

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).

The amendments to IFRS 9

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Application of the reliefs is mandatory.

The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable.
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss.
- The assessment of the economic relationship between the hedged item and the hedging instrument.

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and/or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

A fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship. Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship.

To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in the reliefs continue indefinitely in the absence of any of the events described in the amendments. When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items.

ACCOUNTING POLICIES

For the year ended 31 March 2021

ADOPTION OF NEW POLICIES (continued)

Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7 (continued)

The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

The amendments to IAS 39

The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

- For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and/or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform.

- For the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.

- For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

The Group does not do hedge accounting hence no impact to the Group.

STANDARDS ISSUED BUT NOT EFFECTIVE

The new and revised standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendment to IFRS 16 - Covid 19 - Related Rent Concessions

Effective for annual periods beginning on or after 1 June 2020.

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

c) There is no substantive change to other terms and conditions of the lease.

The Group as lessee has not received any rental concession therefore the amendment is not expected to have an impact on the Group.
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

ACCOUNTING POLICIES

For the year ended 31 March 2021

Standards issued but not effective (Continued)
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Group is currently assessing the impact the amendments will have on current practice.

IFRS 17- Insurance contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

This standard is not applicable to the Group as it does not issue insurance contracts.

Amendments to IFRS 3 - Reference to the Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

ACCOUNTING POLICIES

For the year ended 31 March 2021

STANDARDS ISSUED BUT NOT EFFECTIVE (continued)

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Group.

Amendments to IAS 37 - Onerous Contracts – Costs of fulfilling a contract

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments

Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements include amendments to the following Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

ACCOUNTING POLICIES

For the year ended 31 March 2021

STANDARDS ISSUED BUT NOT EFFECTIVE (Continued)
Annual Improvements to IFRS Standards 2018–2020 (continued)

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

The Group does not do hedge accounting hence no impact to the Group.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted. The Group anticipates that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

ACCOUNTING POLICIES

For the year ended 31 March 2021

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and Judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates and judgments concerning the future. Estimates and judgments are continually evaluated and are based on historical factors coupled with expectations about future events that are considered reasonable. In the process of applying the Group's accounting policies, management has made the following estimates and judgments that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities as they involve assessments or decisions that are particularly complex or subjective within the next year.

Revenue recognition and presentation

Revenue arrangements including more than one deliverable:

This relates to fixed lines and mobile installations. In revenue arrangements including more than one deliverable, the deliverables are assigned to one or more separate units of accounting and the arrangement consideration is allocated to each of the units of accounting based on the cash cap method. The cash cap method is applied to multiple-element post-paid mobile arrangements. Under the cash cap method, revenue is allocated to the different elements of the agreement, but the value allocated to the handset is limited to the amount of cash received for it, which may be zero. Determining the value allocated to each deliverable can require complex estimates due to the nature of goods and services provided. Standalone selling prices (SSP) for each item has been discussed under the IFRS 15 accounting policies.

Where the Group doesn't sell equivalent goods or services in similar circumstances on a standalone basis it is necessary to estimate the standalone price. When estimating the standalone price, the Group maximises the use of external inputs; methods for estimating standalone prices include determining the standalone price of similar goods and services sold by the Group, observing the standalone prices for similar goods and services when sold by third parties or using a cost-plus reasonable margin approach (which is sometimes the case for handsets and other equipment).

Where it is not possible to reliably estimate standalone prices due to lack of observable standalone sales or highly variable pricing, which is sometimes the case for services, the standalone price of an obligation may be determined as the transaction price less the standalone prices of other obligations in the contract. The standalone price determine for obligations materially impacts the allocation of revenue between obligations and impacts the timing of revenue when obligations are provided to customers at different times – for example, the allocation of revenue between handsets, which are usually delivered up-front, and services which are typically delivered over the contract period. However, there is not considered to be a significant risk of material adjustment to the carrying value of contract related assets or liabilities in the 12 months after the balance sheet date if these estimates were revised.

The Group provides certain pieces of equipment as well as installation services as part of their package of fixed line services provided. This service is not typically sold separately as the equipment cannot be used independently from the service being provided by the entity. Based on this assessment, the Group treats these contracts, which includes these pieces of equipment as well as the installation services as part of the single performance obligation relating to the underlying usage service.

At the end of the year the group assesses all revenue reversals made during the year to determine the period to which the respective revenues were recognised and further make an estimate of revenue reversals that might occur in the ensuing year based on historic events or trends. The revenue reversals are then recognised in the appropriate period.

Presentation: Gross versus Net

Determining whether the entity is acting as a principal or an agent requires judgement and consideration of all relevant facts and circumstances. When deciding the most appropriate basis for presenting revenue or related costs, both the legal form and the substance of the agreement between the entity and its independent service providers are reviewed to determine each party's respective role in the transaction. Distribution network for prepaid arrangements and sale of content are based on volume and value of transactions.

ACCOUNTING POLICIES

For the year ended 31 March 2021

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)
Presentation: Gross versus Net (Continued)

Where the Group's role in a transaction is that of principal, revenue is recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customer, after trade discounts, with any related administrative fees charged as an operating cost.

Development grants

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Initial capitalisation of costs is based on management's judgement that the attached conditions will be complied with. Revenue is recognised over the useful lives of the assets purchased using the grant. The current portion of development grant is estimated by amortising existing government grants received at reporting date and assuming that there will be no grants received and no additional capital expenditure in the current financial year.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the telecommunications sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 15.

Revaluation of land and buildings

Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Management considers that valuations are performed frequently enough (after every three years) to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. The independent valuer has made the following assumptions during the revaluation process and at arriving at the property values:

- That the properties are free from any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials.
- That the properties are not contaminated and that the sites have stable ground conditions.

Related parties

Government, parastatals and key management personnel are considered as being related to the Group. The Government of Botswana is still a related party as the shareholding is 54.16% as at 31 March 2021. Significant management judgment is required to determine as to who qualifies for being a related party, based on the type of the relationship especially on entities also controlled by the Government.

ACCOUNTING POLICIES

For the year ended 31 March 2021

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Allowances for slow moving inventory

Based on prior management practice, inventory that has not moved for a 12-month period is considered to have no normal sale value. Obsolete and discontinued products are considered to have no normal sale value. The provision is raised based on the full cost or net realisable value of the product.

Useful lives and Residual Values of property, plant and equipment

For depreciation purposes, a significant component is defined as equal to or greater than 20% of the total cost of the asset and each significant component with different useful lives are depreciated separately. The useful life of an asset is determined with reference to its expected life as prescribed by internal experts. The depreciation method reflects the pattern in which economic benefits attributable to the asset flows to the entity. The useful lives of these assets can vary depending on a variety of factors, including but not limited to technological obsolescence, maintenance programs, refurbishments, customer relationship period, product life cycles and the intention of management. The estimated useful lives assigned to the Group's property, plant and equipment are:

Buildings	40 years
Leasehold land and buildings	Unexpired portion of lease or 50 years, whichever is shorter
Network assets	5 to 20 years
Other plant and equipment	3 to 10 years

The residual value of an asset is determined by estimating the amount that the entity would currently obtain from the disposal of the asset after deducting the estimated cost of disposal, if the asset were already of age and in the condition expected at the end of its useful life. The estimation of the useful life and residual value of an asset is a matter of judgment based on the past experience of the Group with similar assets and the intention of management.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Management expresses judgement and estimates on the impact of technological changes and expected nature of use of the respective assets in the generation of revenue in the near future.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Initial Fair Value of financial Instruments

Financial liabilities have been valued based on the expected cash flows discounted at current rates at grant date applicable for items with similar terms and risk characteristics. This valuation requires the Group to make estimates about expected future cash flows and discount rates, and hence they are subject to estimates of revenue reversals.

ACCOUNTING POLICIES

For the year ended 31 March 2021

REVENUE RECOGNITION

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group principally generates revenue from providing telecommunication services, such as network services (comprising voice, data and SMS), interconnect and roaming services, as well as from the sale of mobile devices and Customer Premises Equipment (CPE) and other services (comprising of Directory Services, Value Added Services, property rentals, cost of works and third-party collection fees). The Group provides voice and data communication services under post-paid and prepaid payment arrangements. Products and services maybe sold separately or in bundled packages. Revenues from voice, data and SMS include charges for telecommunications traffic originated in the local network or roaming network. The typical length of a customer contract is 12, 24 or 36 months. The various revenue categories are explained below:

1) Fixed Voice

A) Voice Usage Revenue: When subscribers make calls on their fixed line it would be viewed as an optional purchase of additional goods and services and will therefore be accounted for as a separate contract. Fixed line voice usage represents the only performance obligation in this separate contract with the customer and therefore revenue is recognised based on usage in line with amounts invoiced for that particular month.

B) Prepaid Products:

Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a lease and is not a separate performance obligation. As such, no revenue is separately recognised for the standard telephone instrument.

Installation and Connection: The installation and connection does not result in the transfer of goods and services to the customer but rather grants the customer an option to purchase future fixed line services at a discounted rate by not incurring this fee as part of the renewed contract and results in the creation of a material right that has been provided to the customer. The installation fee would be required to provide the customer with access to the line, and therefore would relate to the access performance obligation. The upfront installation fee is deferred when received and released to revenue as part of the access line performance obligation on a straight-line basis over the customer life.

Fixed Line Access Revenue: Access and usage represent two separate performance obligations. The total transaction price related to the contract is allocated to the access and usage based on their relative standard selling prices. Any amount invoiced for installation (once-off upfront) is allocated to the total transaction price under the contract. As the installation enables the customer to access to the line, the material right arising from installation is allocated to the access performance obligation only and recognised over the life of the customer.

Voice Usage Revenue: Revenue related to usage is recognised as calls are made.

C) Post-paid Products

Usage of Telephone Instrument: Usage of Telephone Instrument: Usage of a standard telephone instrument does not represent a lease and is not a separate performance obligation. As such, no revenue will be separately recognised for the standard telephone instrument. Any amount invoiced for the usage of the standard telephone instrument will form part of the transaction price of the contract as a whole and is allocated to the performance obligations identified in the contract.

Installation and Connection Revenue: The installation fee is to provide the customer with access to the line and relates to the access performance obligation. The upfront installation fee is deferred as a contract liability when received and released to revenue as part of the access line performance obligation and on a straight-line basis over the customers life.

ACCOUNTING POLICIES

For the year ended 31 March 2021

REVENUE RECOGNITION (Continued)
The various revenue categories are explained below (continued):

Fixed Line Access Revenue: Access to fixed line services represents a separate performance obligation. The total transaction price related to the contract is allocated to access to fixed line voice services and any other performance obligations identified in the contract based on their relative standalone selling prices ("SSP"). Any amounts invoiced for usage of the standard telephone instrument (monthly) and installation (once-off upfront) will be allocated to the total transaction price under the contract and allocated to the access . As the installation and telephone instrument enables the customer to access to the line, the material right arising from installation will be allocated to the installation performance obligation and recognised over the life of the customer.

2) Mobile Revenue

Revenue for access charges, airtime usage, and messaging by contract customers is recognised as services are performed. Unbilled revenue resulting from services already provided are accrued at the end of each period and unearned revenue from services to be provided in future periods are deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

All network services relating to mobile revenues (i.e. Provision of mobile post-paid and prepaid services, including voice minutes, SMS, and data services) have been considered as a separate performance obligation for each ongoing service provided to the customer and are satisfied over the period that the services are provided.

A) Prepaid Products: Upon purchase of an airtime scratch and dial card or electronic vouchers the customer receives the right to make outgoing voice calls and data usage to the value of the airtime scratch and dial card. On initial recognition, the amount received is deferred as a contract liability and revenue is recognised as the customer utilises the airtime available. The revenue from the sale of prepaid products is recognised in the profit or loss as services are provided based on the actual airtime or data usage at the agreed tariff.

BTC accounts for expected unexercised network services as revenue, in proportion to the pattern of rights exercised by the customer upon identifying expected breakages. Dealers are given discounts, which are expensed as part of other operating costs when incurred.

B) Post-paid Products: Mobile post-paid services are voice and data communications solutions, whereby the customer pays for the services after usage as per the service agreement contract. Voice services communications solutions include both domestic and international telephone services and ISDN services. All post-paid products are sold by BTC and there are no dealers or agents involved. Revenue for post-paid network services based on total transaction price allocated to the network services is recognised based on usage over the contractual period by the subscriber.

For mobile post-paid bundled arrangements, the network services and handset are two separate performance obligations and the total transaction price is allocated to the network services and the handset device based on their relative stand-alone selling price ("SSP"). The total transaction price allocated to the handset is recognised upfront since control of the handset has passed to the subscriber.

Payments on handset sales deferred over a period greater than 12 months which has a significant financing component, a portion of the transaction price is allocated to the financing and recognised as "interest income" over the contractual period.

For sale of the handset vouchers bundled with the network services, the handset voucher value is accounted for as a financial receivable and the fair value of the receivable is calculated at inception of the contract. Transaction price allocated to the network services and any other performance obligations in the contract is the residual of the total consideration after deducting the fair value of the receivable. The transaction price allocated to network services is recognised as revenue over the contractual period based on usage.

ACCOUNTING POLICIES

For the year ended 31 March 2021

REVENUE RECOGNITION (CONTINUED)

The various revenue categories are explained below (continued):

2) Mobile Revenue (continued):

C) Mobile Handset Revenue (Mobile CPE): - For sales of mobile handset devices bundled with network services, the network services and handset are two separate performance obligations.

3) Data Revenue

Data revenue includes services such as internet services, websites and domains, voice mail, caller identification, call forwarding and short message services. Access to an internet line and data usage represent two separate performance obligations as contained within a contract with a customer. The total transaction price receivable under the contract is allocated to access and data usage performance obligations based on their relative standard selling prices. As the customer is entitled to an unlimited amount of data, revenue is recognised when the internet access and data services are provided to the customer.

4) Interconnect Revenue (Fixed and Mobile)

Interconnection revenues are derived from calls and other traffic that originate in other operators' networks. The Group receives interconnection fees based on agreements entered into with other telecommunications or mobile operators both nationally and internationally. These revenues are recognised over-time as the services are performed and in the period in which the services were rendered. Interconnect charges include charges for collecting and delivering calls, for installing, maintaining and operating the points of interconnect.

International roaming revenues are derived from calls and other traffic generated by foreign operators' customers in BTC's network. The Group receives international roaming fees based on agreements entered into with other telecommunications operators. These revenues are recognised in the profit or loss in the period in which the services were rendered.

5) Customer Premises Equipment (CPE): Fixed and Data

a) PABX Equipment and Outright Purchases - Revenue for the sale of all CPE equipment purchased outright and PABX equipment is recognised as control is passed on delivery. Accordingly, equipment supplied to the customer would be a separate performance obligation and revenue is recognised as control of the equipment passes to the customer.

b) Not Outright Purchases (Rental) - Revenue for Customer Premises Equipment ("CPE") not purchased outright does not represent a lease and is not identified as being representative of separate performance obligation contained in a contract with a customer. Any amount invoiced for CPE and dedicated internet sales is allocated to the total transaction price of the contract and is allocated to the service performance obligation. The Group recognises CPE provided to customers as property, plant and equipment ("PPE") and depreciates it over the period the Group is expected to obtain economic benefits from the CPE.

6) Other Services

Rental Income

Primarily equipment that are rented out are network towers which are leased to other cellular operators and PABXs which are rented to both private and corporate individuals. Revenue is recognised on a straight-line basis over the lease term on ongoing leases and is classified under other services.

Site rentals are network towers which are leased to other mobile operators. Revenue is recognised on a straight-line basis over the lease term on an ongoing basis.

ACCOUNTING POLICIES

For the year ended 31 March 2021

REVENUE RECOGNITION (Continued)
The various revenue categories are explained below (continued):

6) Other Services (continued)

Construction Contracts

The Group recognises revenue from construction contracts over time, using an input method to measure progress towards complete satisfaction of the service as the Group's performance enhances an asset that the customer controls.

Directory Services:

Revenue is recognised when telephone directories are released for distribution, when control is generally passed.

7) Interest Income and expense

Interest income - is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable. Revenue is recognised as the interest accrues, using the effective interest rate (EIR).

Interest income is disclosed as investing activities in the statements of cash flows.

Interest expense - In calculating the present value of liabilities, the Group uses its incremental borrowing rate at the liability commencement date because the interest rate implicit is not readily determinable. After the commencement date, the amounts of liabilities are increased to reflect the accretion of interest and reduced for the payments made

Interest expenses are disclosed as financing activities in the statements of cash flows.

Practical Expedients

BTC has elected to make use of the following practical expedients:

1. Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. For contracts with a duration of more than one year, the information has been disclosed.

2. Contract costs incurred related to contracts with an amortisation period of less than one year have been expensed as incurred.

Capitalisation of Customer Acquisition Costs

The Group pays subscriber acquisition costs comprising union commissions, SIM activation fees, dealer commissions. These direct incremental costs of acquiring a contract are recognised as a contract acquisition cost asset. Costs are amortised in line with the recognition of the related revenue that is expected to be earned by the Group which is normally the contract period given the fact that new commissions become payable upon contract renewal.

COST OF SALES

Cost of sales are recognised as an expense when incurred. This includes payments to other operators for network services and interconnection, depreciation of networks assets and related land and buildings, amortisation of Intangible assets, support and maintenance contract costs for network systems, installations, and network repairs.

ACCOUNTING POLICIES

For the year ended 31 March 2021

EMPLOYEE BENEFITS

Post-employment benefits

The Group operates a defined contribution pension fund for its eligible citizen employees. The fund is registered under the Retirement Funds Act, 2014. The Corporation contributes to the fund 16% of the pensionable earnings of the members. Pension contributions on behalf of employees are charged to profit or loss in the year to which they relate to and as the related service is provided.

Short-term employment benefits

The cost of short-term employee benefits are recognised when the employee has rendered service to the Group during the annual reporting year. The short -term employee benefits of the Group include the following : salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (car, housing, medical aid and subsidised goods and services).

Termination benefits

The cost of termination benefits are recognised at the earlier of: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In terms of their conditions of employment, expatriate and contract employees receive gratuities at the end of their contract. The cost of employee benefits is recognised during the period the employee renders services, unless the entity uses the services of employee in the construction of an asset and the benefits received meet the recognition criteria of an asset, at which stage it is included as part of the related item of property, plant and equipment item. Other than the regular contributions made, the Group does not have any further liability in respect of its employees' pension arrangements.

INVENTORIES

This comprise items of customer premises equipment used in the construction or maintenance of plant (including work-in-progress), and consumable stores and other inventories. Inventories are stated at the lower of cost, determined on the weighted average basis, and estimated net realisable value after due consideration for slow moving and obsolete items.

Work-in-progress includes contracts carried out for customers and is stated at the lower of cost and estimated net realisable value after due consideration for provisions for any foreseeable losses. Advance payments in respect of such work-in-progress are included under trade and other payables.

DEFERRED TAX

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination, at the time of transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities which affect neither the tax profit nor the accounting profit at the time of the transaction.

ACCOUNTING POLICIES

For the year ended 31 March 2021

DEFERRED TAX (continued):

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, excluding land and buildings are stated at historical cost less accumulated depreciation and subsequent accumulated impairment loss, where applicable. Property, plant and equipment includes all direct expenditure and costs incurred subsequently, to add to, replace part of, or major inspection thereof if the recognition criteria are met.

Subsequent costs are included in the asset's carrying amount or recognised as a component, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenditures are charged to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

Land and buildings are revalued independently by professional valuers using the open market value method, forced sale value, insurance replacement cost and the leasehold interest in the properties. Revaluations are conducted at intervals of three years. Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of the asset.

The revaluation reserve is amortised over the expected useful lives of land and buildings and an amount equal to the depreciation charge attributable to the revaluation portion of such land and buildings, is transferred from the revaluation reserve to accumulated profits. On subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties' revaluation reserve is transferred to accumulated profits. Improvements to assets held under operating leases are capitalised and depreciated over the remaining lease term.

Capital work-in-progress (plant and equipment in the course of construction) comprises costs incurred in constructing property, plant and equipment that are directly attributable to the construction of the asset. Assets remain in capital work in progress until they have been put into use or are commissioned, whichever is the earlier date. At that time, they are transferred to the appropriate class of property, plant and equipment. Further details are given in Note 10.

ACCOUNTING POLICIES

For the year ended 31 March 2021

PROPERTY, PLANT AND EQUIPMENT (continued):

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Depreciation

For depreciation purposes, a significant component is defined as equal to or greater than 20% of the total cost of the asset and each significant component with different useful lives are depreciated separately. Depreciation is not provided on freehold land as it is deemed to have an indefinite life and plant and equipment in the course of construction as they are not yet available for use.

Depreciation is provided on other property, plant and equipment on a straight-line basis. This is from the time they are available for use, so as to write off their cost over the estimated useful lives taking into account any residual values. The residual value of an asset may be equal to or greater than the asset's carrying amount. If it is the case, the asset's depreciation charge is zero until its residual value subsequently decreases to an amount below the asset's carrying amount.

The estimated useful lives assigned to the Group's property, plant and equipment are:

Buildings	40 years
Leasehold land and buildings	Unexpired portion of lease or 50 years, whichever is shorter
Network assets	5 to 20 years
Other plant and equipment	3 to 10 years

Where the expected useful lives or residual values of property, plant and equipment have changed due to technological change or market conditions, the rate of depreciation is adjusted so as to write off their cost or valuation over the remaining estimated useful lives to the estimated residual values of such property, plant and equipment.

The useful lives, residual values and depreciation methods of property, plant and equipment are reviewed at each financial year end and adjusted in the current period if expectations differ from the previous estimates. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or asset held for distribution; or is included in a disposal Group that is classified as held for sale or held for distribution the date that the asset is derecognised.

Further details are given in Note 10.

IMPAIRMENT OF NON-CURRENT ASSETS

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which it belongs. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or the Group's of assets.

ACCOUNTING POLICIES

For the year ended 31 March 2021

IMPAIRMENT OF NON-CURRENT ASSETS (continued):

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Management's estimates of future cash flows are subject to risk and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of the Group's assets. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash- generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings, in which case the impairment loss is treated as a decrease in the revaluation reserve to the extent of the value of this reserve relating to this particular asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have decreased. Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in other comprehensive income (OCI) after reversing the portion previously recognised in profit or loss.

INTANGIBLE ASSETS

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Amortisation of intangible assets with finite lives is over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation period and amortisation method are reviewed at least at the end of each reporting period for all intangible assets with a finite useful life. The amortisation expense on intangible asset with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Computer & billing software and network system

The Group made upfront payments to purchase software and network systems (which includes software licenses) for Information technology and Network purposes. The software licences for the use of intellectual property are granted for periods ranging between 5 and 20 years depending on the specific licences and are amortised accordingly. The licences are renewed at little or no cost.

Derecognition of intangible asset

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FOREIGN CURRENCY TRANSLATION

Transactions in currencies other than Botswana Pula are initially recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates of exchange approximating those ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Profit or loss arising on translation of foreign currencies attributable to the Group are dealt with in profit or loss in the year in which they arise.

The International Telecommunications Union uses SDR as the currency to settle international operator debts. The value of the SDR is determined by summing the values in US Dollars based on the market exchanged rates of basket of major currencies (the US Dollars, EUR, Japanese yen, sterling pound).

INDEFEASIBLE RIGHT OF USE (IRU)

The Group entered into a transmission capacity IRU agreement with Botswana Fibre Network (BoFiNet). The transmission IRU is defined as network capacity in all national and local transmission networks belonging to BoFiNet in respect of which BTC is granted an indefeasible and irrevocable right of use.

The assets are not specified under the IRU arrangement and BTC does not have any control over the operation or physical access of the asset, thus IFRS 16 requirements are not met. The total IRU fee is recognised as a liability on commencement of the agreement which is amortised over the term of the agreement.

DEVELOPMENT GRANTS

Grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Grants received by the Group to specifically fund the acquisition or construction of property, plant and equipment are reflected as development grants and classified as non-current liabilities. Grants that are going to be used in the next financial year are classified as current liabilities. Where the grant relates to an asset, the fair value of the grant is credited to a deferred income account called development grants and is released to profit or loss on a systematic basis over the expected useful lives of such property, plant and equipment.

DEFERRED REVENUE

As per certain rental agreements, certain amounts of revenue are received in advance. Revenue received in advance for the renting of property, plant and equipment is recognised as income over the remaining life of the lease term.

STATED CAPITAL

Botswana Telecommunications Corporation Limited, a statutory body, was converted to a public Company limited by shares issued on the 1 November 2012. On 8 April 2016 the Company was listed on the Botswana Stock Exchange with 1,050,000,000 authorised shares. Out of the total number of shares listed, 250,000,000 shares were issued on the day of listing. As at 31 March 2021 the Company had 1,050,000,000 issued shares (2020: 1,050,000,000 shares). The Government of Botswana remains the majority shareholder with a 54.16% shareholding.

ACCOUNTING POLICIES

For the year ended 31 March 2021

RELATED PARTY TRANSACTIONS

The Government of the Republic of Botswana and its various local authorities and Parastatals constitute a significant portion of the Group's revenues. Other related parties are the members of key management personnel and the Group's directors.

CURRENT INCOME TAX

Taxation is provided in the financial statements using the gross method of taxation. Current taxation is charged on the net income for the year after taking into account income and expenditure, which is not subject to taxation, and capital allowances on fixed assets. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where the Group operates and generates taxable income.

FINANCIAL INSTRUMENTS

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial assets which are debt instruments:

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or

- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss;

- Financial liabilities;

- Amortised cost;

- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or

- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 26 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FINANCIAL INSTRUMENTS (continued):

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Trade and other receivables (excluding amounts due from related parties)

Classification

Trade and other receivables (note 15) are classified as financial assets subsequently measured at amortised cost. They have been classified in this manner because the contractual terms of these receivables give rise, on specified dates to cash flows that are solely payments of principal outstanding, and the Group's business model is to collect the contractual cash flows on these receivables. The Group does not charge interest on its receivables.

Recognition and measurement

Trade and other receivables receivable is recognised when the Group becomes a party to the contractual provisions of the loan. The receivables 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 related party receivables initially, minus principal repayments using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Group recognises a loss allowance for expected credit losses on all receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a receivable has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12-month expected credit losses (12-month ECL). Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12-month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience and the economic environment.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FINANCIAL INSTRUMENTS (continued)

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

Trade and other receivables (excluding amounts due from related parties) (Continued)

For trade receivables containing significant financing components, the Group applies the simplified approach explained above.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the Group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a loan is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. By contrast, if a loan is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the loan has not increased significantly since initial recognition. The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

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

Procedurally, past due receivables are first subjected to internal collection procedures before they are handed over to external debt collectors for collection. Once all avenues have been exhausted, these are handed back to the Group where the loans are now recommended for write off to the directors.

The Group writes off a loan 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. Any recoveries made subsequent to write-offs are recognised in profit or loss.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FINANCIAL INSTRUMENTS (continued)

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

Trade and other receivables (excluding amounts due from related parties) (Continued)

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 assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the receivable at the reporting date. Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Receivables are then compiled in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics. If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in administrative expenses in profit or loss as a movement in credit loss allowance.

Receivables from related parties

Classification

Receivables from related parties are classified as financial assets subsequently measured at amortised cost (note 15). 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 outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables. The Group does not charge interest on its receivables.

Recognition and measurement

Receivables from related parties are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FINANCIAL INSTRUMENTS (continued)

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

Impairment, Measurement and recognition of expected credit losses and write off

Unlike the other trade and other receivables, receivables from related parties are not handed over external debt collection and accordingly the issue of measurement and recognition of credit losses unless they relate to disputed transactions. In such instances, all such amounts are immediately provided for in full if no resolution between the parties is not reached. This is the case since based on history, all balances from related parties are eventually paid, albeit with some of the payments occurring after the agreed payment terms.

All balances that become past due have been subjected to the 12 months ECL where the time value of money is factored into the outstanding balances.

An impairment gain or loss is recognised for all loans in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in the profit or loss as impairment losses and gains on financial assets and contract assets (note 15).

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of three months or less. Cash on hand and cash equivalents are carried at amortised cost. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and deposits, net of outstanding bank overdrafts.

In arriving at net cash from operations, the Group excludes ordinary dividends paid to shareholders, interest income and interest expense.

Gains and Losses for Financial Assets

Gains and losses are recognised in profit or loss when the receivable is derecognised or impaired as well as through the amortisation process.

Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are trade and other payables.

Trade and other payables

Liabilities for trade and other payables are subsequently measured at amortised cost using the effective interest rate method which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

Gains and Losses for Financial Liabilities

Gains and losses are recognised in profit or loss when the loan or payable is derecognised as well as through the amortisation process.

Equity instruments
Equity instruments are recorded net of direct issue costs.

Offsetting of financial assets and financial liabilities (Interconnect balances)
Financial assets and liabilities specifically in relation to interconnect charges are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

ACCOUNTING POLICIES

For the year ended 31 March 2021

FINANCIAL INSTRUMENTS (continued)

Derecognition of financial assets and liabilities

The Group derecognises a financial asset when the right to receive cash flow from the asset have expired and it has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either the Group has transferred substantially all the risks and rewards of the asset or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset. The asset is only recognised to the extent that the Group has a continuing involvement in the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

DIVIDENDS

The Board in consultations with Management determines the amount of dividends to be distributed to the shareholders. Dividends shall be declared in respect of each financial period based on the operating results of the period, financial position of the Group, investment strategy, future capital requirements and other factors. The liability to pay dividends is recognised when dividends are declared. The dividend will be paid net of applicable withholding taxes (7.5%) under the Botswana Income Tax Act.

Dividends paid are disclosed as operating activities in the statements of cash flows.

PROVISIONS

General provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A past event is deemed to give rise to a present obligation if, taking into account all of the available evidence, it is more likely than not that a present obligation exists at reporting date.

LEASES

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases including those for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

ACCOUNTING POLICIES

For the year ended 31 March 2021

LEASES (continued)

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	3 to 5 years
Telecommunications sites	3 to 15 years
Network assets	3 to 10 years
Other plant and equipment	3 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies under impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group has opted not to apply both the short-term lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value recognition exemption to its short-term leases and low value leases.

Group as lessor

Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Lease income is recognised as income in profit or loss on a straight-line basis over the lease term. Contingent rentals are recognised as revenue in the period in which they are earned.

Site rentals are for network towers which are leased to other mobile operators.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
1 REVENUE FROM CONTRACTS WITH CUSTOMERS (Restated)				
Fixed Voice				
Voice	135,706	183,936	135,706	183,936
Access	125,074	142,163	125,074	142,163
Interconnect	15,484	23,187	15,484	23,187
Customer Premises Equipment (CPE)	130,140	121,404	130,140	121,404
Significant financing component *	1,147	390	1,147	390
	407,551	471,080	407,551	471,080
Mobile				
Voice	265,074	301,164	265,074	301,164
Interconnect	15,917	18,589	15,917	18,589
Data	125,871	69,819	125,871	69,819
Short Message Service and Value added services	27,020	30,090	27,020	30,090
Customer Premises Equipment (CPE)	17,496	4,404	17,496	4,404
Significant financing component *	1,033	605	1,033	605
	452,411	424,671	452,411	424,671
Comprising				
Pre-paid	310,589	331,941	310,589	331,941
Post-paid	141,822	92,730	141,822	92,730
	452,411	424,671	452,411	424,671
Fixed Data				
Usage	261,804	159,616	261,804	159,616
Access	220,627	293,422	220,627	293,422
Customer Premises Equipment (CPE)	23,717	20,024	23,717	20,024
	506,148	473,062	506,148	473,062
Other Revenue				
Directory services	9,275	16,226	9,275	16,226
Mobile money services	2,189	126	2,189	126
Miscellaneous	3,298	841	3,298	841
Property rentals	26,610	21,347	26,610	21,347
Cost of works	4,167	1,741	4,167	1,741
Third party collection fees	13,422	7,883	13,422	7,883
Digital services	1,338	-	1,338	-
	60,299	48,164	60,299	48,164
Total revenue from contracts with customers	**1,426,409**	**1,416,977**	**1,426,409**	**1,416,977**

*Relates to adjustments to Customer Premises Equipment (PABX) and mobile postpaid (with handset device and voucher) as per IFRS 15 guidelines.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. REVENUE FROM CONTRACTS WITH CUSTOMERS *(continued)*

Disaggregation of revenue from contracts with customers:

The Group derives revenue from the transfer of good and services over time and at a point in time in the following major product and service lines. In the following table, revenue is disaggregated by major products / service lines and timing of revenue recognition.

Group and Company

31 March 2021	Fixed Voice		
	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)
Major products / service lines:			
Revenue from external contracts with customers	260,780	15,484	131,287
Other revenue (directory services, value added services, rentals)	-	-	-
	260,780	15,484	131,287
Timing of revenue recognition:			
Products transferred at a point in time	-	-	131,287
Products and services transferred over time	260,780	15,484	-
	260,780	15,484	131,287

Group and Company

31 March 2020 (Restated)	Fixed Voice		
	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)
Major products / service lines:			
Revenue from external contracts with customers	326,099	23,187	121,794
Other revenue (directory services, value added services, rentals)	-	-	-
	326,099	23,187	121,794
Timing of revenue recognition:			
Products transferred at a point in time	-	-	121,794
Products and services transferred over time	326,099	23,187	-
	326,099	23,187	121,794

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Mobile			Fixed Data			Other Revenue (P'000)
	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)	Usage (P'000)	Access (P'000)	CPE (P'000)	
	418,998	15,917	17,496	261,804	220,627	23,717	-
	-	-	-	-	-	-	60,299
	418,998	15,917	17,496	261,804	220,627	23,717	60,299
	-	-	17,496	-	-	23,717	-
	418,998	15,917	-	261,804	220,627	-	60,299
	418,998	15,917	17,496	261,804	220,627	23,717	60,299

	Mobile			Fixed Data			Other Revenue (P'000)
	Network Services (P'000)	Interconnect (P'000)	CPE (P'000)	Usage (P'000)	Access (P'000)	CPE (P'000)	
	401,678	18,589	4,404	159,616	293,422	20,024	-
	-	-	-	-	-	-	48,164
	401,678	18,589	4,404	159,616	293,422	20,024	48,164
		-	4,404	-	-	20,024	-
	401,678	18,589	-	159,616	293,422	-	48,164
	401,678	18,589	4,404	159,616	293,422	20,024	48,164

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
2 COST OF SERVICES AND GOODS SOLD				
Payment to International carriers and local operators (interconnection)	91,750	124,932	91,750	124,932
Amortisation of the Indefeasible right of use (IRU) asset - restated	38,209	38,209	38,209	38,209
Depreciation				
Land and buildings	34,149	40,404	34,149	40,404
Network Assets	157,772	132,806	157,772	132,806
Amortisation of intangible assets	44,780	34,344	44,780	34,344
Right of Use Assets - restated	20,437	15,834	20,437	15,834
Equipment and material costs	101,295	102,610	101,295	102,610
Installation of Customer Premises Equipment (CPE)	14,709	21,469	14,709	21,469
Write (up)/down of inventories	(2,694)	3,872	(2,694)	3,872
Cost of directory sales	1,641	2,044	1,641	2,044
Cost of prepaid cards	4,807	1,478	4,807	1,478
Cost of phones	27,243	36,019	27,243	36,019
License fee - BOCRA	39,065	42,135	39,065	42,135
Space segment rentals and other licence fees	16,389	15,539	16,389	15,539
Mobile financial services costs	4,894	-	4,894	-
Total cost of services and goods sold	594,446	611,695	594,446	611,695

Space segment rentals relate to satellites which the entity rents. Licence fees relate to computer software.

3.1 INTEREST INCOME				
Interest from short-term and call accounts deposits	6,360	7,303	6,360	7,303
	6,360	7,303	6,360	7,303
3.2 INTEREST EXPENSE (restated)				
Interest expense on lease liabilities	9,695	10,379	9,695	10,379
Interest expense on Indefeasible right of use liability	17,277	20,636	17,277	20,636
	26,972	31,015	26,972	31,015
4 OTHER INCOME				
Development grant recognised as income (note 19)	30,990	29,862	30,990	29,862
Profit on disposal of property, plant and equipment	-	2,105	-	2,105
	30,990	31,967	30,990	31,967

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

		Group		Company	
			Restated		Restated
		2021	2020	2021	2020
		P'000	P'000	P'000	P'000
5	**SELLING AND DISTRIBUTION COSTS**				
	Product Marketing costs	21,721	20,385	21,721	20,359
	Sponsorship (reversals)/expense	(706)	5,000	(1,705)	5,000
		21,015	25,385	20,016	25,359
6	**ADMINISTRATIVE EXPENSES**				
	Employee costs:				
	Salaries and wages	326,074	334,701	326,074	334,701
	Pension fund and group life contributions (defined contribution plans)	32,651	27,009	32,651	27,009
	Training costs	4,726	940	4,726	940
	Retrenchment costs	-	33	-	33
	Other related employee costs*	18,344	20,612	18,344	20,605
	Total employee costs charged to profit or loss	381,795	383,295	381,795	383,288
	Depreciation - Other equipment	11,188	11,313	11,188	11,313
	- Right-of Use Assets Motor Vehicles	749	1,449	749	1,449
	Repairs and maintenance - non-telecommunications equipment	15,563	12,677	15,563	12,677
	Total Administrative expenses	409,295	408,734	409,295	408,727

*Other related employee costs include medical aid expenses, staff welfare and staff uniforms

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
7 OTHER OPERATING EXPENSES				
Audit Remuneration				
Audit fees	1,960	1,681	1,960	1,681
Other services	359	872	359	872
Directors fees-sitting allowance	1,187	1,321	1,168	1,285
Directors fees-other expenses	177	749	171	746
Billing costs	63,271	47,819	63,271	47,819
Consultancy	10,052	17,844	10,052	17,844
Exchange gain	(6,639)	(6,197)	(6,639)	(6,197)
Financial charges*	14,291	12,323	14,291	10,199
Radio Licence fees - BOCRA	12,452	5,249	12,452	5,249
Variable lease payments	2,883	2,085	2,883	2,085
Stationery	2,737	4,351	2,732	4,346
Miscellaneous expenses*	11,484	6,964	11,484	6,636
Property upkeep	11,243	13,773	11,243	13,773
Travel and entertainment	3,749	13,528	3,700	13,528
Dealer commission	49,401	58,876	49,401	58,876
Vehicle running costs	7,070	7,786	7,070	7,768
Utilities -electricity and water	34,419	24,529	34,419	24,529
Licenses - system and software	12,733	8,019	12,733	8,019
Loss on disposal of property, plant and equipment	505	-	505	-
TOTAL	233,334	221,572	233,255	219,058

***Miscellaneous expenses**
Miscellaneous expenses include the following: outsourced call centre costs, customs and freight, newspapers and periodicals.

***Financial charges**
Financial charges include the following: Bank charges, Insurance premiums and miscellaneous write-offs.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

8 INCOME TAX EXPENSE (Restated*)

The components of income tax expense for the period ended are:

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
Statement of Profit or loss				
Taxation expense				
Corporate tax	-	1,829	-	1,829
Charge for the year	-	-	-	-
Over/ under provision for prior year	-	1,829	-	1,829
Deferred taxation	30,498	20,420	30,498	20,420
Taxation expense	30,498	22,249	30,498	22,249
Tax rate reconciliation				
Profit before tax	165,832	139,043	166,910	141,590
Company tax at 22%	36,483	30,589	36,720	31,150
Prior year adjustments - corporate tax	-	1,829	-	1,829
Prior year error	-	(3,600)	-	(3,600)
Expenses and revenues not deductible for tax purposes	(5,985)	(6,569)	(6,222)	(7,130)
Taxation expense	30,498	22,249	30,498	22,249

Non-deductible expenses include donations and proportion of capital costs and income not qualifying for capital tax allowances.

*Details relating to the restatement of prior period errors have been disclosed in note 24.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
9 EARNINGS PER SHARE (restated*)				
Profit attributable to ordinary shareholder for basic and diluted earnings per share	135,334	116,794	136,412	119,341
Stated capital - number of shares (note 17)	1,050,000,000	1,050,000,000	1,050,000,000	1,050,000,000
Earnings per share (Thebe)	12.89	11.12	12.99	11.37

The Company has stated capital of 1,050,000,000 shares as at 31 March 2021 (31 March 2020: 1,050,000,000 shares). The Government of Botswana is still the majority shareholder with a 54.16% shareholding.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

*Details relating to the restatement of prior period errors have been disclosed in note 24.9c

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10 PROPERTY, PLANT AND EQUIPMENT

Group and Company

31 March 2021	Land & Buildings	Network Assets	Plant & Other Equipment	Capital Work in Progress	Total
Measured at	**Fair value**	**Cost**	**Cost**	**Cost**	
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
COST OR VALUATION					
At beginning of the year - Restated	812,667	3,227,895	295,331	100,343	4,436,236
Additions	7,924	157,540	5,920	27,583	198,967
Revaluation	63,874	-	-	-	63,874
Retired	-	(3,433)	(36,870)	-	(40,303)
Reclassification	(10)	-	10		-
At end of the year	884,455	3,382,002	264,391	127,926	4,658,774
DEPRECIATION AND IMPAIRMENT					
At beginning of the year - Restated	270,613	2,400,581	214,671	-	2,885,865
Depreciation charge for the year	25,881	157,772	19,456	-	203,109
Retired	-	(5,226)	(35,153)	-	(40,379)
At end of the year	296,494	2,553,127	198,974	-	3,048,595
NET BOOK VALUE					
At beginning of the year - Restated	542,054	827,314	80,660	100,343	1,550,371
At end of the year	587,961	828,875	65,417	127,926	1,610,179
31 March 2020 (Restated)					
COST OR VALUATION					
At beginning of the year - Restated	804,214	2,845,286	290,432	387,418	4,327,350
Additions	8,453	382,609	13,413	(287,075)	117,400
Disposals	-	-	(8,514)	-	(8,514)
At end of the year-Restated	812,667	3,227,895	295,331	100,343	4,436,236
DEPRECIATION					
At beginning of the year - Restated	241,421	2,265,416	202,081	-	2,708,918
Depreciation charge for the year	29,192	135,165	20,601	-	184,958
Disposals	-	-	(8,011)	-	(8,011)
At end of the year - Restated	270,613	2,400,581	214,671	-	2,885,865
NET BOOK VALUE					
At beginning of the year - Restated	562,793	579,870	88,351	387,418	1,618,432
At end of the year - Restated	542,054	827,314	80,660	100,343	1,550,371

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

10 PROPERTY, PLANT AND EQUIPMENT (continued)

Land and buildings are carried at a revalued amount, which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The revaluation of land and buildings was performed on 31 March 2021 by Vantage Properties. The count and valuation, where possible, of the asset components in Botswana, and appropriate depreciation classes were standardised and residual values applied. For fair value disclosures, refer to Note 27.

If land and buildings were measured using the cost model, the carrying amount would be as follows:

	2021 P'000	2020 P'000
Cost	266,152	258,228
Depreciation	(109,562)	(109,324)
Carrying amount	156,590	148,904

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

11 INTANGIBLE ASSETS

Group and Company

31 March 2021	Computer & Billing Software	Network Systems	Total
	P'000	P'000	P'000
COST			
At beginning of the year	496,221	45,136	541,357
Additions	18,125	-	18,125
At end of the period	514,346	45,136	559,482
AMORTISATION			
At beginning of the year	284,696	24,739	309,435
Charge for the year	43,140	1,640	44,780
At end of the period	327,836	26,379	354,215
NET BOOK VALUE			
At beginning of the year	211,525	20,397	231,922
At end of the period	186,510	18,757	205,267
31 March 2020 (Restated)			
COST			
At beginning of the year	392,895	35,894	428,789
Additions	103,326	9,242	112,568
At end of the year	496,221	45,136	541,357
AMORTISATION			
At beginning of the year	252,045	23,029	275,074
Charge for the year	32,651	1,710	34,361
At end of the year	284,696	24,739	309,435
NET BOOK VALUE			
At beginning of the year	140,850	12,865	153,715
At end of the year	211,525	20,397	231,922

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

12 ASSET IMPAIRMENT

As at 31 March 2021, the Group assessed its property, plant and equipment and finite life intangible assets at the reporting date for any indication of impairment. This was done by comparing the carrying amount of the Group's assets with the recoverable amount of the assets. The recoverable amount was based on the business' value in use, which in turn, was calculated by forecasting the Group's future enterprise free cash flows for a period of five years,including the terminal value into perpetuity and then determining the value by discounting these free cash flows using a discount rate equal to the weighted average cost of capital (WACC) of 13.6% (March 2020: 12%). The entire business was regarded as one cash generating unit (CGU) since common network elements are responsible for the production of all services. The assessment at 31 March 2021, determined the Group's assets to be unimpaired.

Valuation key assumptions

The recoverable amount was determined based on value in use. The calculations used cash flow projections over a period of five (5) years based on financial forecasts was applied.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use is most sensitive to the following assumptions:

- Gross margins
- Discount rate
- Market share during the forecast period
- Growth rates used to extrapolate the cash flows beyond the forecast period

Assumptions

Discount rate (WACC) 2021: 13.6% (March 2020: 12%)
Management determined this rate based on past experience as well as external sources of information.
Terminal growth rate into perpertuity: 3%

13 LEASES (Restated)

The Group has lease contracts for various buildings, rental of telecommunication sites, network assets and motor vehicles used in its operations. Leases of buildings generally have lease terms between 3 and 5 years, telecommunication sites between 3 and 15 years, network assets between 5 and 10 years while motor vehicles generally have lease term of 3 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group's leases are mainly non-cancellable and include options of extension on terms to be agreed upon by both parties. There are several lease contracts that include variable lease payments which are further discussed below.

The Group has choosen not to utilise the exemption on short-term leases and the leasing of low-value assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

13 LEASES (Continued)

13.1 Right-of-use assets

Group and Company 31 March 2021	Buildings	Telecommunication Sites	Network Assets	Motor Vehicles	Other	Total
	P'000	P'000	P'000	P'000	P'000	P'000
COST						
At beginning of the year - Restated	17,222	129,130	17,148	1,987	-	165,487
Additions	1,170	3,080	-	-	1,631	5,881
Disposals	(1,151)	(1,173)	-	(1,028)	-	(3,352)
At end of the year	17,241	131,037	17,148	959	1,631	168,016
DEPRECIATION						
At beginning of the year - Restated	4,432	14,409	1,125	892	-	20,858
Depreciation charge for the year	4,645	14,394	1,125	749	272	21,185
Disposals	(1,151)	(1,173)	-	(1,028)	-	(3,352)
At end of the year	7,926	27,630	2,250	613	272	38,691
NET BOOK VALUE						
At beginning of the year	12,790	114,721	16,023	1,095	-	144,629
At end of the year	9,315	103,407	14,898	346	1,359	129,325
31 March 2020 (Restated)						
COST						
Recognised on 1st of April on adoption of standard	14,605	129,424	17,434	2,580	-	164,043
IAS 17 Deferred lease balance written-off	(212)	(1,851)	(216)	(39)	-	(2,318)
Additions	3,618	1,557	-	-	-	5,175
Disposals	(789)	-	(70)	(554)	-	(1,413)
At end of the year	17,222	129,130	17,148	1,987	-	165,487
DEPRECIATION						
Depreciation charge for the year	5,222	14,409	1,195	1,446	-	22,272
Disposals	(790)	-	(70)	(554)		(1,414)
At end of the year	4,432	14,409	1,125	892	-	20,858
NET BOOK VALUE						
At beginning of the year	-	-	-	-	-	-
At end of the year	12,790	114,721	16,023	1,095	-	144,629

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

13 LEASES (Continued)

13.2 Lease liabilities (Restated)

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Group and Company **31 March 2021**	**Buildings**	**Telecommunication Sites**	**Network Assets**	**Motor Vehicles**	**Other**	**Total**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**	**P'000**
At beginning of the year - Restated	13,639	121,714	16,630	1,148	-	153,131
Additions during the year	1,170	3,080	-	-	1,631	5,881
Accretion of interest	784	7,754	1,060	49	50	9,697
Payments	(5,190)	(17,823)	(1,793)	(823)	(300)	(25,929)
As at end of the year	10,403	114,725	15,897	374	1,381	142,780
31 March 2020 (Restated)						
Recognised on 1st of April on adoption of standard	14,605	129,424	17,434	2,580	-	164,043
Additions during the year	3,618	1,554	-	-	-	5,172
Accretion of interest	966	8,180	1,112	121	-	10,379
Payments	(5,550)	(17,444)	(1,916)	(1,553)	-	(26,463)
As at end of the year	13,639	121,714	16,630	1,148	-	153,131

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

14 INVENTORIES	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
Comprising:				
Consumable stores	44,024	42,999	44,024	42,999
Customer premises equipment	1,198	6,257	1,198	6,257
Total inventories at the lower of cost and net realisable value	45,222	49,256	45,222	49,256

The above inventory is disclosed at the lower of cost and estimated net realisable value.

The advent of the COVID 19 pandemic had both positive and negative impact on the closing inventory holdings. As a result of the national lockdown, there was a significant increase in the demand for internet services in preparation for the eventuality of working from home and a ramp up of provision of services through online platforms such as the education sector. This led to an increase in sales and high utilisation of inventory.

However, with challenges and restrictions in international travel or logistics and increased demand across the world, there were critical stock outs and shortages for some inventory stock.

The cost of inventories recognised as an expense during the year in respect of continuing operations was P31 626 268 (2020; P32 916 432).

15 TRADE AND OTHER RECEIVABLES	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
Trade receivables	115,785	234,968	115,785	234,968
Receivables from related parties	147,518	135,878	147,518	135,878
Trade receivables from interconnect balances	14,087	45,404	14,087	45,404
Contract assets	35,016	26,363	35,016	26,363
Staff advances	7,344	7,862	7,344	7,862
Receivables from global connectivity projects (EASSy & WACS)	9,455	9,455	9,455	9,455
Other receivables	15,895	15,982	15,895	15,982
Debtors impairment	(148,916)	(238,116)	(148,916)	(238,116)
Net trade and other receivables	196,184	237,796	196,184	237,796
Prepayments	21,909	12,224	21,909	12,224
Total trade and other receivables	218,093	250,020	218,093	250,020
Comprising:				
Trade and other receivables	183,077	223,657	183,077	223,657
Contract assets	35,016	26,363	35,016	26,363
	218,093	250,020	218,093	250,020

The Group's trade and other receivables are non-interest bearing. For terms and conditions relating to related party receivables, refer to Note 25. Trade receivables from interconnect balances and other receivables are generally 30 to 90 day terms, interest free, unsecured and settlement occurs in cash.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 TRADE AND OTHER RECEIVABLES (Continued)

Contract Assets

BTC recognises contract assets for goods and services for which control has transferred to the customer before consideration is due. These assets mainly relate to mobile handsets or vouchers and PABX provided upfront but paid for over the course of the period of the contract and primarily relate to BTC's right to consideration for goods and services rendered but not billed at the reporting date for customer contracts for network services and mobile devices. The contract assets are transferred to trade and other receivables when the rights become unconditional. Contract assets are reclassified as trade and other receivables when the right to payment becomes unconditional and BTC has billed the customer.

The following table provides information about receivables, revenue related contract assets and contract liabilities from contracts with customers:

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
Contract assets				
Current	19,594	8,653	19,594	8,653
Non-Current	15,422	17,710	15,422	17,710
Total contract assets	35,016	26,363	35,016	26,363

Significant changes in the contract assets and the contract liabilities

Significant changes in the contract assets and the contract liabilities balances during the period are as follows. The table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities and how much relates to performance obligations that were satisfied in the prior years.

	Group 2021	Group 2020	Company 2021	Company 2020
Revenue recognised that was included in the contract liability balance at the beginning of the period	5,956	19,134	5,956	19,134
	5,956	19,134	5,956	19,134

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 TRADE AND OTHER RECEIVABLES (Continued)

Contract Assets (continued)

UNSATISFIED PERFORMANCE OBLIGATIONS IN LONG TERM CONTRACTS

The following table shows unsatisfied performance obligations resulting from long term customer contracts:

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
Aggregate amount of the transaction price allocated to long term customer contracts.	22,386	13,091	22,386	13,091
	22,386	13,091	22,386	13,091

The table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

No consideration from contracts with customers is excluded from the amounts presented above.

The Group applies the practical expedient (modified approach) in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

Staff advances are repaid up to twelve months and are non interest bearing. Staff advances and other receivables are carried at cost which approximate their carrying value.

Further details on receivables from Global connectivity projects (EASSy and WACS) have been disclosed in note 25.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 TRADE AND OTHER RECEIVABLES (Continued)

Exposure to credit risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due.

The expected loss rates are based on the payment profiles of post paid customers over a period of 24 months before 31 March 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current macroeconomic factors affecting the ability of the customers to settle the receivables. Given the short nature of its trade receivables, the Group has identified inflation to be the most relevant factor, and accordingly adjusted the historical loss rates based on expected changes in this.

The credit period on trade and other receivables is 30 days (2020: 30 days). No interest is charged on outstanding trade and other receivables .

A loss allowance is recognised for all trade and other receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. As per the Group credit policy, past due receivables are first subjected to the internal collection process until all available avenues are exhausted. They are then handed over to external debt collectors for collections. Any balances uncollected are returned back to the Group at which point an assessment is made for write off. In accordance with the simplified approach adopted, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix is a probability-weighted model which applies an expected loss percentage, based on the net write-off history experienced on receivables, to each ageing category of receivables at the end of each month in order to calculate the total provision to be raised on the receivable balances. It also incorporates information and general economic conditions of the industry as at the reporting date.

Due to the intricate relationship between contract and trade reciavables, the lifetime expected credit losses determined for the trade reciavables are applied on the contract assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

15 TRADE AND OTHER RECEIVABLES (Continued)

Exposure to credit risk (continued)

The changes in percentage movements in the default rates within the credit ratings were analysed at reporting date at a customer profile level and these changes were then applied to existing ECL ratios.

Management continued to monitor its customers with reference to the continuing impact of COVID- 19 on the economy.

	Expected credit loss rate (average)		2021 P'000 Estimated gross carrying amount at default	2021 P'000 Loss allowance (Lifetime expected credit loss)	2020 P'000 Estimated gross carrying amount at default Restated	2020 P'000 Loss allowance (Lifetime expected credit loss) Restated
	2021	2020				
Bucketing (Days past due)						
Current	6%	3%	106,660	6,286	148,377	4,408
31-60 days past due	22%	33%	50,334	11,112	53,216	17,474
61-90 days past due	32%	54%	29,271	9,233	19,800	10,777
91-120 days past due	74%	75%	28,379	20,878	48,719	36,517
121-150 days past due	85%	73%	18,888	16,011	21,052	15,334
More than 150 days past due	77%	83%	111,568	85,396	184,750	153,606
Total			345,100	148,916	475,914	238,116

Reconciliation of loss allowance

The following table shows the movement in the loss allowance (expected credit losses) for trade and other receivables

	Group		Company	
	2021 P'000	2020 P'000	2021 P'000	2020 P'000
Opening balance	238,116	219,313	238,116	219,313
Net provision raised on new receivables	12,865	18,803	12,865	18,803
Balances written off during the year	(102,065)	-	(102,065)	-
Balance at the end of the year	148,916	238,116	148,916	238,116

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Notes	Group 2021 P'000	Group Restated 2020 P'000	Company 2021 P'000	Company Restated 2020 P'000
16.1 Cash and cash equivalents at end of the year					
Cash at bank and on hand		140,300	35,311	139,767	33,700
Short term deposits		223,506	84,389	223,506	84,389
Net cash and cash equivalents at end of the year		363,806	119,700	363,273	118,089

The call deposits had effective interest rates of between 0.25% and 0.50% (March 2020: 0.25% and 0.85%).

Included in the cash and cash equivalents is an amount of USD 60 000 which BTC received from a counter party as a security for the potential future bad debts.

16.2 STATEMENT OF CASH FLOWS - Operating profit before working capital changes:

	Notes	Group 2021 P'000	Group Restated 2020 P'000	Company 2021 P'000	Company Restated 2020 P'000
Profit before tax		165,832	139,043	166,910	141,590
Adjustment for non cash movements:					
Impairment losses and gains on financial assets and contract assets		12,865	18,803	12,865	18,803
Depreciation of property, plant and equipment	7	203,109	184,958	203,109	184,958
Amortisation of intangible assets	8	44,780	34,361	44,780	34,361
Interest income	4	(6,360)	(7,303)	(6,360)	(7,303)
Interest Paid	4	26,972	31,015	26,972	31,015
Depreciation on right of use assets	10.1	21,185	22,272	21,185	22,272
Amortisation of IRU		38,209	38,209	38,209	38,209
Loss / (profit) on disposal of property, plant and equipment		505	(2,105)	505	(2,105)
Surplus from the trust**		-	4,158	-	-
Exchange gain		(11,634)	(1,437)	(11,634)	(1,437)
Development grant recognised as income	16	(30,990)	(29,862)	(30,990)	(29,862)
Movement in provisions		16,001	(27,697)	16,001	(27,697)
Operating cash flows before working capital changes		480,474	404,415	481,552	402,804

For the purpose of the cash flow statement the working capital changes arising from trade and other receivables and trade and other payables take into account the cash effects of the interest receivable at both the beginning and end of the year.

** Relates to the BTC Foundation reserves for the prior year. The results of the BTC Foundation have been consolidated from the prior year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

16.3 Banking Facilities

The Group has facilities with its bankers amounting to P20,000,000 (March 2020: P15,000,000) in respect of Letters of credit and guarantes (P10,000,000) and Overdraft (P10,000,000). The banking facilities are unsecured.

The unutilised portion of the banking facilities amounted to P7.3 million as at 31 March 2021 (USD 508,378 has been utilised as a performance bond with BOCRA ,expiring 31 December 2022, for fixed wireless access spectrum in frequency 2300-2400 MHZ) and Botswana Railways intent for performance Bond expiring 3%7/2022, for supply, installation, configuration and testing of unified communication system.

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
17 STATED CAPITAL				
Balance	478,892	478,892	478,892	478,892
Authorised and issued capital				
Authorised shares				
1,050,000,000 (March 2020: 1,050,000,000) ordinary shares of no par value	478,892	478,892	478,892	478,892
Ordinary shares issued and fully paid				
1,050,000,000 (March 2020: 1,050,000,000) ordinary shares of no par value	478,892	478,892	478,892	478,892

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholder meetings of the Company.

	Group 2021 P'000	Group 2020 P'000	Company 2021 P'000	Company 2020 P'000
Cash dividends on ordinary shares paid:				
Final dividend for 2020 Nil: (2019: 5.73 thebe per share)	-	60,165	-	60,165
Interim dividend for 2021 3.13 thebe per share:(2020 : 3.73 Thebe per share)	32,865	37,485	32,865	37,485
	32,865	97,650	32,865	97,650

The dividend is paid net of 7.5% withholding tax as per the Botswana Income Tax Act.

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	Notes	Group		Company	
			Restated		Restated
		2021	2020	2021	2020
		P'000	P'000	P'000	P'000
18 REVALUATION RESERVE					
Properties revaluation reserve (land and buildings)					
Balance at the beginning of the year - Restated		347,603	368,194	347,603	368,194
Depreciation transfer for land and buildings		(16,847)	(20,591)	(16,847)	(20,591)
Revaluation during the year		51,607	-	51,607	-
Balance at the end of the year		382,363	347,603	382,363	347,603
Total other reserves		382,363	347,603	382,363	347,603
19 DEVELOPMENT GRANTS					
Balance at the beginning of the year		58,163	88,025	58,163	88,025
Recognised as income during the year (note 4)		(30,990)	(29,862)	(30,990)	(29,862)
Balance at end of the year		27,173	58,163	27,173	58,163
Comprising:					
Current portion of development grant		21,580	29,862	21,580	29,862
Non-Current portion of development grant		5,593	28,301	5,593	28,301
		27,173	58,163	27,173	58,163

Nteletsa projects

The cumulative grants received to end of March 2021 are P509,325,984 (March 2020: P509,325,984). These grants are for the purpose of funding the Group's expansion in rural districts in terms of National Development Plan 8 called Nteletsa projects.

The portion of the grants recognised as income during the year is based on the useful life of plant and equipment which was funded by the above grants.

Universal Access and Service Fund

In the 2018 financial year, an agreement was reached with the Universal Access and Service Fund (USAF) for the upgrade of the telecommunications base stations to 3G or better and provision of Broadband connectivity in government schools in the Ghanzi district. The total grant received is P8 604 318.

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	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
20 TRADE AND OTHER PAYABLES				
Trade payables	87,301	74,518	87,301	74,518
Contract liabilities	19,534	26,103	19,534	26,103
Contract liabilities - deferred revenue	23,755	23,325	23,755	23,325
Interconnection balances	7,642	8,276	7,642	8,276
Mobile money balances	40,502	2,965	40,502	2,965
Accruals and other payables	96,205	83,204	96,205	83,204
	274,939	218,391	274,939	218,391
Comprising:				
Trade and other payables	255,405	192,288	255,405	192,288
Contract liabilities	19,534	26,103	19,534	26,103
	274,939	218,391	274,939	218,391

Trade payables and accrued expenses are non-interest bearing and are normally settled on 30-60 day terms and are not secured. Other payables are non-interest bearing and have an average settlement date of three months and are not secured.

Contract liabilities are recognised when BTC has received advance payment for goods and services that have not transferred to the customer. The contract liabilities primarily relate to the advance consideration received from customers for customer contracts on goods and services which are not distinct performance obligations.

The following table provides information about contract liabilities from contracts with customers:

Current	9,620	13,538	9,620	13,538
Non-Current	9,914	12,565	9,914	12,565
Total contract liabilities - IFRS 15	19,534	26,103	19,534	26,103
Contract liabilities - deferred revenue	23,755	23,325	23,755	23,325

Interconnection balances relate to terminating charges owing on BTC outgoing calls to international operators and for other local mobile networks. These are settled on a 30-90 day term and are not secured. Included in accruals and other payables is the mobile deferred revenue amounting to P23 755 354 (March 2020: P23 325 028).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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21 EMPLOYEE RELATED PROVISIONS

Group and Company

	Leave Pay	Gratuity	Other	Total
	P'000	P'000	P'000	P'000
Balance at 1 April 2019	26,600	36,951	853	64,404
Charged to employee expenses	5,132	20,042	15,957	41,131
Utilised	(9,196)	(44,371)	(15,261)	(68,828)
Balance at 31 March 2020	22,536	12,622	1,549	36,707
Charged to employee expenses	3,036	8,173	15,805	27,014
Utilised	(3,198)	(10,282)	2,467	(11,013)
Balance at 31 March 2021	22,374	10,513	19,821	52,708

	2021	2020
Comprising:	P'000	P'000
Current liabilities	42,195	24,085
Non-current liabilities	10,513	12,622
	52,708	36,707

Employee related provisions comprise of leave pay, gratuity and other. In terms of BTC policy, employees are entitled to accumulate vested leave benefits. Of the leave days earned in respect of any period of twelve (12) months, not less than eight (8) days shall be taken no later than six months immediately after the period in respect of which leave is earned. This leave shall be forfeited if not taken. Gratuities are normally paid at the end of an employee's contract which in the case of BTC is between 1 to 5 years.

	Notes	Group 2021 P'000	Group Restated 2020 P'000	Company 2021 P'000	Company Restated 2020 P'000
22.1 Income tax					
Opening balance		13,100	12,013	13,100	12,013
Charge for the year	8	-	(1,829)	-	(1,829)
Withholding tax on interest		-	840		840
Closing balance		(641)	(13,100)	(641)	(13,100)
Net cash received / (paid)		12,459	(2,076)	12,459	(2,076)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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22.2 Deferred Taxation (restated)

Group and Company - 31 March 2021	Net balance as at 01 April 2020 P'000	Recognised in profit or loss P'000	Recognised in equity P'000	Closing balance as at 31 March 2021 P'000
Deductible temporary differences				
Property, plant and equipment	(78,181)	48,715	-	(29,466)
Accrued Income	(5,984)	(439)	-	(6,423)
Contract liabilities	-	(4,298)		(4,298)
Expected credit losses (ECL)	(44,375)	11,613	-	(32,762)
Leases	(1,871)	(1,508)	-	(3,379)
Unutilised tax losses	(35,631)	(31,276)	-	(66,907)
Taxable temporary differences				
Indefeasible right of use (IRU)	45,569	3,194	-	48,763
Contract assets	-	2,778		2,778
Prepayments	1,192	1,964	-	3,156
Revaluation surplus	98,042	-	12,267	110,309
Unrealised foreign exchange loss / (gain)	2,805	(245)	-	2,560
	(18,434)	30,498	12,267	24,331

Group and company - 31 March 2020	Net balance as at 01 April 2019	Recognised in profit or loss	Recognised in equity	Closing balance as at 31 March 2020
Deductible temporary differences				
Property, plant and equipment	(147,343)	69,162	-	(78,181)
Accrued Income	(2,531)	(3,453)	-	(5,984)
Expected credit losses (ECL)	(40,305)	(4,070)	-	(44,375)
Leases	-	(1,871)	-	(1,871)
Unutilised tax losses	-	(35,631)		(35,631)
Taxable temporary differences				
Indefeasible right of use (IRU)	43,115	2,454	-	45,569
Prepayments	1,129	63	-	1,192
Revaluation surplus	103,849	(5,807)	-	98,042
Unrealised foreign exchange loss / (gain)	3,232	(427)	-	2,805
	(38,854)	20,420	-	(18,434)

The Group has tax losses amounting to P286 million (March 2020; P161 million), emanating from normal business operations and the losses have been fully recognised for deferred tax purposes based on the recoverability assessment done. The tax losses can be carried forward for the next 5 years.

There are no un-recognised deferred tax assets and liabilities as at current or previous reporting date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
	P'000	P'000	P'000	P'000
23 CAPITAL COMMITMENTS				
Contracted but not paid	23,157	79,437	23,157	79,437
Authorised but not contracted	131,255	163,690	131,255	163,690
Total capital commitments	154,412	243,127	154,412	243,127

These commitments will be financed by development grants and internally generated funds.

24 CORRECTION OF PRIOR PERIOD ERRORS

During the year, the Group identified several prior period errors outlined below. The errors identified have been corrected by restating each affected financial statement line item for prior periods. The overall impact is summarised on the Group's consolidated and Company financial statements at 31 March 2020 and 31 March 2019 as outlined below;

24.1 Revenue adjustments relating to prior periods billings

The Group analysed its revenue adjustments over the past two financial years and on account of this analysis some of the adjustments were determined to relate to prior years. The revenue adjustments, related debtors balance and expected credit losses are being corrected by restating the respective prior year periods and the impact of such restatement is set out below;

Extract from the statements of financial position

	As previously reported		Cumulative adjustments to March 2020			Restated	Restated
As at 31 March 2020	**Group**	**Company**				**Group**	**Company**
	P'000	**P'000**	Opening	Current year	Total	**P'000**	**P'000**
Deferred tax assets	8,237	8,237	3,053	(3,085)	(32)	8,205	8,205
Trade and other receivables	464,346	464,346	(13,879)	14,024	145	464,491	464,491
Accumulated profits	1,294,875	1,293,264	(10,826)	10,939	113	1,294,988	1,293,377

	As previously reported			Restated	Restated
As at 31 March 2019	**Group**	**Company**	Adjustments	**Group**	**Company**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Deferred tax assets	27,502	27,502	3,053	30,555	30,555
Trade and other receivables	409,280	409,280	(13,879)	395,401	395,401
Accumulated profits	1,261,392	1,261,392	(10,826)	1,250,566	1,250,566

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group	**Company**	Adjustments	**Group**	**Company**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Revenue from contracts with customers	1,396,360	1,396,360	13,766	1,410,126	1,410,126
Gross profit	779,708	779,708	13,766	793,474	793,474
Impairment losses and gains on financial assets and contract assets	-	-	258	258	258
Profit before tax	127,478	130,025	14,024	141,502	144,049
Income tax expense	(21,094)	(21,094)	(3,085)	(24,179)	(24,179)
Profit for the year	106,384	108,931	10,939	117,323	119,870

Extract from the statements of cash flows for the year ended 31 March 2020

Profit before tax	127,478	130,025	14,024	141,502	144,049
Impairment losses and gains on financial assets and contract assets	-	-	(258)	(258)	(258)
Increase in trade and other receivables	48,623	48,623	(13,766)	34,857	34,857

24.2 Accounting for the indefeasible right of use (IRU)

In 2014, the Group entered into a 10 year IRU for capacity and the same was expected to be utilised fully and proportionally over the 10 year period. The entire IRU fee was due at the commencement of the agreement and was amortised on a straight line basis over the 10 year period. A second IRU was entered into with the same provider for 15 years with the first 5 years overlapping with that on the first agreement. The payments of the fee for the second IRU were spread over a period of 10 years with annual payments becoming due at the beginning of each period. The fees were incorrectly amortised on a straight line basis over the remaining term of the agreement as and when they became due. The agreement was re-assessed during year under review and it was determined that the entire fee of the IRU should have been recognised as a liability at the commencement of the agreement.

The error is now being corrected by recognising an IRU liability equivalent to the fair value of the discounted future payments to the provider under the second agreement and an IRU asset equal to the liability recognised plus the un-amortised portion of the first IRU. The liability would be measured at amortised cost over the payment period and decreased with the amount due every year and interest expense recognised in the profit and loss over the same amortisation period. The asset recognised will be amortised on a straight-line basis over the 15-year period under which the agreement is effective. The carrying value of the prepayment recognised under the trade and other reciavables was de-recognised.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.2 Accounting for the indefeasible right of use (IRU) (Continued)

Extract from the statements of financial position.

As at 31 March 2020	As previously reported Group P'000	As previously reported Company P'000	Cumulative adjustments to March 2020 Opening	Cumulative adjustments to March 2020 Current year	Cumulative adjustments to March 2020 Total	Restated Group P'000	Restated Company P'000
IRU asset	-	-	534,932	(38,209)	496,723	496,723	496,723
Deferred tax assets	8,237	8,237	2,425	3,552	5,977	14,214	14,214
Trade and other receivables	464,346	409,280	(207,000)	(27,300)	(234,300)	230,046	174,980
IRU Liability	-	-	289,589	(52,723)	236,866	236,866	236,866
Current portion of IRU Liability	-	-	49,364	3,359	52,723	52,723	52,723
Accumulated profits	1,294,875	1,293,264	(8,596)	(12,593)	(21,189)	1,273,686	1,272,075

As at 31 March 2019	As previously reported Group P'000	As previously reported Company P'000	Adjustments	Restated Group P'000	Restated Company P'000
IRU asset	-	-	534,932	534,932	534,932
Deferred tax assets	27,502	27,502	2,425	29,927	29,927
Trade and other receivables	409,280	409,280	(207,000)	202,280	202,280
IRU liability	-	-	289,589	289,589	289,589
IRU liability - Current	-	-	49,364	49,364	49,364
Accumulated profits	1,261,392	1,261,392	(8,596)	1,252,796	1,252,796

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.2 Accounting for the indefeasible right of use (IRU) (Continued)

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group 2020 P'000	Company 2020 P'000	Adjustments P'000	Group 2020 P'000	Company 2020 P'000
Cost of services and goods sold	(616,652)	(616,652)	4,491	(612,161)	(612,161)
Gross profit	779,708	779,708	4,491	784,199	784,199
Interest expense	(9,494)	(9,494)	(20,636)	(30,130)	(30,130)
Profit before tax	127,478	130,025	(16,145)	111,333	113,880
Income tax expense	(21,094)	(21,094)	3,552	(17,542)	(17,542)
Profit for the year	106,384	108,931	(12,593)	93,791	96,338

Extract from the statements of cash flows for the year ended 31 March 2020

Profit before tax	127,478	130,025	(16,145)	111,333	113,880
Adjustment for non cash movements:					
Interest expense	-	-	20,636	20,636	20,636
Amortisation of IRU	8,494	8,494	29,715	38,209	38,209
Cash flows from operating activities:					
Operating profit before working capital changes	320,122	318,511	34,206	354,328	352,717
Increase in trade and other receivables	48,623	48,623	72,795	121,418	121,418
Decrease/ (increase) in trade and other payables	(122,239)	(122,239)	(11,667)	(133,906)	(133,906)
Interest expense	9,494	9,494	-	9,494	9,494
Cash flows from financing activities:					
Interest paid	-	-	(22,850)	(22,850)	(22,850)
Payment of IRU liability	-	-	(72,484)	(72,484)	(72,484)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.3 Incorrect initial recognition of lease liabilities and right of use assets (IFRS 16)

During the year under review, the Group noted that on recognising some of the lease liabilities and their respective right of use assets for the telecommunications assets category, the contract periods were erroneously captured as 10 years as opposed to 15 years. Further, the lease term for one of the leases under the telecommunications assets category was incorrectly assessed to be 10 years instead of the remaining contractual lease term of 5 years. This resulted in the net understatement of both the lease liabilities including the interest charged for that year. By extension, the right of use assets were understated leading to lower depreciation and accumulated depreciation.

The Group also discovered that a few of the leases continued to be accounted for under IAS 17 yet the same lease had been recognised with the rest of the other leases under IFRS 16. This led to a total overstatement of P7 million on cost of sales and understatement of P885 000 on interest expense.

Extract from the statements of financial position.

As at 31 March 2020	As previously reported Group P'000	As previously reported Company P'000	Cumulative adjustments to March 2020 Opening	Current year	Total	Restated Group P'000	Restated Company P'000
Right of use assets	134,362	134,362	10,814	(547)	10,267	144,629	144,629
Deferred tax assets	8,237	8,237	-	(1,345)	(1,345)	6,892	6,892
Lease Liabilities	132,570	132,570	10,814	(603)	10,211	142,781	142,781
Current portion of Lease Liability	16,409	16,409	-	(6,059)	(6,059)	10,350	10,350
Accumulated profits	1,294,875	1,293,264	-	4,770	4,770	1,299,645	1,298,034

Opening Balance on adoption of IFRS 16 on 1 April 2019

	As previously reported Group P'000	As previously reported Company P'000	Adjustments P'000	Restated Group P'000	Restated Company P'000
Right of use assets	153,229	153,229	10,814	164,043	164,043
Lease Liabilities	153,229	153,229	10,814	164,043	164,043

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.3 Incorrect initial recognition of lease liabilities and right of use assets (IFRS 16) (Continued)

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group 2020 P'000	Company 2020 P'000	Adjustments P'000	Group 2020 P'000	Company 2020 P'000
Cost of services and goods sold	(616,652)	(616,652)	7,000	(609,652)	(609,652)
Gross profit	779,708	779,708	7,000	786,708	786,708
Interest expense	(9,494)	(9,494)	(885)	(10,379)	(10,379)
Profit before tax	127,478	130,025	6,115	133,593	136,140
Income tax expense	(21,094)	(21,094)	(1,345)	(22,439)	(22,439)
Profit for the year	106,384	108,931	4,770	111,154	113,701

Extract from the statements of cash flows for the year ended 31 March 2020

Profit before tax	127,478	130,025	6,115	133,593	136,140
Interest Paid	-	-	885	885	885
Depreciation on right of use assets	21,774	21,774	498	22,272	22,272
Operating profit before working capital changes	320,122	318,511	7,498	327,620	326,009
Increase in trade and other receivables	48,623	48,623	(5)	48,618	48,618
Interest Paid	9,494	9,494	-	9,494	9,494

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.4 Incorrect treatment of expenditure

There were several instances where expenditure was incorrectly treated in the prior year. In the first instance, on realising that one of the major suppliers had been overcharging the Group, the amount was rectified in the 2020 financial statements books by crediting the cost of sales and recognising a debtor. The supplier subsequently issued the credit note which was recognised to expenses but the debtor was not de-recognised. This therefore resulted in the cost of sales being understated and debtors overstated.

On the second instance, the Group realised after the end of the prior year that it was double booking from a supplier on the same cost line. The supplier was paid off correctly hence leaving the other credit balance in the books.

On the third instance, it was noted that contract assets and related revenues were incorrectly understated at the end of the prior year hence necessitating a prior period adjustment to bring the value of the contract assets to the correct amount.

Extract from the statements of financial position.

	As previously reported					Restated	Restated
As at 31 March 2020	**Group 2020**	**Company 2020**	Cumulative adjustments to March 2020			**Group 2020**	**Company 2020**
	P'000	**P'000**	Opening	Current year	Total	**P'000**	**P'000**
Deferred tax assets	8,237	8,237	-	(1,666)	(1,666)	6,571	6,571
Trade and other receivables	464,346	464,346	-	(6,534)	(6,534)	457,812	457,812
Contract assets	19,512	19,512	-	6,851	6,851	26,363	26,363
Contract liabilities	33,357	33,357	-	(7,254)	(7,254)	26,103	26,103
Accumulated profits	1,294,875	1,293,264	-	5,905	5,905	1,300,780	1,299,169

There was no impact on 2019 financial year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.4 Incorrect treatment of expenditure (Continued)

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group 2020	**Company 2020**	**Adjustments**	**Group 2020**	**Company 2020**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Revenue from contracts with customers	1,396,360	1,396,360	6,851	1,403,211	1,403,211
Cost of services and goods sold	(616,652)	(616,652)	(6,534)	(623,186)	(623,186)
Gross profit	779,708	779,708	317	780,025	780,025
Other expenses	(247,887)	(245,373)	7,254	(240,633)	(238,119)
Profit before tax	127,478	130,025	7,571	135,049	137,596
Income tax expense	(21,094)	(21,094)	(1,666)	(22,760)	(22,760)
Profit for the year	106,384	108,931	5,905	112,289	114,836

Extract from the statements of cash flows for the year ended 31 March 2020

Profit before tax	127,478	130,025	7,571	135,049	137,596
Decrease/ (Increase) in trade receivables and contract assets	(58,377)	(58,377)	(317)	(58,694)	(58,694)
Decrease/ (Increase) in trade and other payables	(122,239)	(122,239)	(7,254)	(129,493)	(129,493)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.5 Computation of deferred taxation

The Group noted that there was an incorrect computation of the deferred taxation expense and provision thereon for the previous years. This was corrected by restating the affected financial statement line item for prior periods as per below

Extract from the statements of financial position.

	As previously reported		Cumulative adjustments to March 2020			Restated	Restated
As at 31 March 2020	**Group**	**Company**				**Group**	**Company**
	P'000	**P'000**	Opening	Current year	Total	**P'000**	**P'000**
Deferred tax assets	8,237	8,237	11,914	1,389	13,303	21,540	21,540
Accumulated profits	1,294,875	1,293,264	11,914	1,389	13,303	1,308,178	1,306,567

	As previously reported			Restated	Restated
As at 31 March 2019	**Group**	**Company**		**Group**	**Company**
	P'000	**P'000**	Adjustments	**P'000**	**P'000**
Deferred tax assets	27,502	27,502	11,914	39,416	39,416
Accumulated profits	1,261,392	1,261,392	11,914	1,273,306	1,273,306

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported		Adjustments	Restated	Restated
	Group 2020	**Company 2020**		**Group 2020**	**Company 2020**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Income tax expense	(21,094)	(21,094)	1,389	(19,705)	(19,705)
Profit before tax	127,478	130,025	1,389	128,867	131,414

There was no impact on the statements of cash flows for the year ended 31 March 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.6 De-recognition and recognition of fixed assets

As per accounting policy, the Group performs a comprehensive revaluation of land and buildings every three years. During the current year revaluation the Group identified that several assets that were included in the fixed asset register were either not owned by BTCL (leased assets), or assets that could not be physically identied (existence) or their ownership could not be readily ascertained due to unavailability of title documents. On completion of the exercise, assets to the value of P7.8 million were ring-fenced as not being owned by the Group and therefore should be de-recognised.

Total assets amounting to P35 million in the detailed asset register, which were revalued in 2018 however the values were not captured in the General Ledger but their depreciation was correctly recognised. To correct this, the revaluation amount was processed to the revaluation reserve and fixed assets.

Extract from the statements of financial position.

As at 31 March 2020	As previously reported Group P'000	As previously reported Company P'000	Cumulative adjustments to March 2020 Opening	Current year	Total	Restated Group P'000	Restated Company P'000
Property, plant and equipment	1,522,918	1,522,918	27,453		27,453	1,550,371	1,550,371
Deferred tax assets	8,237	8,237	(6,040)		(6,040)	2,197	2,197
Revaluation reserve	320,092	320,092	27,511		27,511	347,603	347,603
Accumulated profits	1,294,875	1,293,264	(6,098)	-	(6,098)	1,288,777	1,287,166

As at 31 March 2019	As previously reported Group P'000	As previously reported Company P'000	Adjustments	Restated Group P'000	Restated Company P'000
Property, plant and equipment	1,590,979	1,590,979	27,453	1,618,432	1,618,432
Deferred tax assets	27,502	27,502	(6,040)	21,462	21,462
Revaluation reserve	340,683	340,683	27,511	368,194	368,194
Accumulated profits	1,261,392	1,261,392	(6,098)	1,255,294	1,255,294

There was no impact on both the statements of profit or loss and other comprehensive income and the statements of cash flows for the year ended 31 March 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.7 Recognition of the Impairment losses and gains on financial assets and contract assets as a separate line item

The accounting standard requires impairment losses (including reversals of impairment losses or impairment gains) to be presented on the face of the statement of profit or loss. The Group has been presenting these as part of financial charges under the operating expenses account line. This error has been corrected by reclassifying from other expenses to a separate line on the face of the profit or loss.

Extract from the statements of financial position.

There was no impact on the 2020 and 2019 financial years

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group 2020 P'000	**Company 2020 P'000**	Adjustments **P'000**	**Group 2020 P'000**	**Company 2020 P'000**
Impairment losses and gains on financial assets and contract assets	-	-	(19,061)	(19,061)	(19,061)
Other expenses	(247,887)	(245,373)	19,061	(228,826)	(226,312)

Extract from the statements of cash flows for the year ended 31 March 2020

Impairment losses and gains on financial assets and contract assets	-	-	19,061	19,061	19,061
Decrease in trade and other receivables,contract assets and prepayments	(58,377)	(58,377)	(19,061)	(77,438)	(77,438)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.8 Disclosure of interest income and expense on the cash flow statements

In the prior year statement of cashflows, interest income and interest expense recognised in the profit or loss were not added back or deducted as non-cash items before arriving at operating cashflows before working capital changes.

In addition, the interest on the repayment of finance lease liabilities was disclosed in the statement of cash flows under financing activities aggregated with the payment of principal portion of finance lease liabilities. The actual interest paid should have been separately disclosed. The incorrect disclosure of the above has therefore resulted in the following restatement below:

Extract from the statements of financial position.

There was no impact on the 2020 and 2019 financial years

Extract from the statements of profit or loss and other comprehensive income for the year ended 31 March 2020

There was no impact on the 2020 financial year

Extract from the statements of cash flows for the year ended 31 March 2020

	As previously reported			Restated	Restated
	Group	**Company**	Adjustments	**Group**	**Company**
	P'000	**P'000**	**P'000**	**P'000**	**P'000**
Interest income	-	-	(7,303)	(7,303)	(7,303)
Interest expense	-	-	9,494	9,494	9,494
Operating cash flow before working capital changes	320,122	318,511	2,191	322,313	320,702
Interest income	(7,303)	(7,303)	7,303	-	-
Interest expense	9,494	9,494	(9,494)	-	-
Cash generated from operations	144,844	143,233	(2,191)	142,653	141,042
Cash flows from financing activities:					
Interest paid	-	-	(9,527)	(9,527)	(9,527)
Payment of lease liabilities	(18,970)	(18,970)	9,527	(9,443)	(9,443)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.9 Summary of prior period restatements

The cumulative impact of the above prior year restatements is presented below:

a. Overall Impact of correction of the errors from note 24.1 to 24.8 on the statements of financial position as at 31 March 2020

	As previously reported				
	Group 2020	Company 2020	Opening Adjustments	24.1	24.2
	P'000	P'000	P'000	P'000	P'000
ASSETS					
Non-current assets					
Property, plant and equipment	1,522,918	1,522,918	27,453	-	-
Intangible assets	231,922	231,922	-	-	-
Right of use assets	134,362	134,362	-	-	-
IRU asset	-	-	534,932	-	(38,209)
Deferred tax assets	8,237	8,237	11,352	(3,085)	3,552
	1,897,439	1,897,439	573,737	(3,085)	(34,657)
Current assets					
Inventories	49,256	49,256	-	-	-
Trade and other receivables	464,346	464,346	(220,879)	14,024	(27,300)
Contract assets	19,512	19,512	-	-	-
Income tax receivable	13,100	13,100	-	-	-
Cash and cash equivalents	119,700	118,089	-	-	-
	665,914	664,303	(220,879)	14,024	(27,300)
Total assets	2,563,353	2,561,742	352,858	10,939	(61,957)
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	478,892	478,892	-	-	-
Revaluation reserve	320,092	320,092	27,511	-	-
Accumulated profits	1,294,875	1,293,264	(13,606)	10,939	(12,593)
	2,093,859	2,092,248	13,905	10,939	(12,593)
Non current liabilities					
Development grants	28,301	28,301	-	-	-
Lease liabilities	132,570	132,570	-	-	-
IRU liability	-	-	289,589	-	(52,723)
Deferred tax liability	-	-	-	-	-
Employee related provisions	12,622	12,622	-	-	-
	173,493	173,493	289,589	-	(52,723)
Current liabilities					
Trade and other payables	192,288	192,288	-	-	-
Contract liabilities	33,357	33,357	-	-	-
Lease liabilities	16,409	16,409	-	-	-
IRU liability	-	-	49,364	-	3,359
Current portion of development grants	29,862	29,862	-	-	-
Current portion of employee related provisions	24,085	24,085	-	-	-
	296,001	296,001	49,364	-	3,359
Total equity and liabilities	2,563,353	2,561,742	352,858	10,939	(61,957)

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For the year ended 31 March 2021

24.3 P'000	24.4 P'000	24.5 P'000	24.6 P'000	24.7 P'000	24.8 P'000	Total adjustments P'000	Restated Group 2020 P'000	Restated Company 2020 P'000
-	-	-	-	-	-	27,453	1,550,371	1,550,371
-	-	-	-	-	-	-	231,922	231,922
10,267	-	-	-	-	-	10,267	144,629	144,629
-	-	-	-	-	-	496,723	496,723	496,723
(1,345)	(1,666)	1,389	-	-	-	10,197	18,434	18,434
8,922	(1,666)	1,389	-	-	-	544,640	2,442,079	2,442,079
-	-	-	-	-	-	-	49,256	49,256
-	(6,534)	-	-	-	-	(240,689)	223,657	223,657
-	6,851	-	-	-	-	6,851	26,363	26,363
-	-	-	-	-	-	-	13,100	13,100
-	-	-	-	-	-	-	119,700	118,089
-	317	-	-	-		(233,838)	432,076	430,465
8,922	(1,349)	1,389	-	-	-	310,802	2,874,155	2,872,544
-	-	-	-	-	-	-	478,892	478,892
-	-	-	-	-	-	27,511	347,603	347,603
4,770	5,905	1,389	-	-	-	(3,196)	1,291,679	1,290,068
4,770	5,905	1,389	-	-	-	24,315	2,118,174	2,116,563
-	-	-	-	-	-	-	28,301	28,301
10,211	-	-	-	-	-	10,211	142,781	142,781
-	-	-	-	-	-	236,866	236,866	236,866
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	12,622	12,622
10,211	-	-	-	-	-	247,077	420,570	420,570
-	-	-	-	-	-	-	192,288	192,288
-	(7,254)	-	-	-	-	(7,254)	26,103	26,103
(6,059)	-	-	-	-	-	(6,059)	10,350	10,350
-	-	-	-	-	-	52,723	52,723	52,723
-	-	-	-	-	-	-	29,862	29,862
-	-	-	-	-	-	-	24,085	24,085
(6,059)	(7,254)	-	-	-	-	39,410	335,411	335,411
8,922	(1,349)	1,389	-	-	-	310,802	2,874,155	2,872,544

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.9 Summary of prior period restatements (Continued)

The cumulative impact of the above prior year restatements is presented below:

b. Overall Impact of correction of the errors from note 24.1 to 24.8 on the statements of financial position as at 31 March 2019

	As previously reported				
	Group 2019	Company 2019	24.1	24.2	24.3
	P'000	P'000	P'000	P'000	P'000
ASSETS					
Non-current assets					
Property, plant and equipment	1,590,979	1,590,979	-	-	-
Intangible assets	-	153,715	-	-	-
Right of use assets	-	-	-	-	-
IRU asset	-	-	-	534,932	-
Deferred tax assets	27,502	27,502	3,053	2,425	-
	1,772,196	1,772,196	3,053	537,357	-
Current assets					
Inventories	54,594	54,594	-	-	-
Trade and other receivables	409,280	409,280	(13,879)	(207,000)	-
Contract assets	21,940	21,940	-	-	-
Income tax receivable	12,013	12,013	-	-	-
Cash and cash equivalents	305,456	305,456	-	-	-
	803,283	803,283	(13,879)	(207,000)	-
Total assets	2,575,479	2,575,479	(10,826)	330,357	-
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	478,892	478,892	-	-	-
Revaluation reserve	340,683	340,683	-	-	-
Accumulated profits	1,261,392	1,261,392	(10,826)	(8,596)	-
	2,080,967	2,080,967	(10,826)	(8,596)	-
Non current liabilities					
Development grants	58,368	58,368	-	-	-
Lease liabilities	-	-	-	-	-
IRU liability	-	-	-	289,589	-
Employee related provisions	36,951	36,951	-	-	-
	95,319	95,319	-	289,589	-
Current liabilities			-		
Trade and other payables	322,053	322,053	-	-	-
Contract liabilities	20,030	20,030	-	-	-
Lease liabilities	-	-	-	-	-
IRU liability	-	-	-	49,364	-
Current portion of development grants	29,657	29,657	-	-	-
Current portion of employee related provisions	27,453	27,453	-	-	-
	399,193	399,193	-	49,364	-
Total equity and liabilities	2,575,479	2,575,479	(10,826)	330,357	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24.4 P'000	24.5 P'000	24.6 P'000	24.7 P'000	24.8 P'000	Total adjustments P'000	Restated Group 2019 P'000	Restated Company 2019 P'000
–	–	27,453	–	–	27,453	1,618,432	1,618,432
–	–	–	–	–	–	153,715	153,715
–	–	–	–	–	–	–	
–	–	–	–	–	534,932	534,932	534,932
–	11,914	(6,040)	–	–	11,352	38,854	38,854
–	11,914	21,413	–	–	573,737	2,345,933	2,345,933
–	–	–	–	–	–	54,594	54,594
–	–	–	–	–	(220,879)	188,401	188,401
–	–	–	–	–	–	21,940	21,940
–	–	–	–	–	–	12,013	12,013
–	–	–	–	–	–	305,456	305,456
–	–	–	–	–	(220,879)	582,404	582,404
–	11,914	21,413	–	–	352,858	2,928,337	2,928,337
–	–	–	–	–	–	478,892	478,892
–	–	27,511	–	–	27,511	368,194	368,194
–	11,914	(6,098)	–	–	(13,606)	1,247,786	1,247,786
–	11,914	21,413	–	–	13,905	2,094,872	2,094,872
–	–	–	–	–	–	58,368	58,368
–	–	–	–	–	–	–	
–	–	–	–	–	289,589	289,589	289,589
–	–	–	–	–	–	36,951	36,951
–	–	–	–	–	289,589	384,908	384,908
–	–	–	–	–	–	322,053	322,053
–	–	–	–	–	–	20,030	20,030
–	–	–	–	–	–	–	–
–	–	–	–	–	49,364	49,364	49,364
–	–	–	–	–	–	29,657	29,657
–	–	–	–	–	–	27,453	27,453
–	–	–	–	–	49,364	448,557	448,557
–	11,914	21,413	–	–	352,858	2,928,337	2,928,337

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.9 Summary of prior period restatements

The cumulative impact of the above prior year restatements is presented below:

c. Overall impact of correction of errors from note 24.1 to note 24.8 on the statements of profit and loss and other comprehensive income for the year ended 31 March 2020

	As previously reported				
	Group 2020 P'000	**Company 2020 P'000**	24.1 **P'000**	24.2 **P'000**	24.3 **P'000**
Revenue from contracts with customers	1,396,360	1,396,360	13,766	-	-
Cost of services and goods sold	(616,652)	(616,652)	-	4,491	7,000
Gross profit	779,708	779,708	13,766	4,491	7,000
Interest income	7,303	7,303	-	-	-
Interest expense	(9,494)	(9,494)	-	(20,636)	(885)
		-	-	-	-
Other income	31,967	31,967	-	-	-
Selling and distribution costs	(25,385)	(25,359)	-	-	-
Administrative expenses	(408,734)	(408,727)	-	-	-
Impairment losses and gains on financial assets and contract assets	-	-	258	-	-
Other expenses	(247,887)	(245,373)	-	-	-
Profit before tax	127,478	130,025	14,024	(16,145)	6,115
Income tax expense	(21,094)	(21,094)	(3,085)	3,552	(1,345)
Profit for the year	106,384	108,931	10,939	(12,593)	4,770
Basic and diluted earnings per share (Thebe)	10	10	1.0	(1.2)	0.5

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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24.4 P'000	24.5 P'000	24.6 P'000	24.7 P'000	24.8 P'000	Total adjustments P'000	Restated Group 2020 P'000	Restated Company 2020 P'000
6,851	-	-	-	-	20,617	1,416,977	1,416,977
(6,534)	-	-	-	-	4,957	(611,695)	(611,695)
317	-	-	-		25,574	805,282	805,282
-	-	-	-	-	-	7,303	7,303
-	-	-	-	-	(21,521)	(31,015)	(31,015)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	31,967	31,967
-	-	-	-	-	-	(25,385)	(25,359)
-	-	-	-	-	-	(408,734)	(408,727)
-	-	-	(19,061)	-	(18,803)	(18,803)	(18,803)
7,254	-	-	19,061	-	26,315	(221,572)	(219,058)
7,571	-	-	-	-	11,565	139,043	141,590
(1,666)	1,389	-	-	-	(1,155)	(22,249)	(22,249)
5,905	1,389	-	-	-	10,410	116,794	119,341
0.6	0.1	-	-	-	1.0	11	11

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

24 CORRECTION OF PRIOR PERIOD ERRORS (Continued)

24.9 Summary of prior period restatements

The cumulative impact of the above prior year restatements is presented below:

d. Overall impact of correction of errors from note 24.1 to note 24.8 on the statements of statement of cashflows for the year ended 31 March 2020

	As previously reported Group 2020 P'000	Company 2020 P'000	24.1 P'000	24.2 P'000	24.3 P'000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Profit before tax	127,478	130,025	14,024	(16,145)	6,115
Adjustment for non cash movements:					
Impairment losses and gains on financial assets and contract assets	-	-	(258)	-	-
Depreciation of property, plant and equipment	184,958	184,958	-	-	-
Amortisation of intangible assets	34,361	34,361	-	-	-
Interest income	-	-	-	-	-
Interest expense	-	-	-	20,636	885
Depreciation on right of use assets	21,774	21,774	-	-	498
Amortisation of IRU	8,494	8,494	-	29,715	-
Profit on disposal of property, plant and equipment	(2,105)	(2,105)	-	-	-
Movement in other reserves**	4,158	-	-	-	-
Exchange gain	(1,437)	(1,437)	-	-	-
Development grant recognised as income	(29,862)	(29,862)	-	-	-
Movement in provisions	(27,697)	(27,697)	-	-	-
			-	-	-
Operating cash flow before working capital changes	320,122	318,511	13,766	34,206	7,498
Working capital adjustments:					
Decrease in inventories	5,338	5,338			
Increase in trade and other receivables,contract assets and prepayments	(58,377)	(58,377)	(13,766)	72,795	-
Decrease/ (increase) in trade and other payables and contract liabilities	(122,239)	(122,239)	-	(11,667)	(5)
Cash generated from operations	144,844	143,233	-	95,334	7,493
Interest income	(7,303)	(7,303)	-	-	-
Interest expense	9,494	9,494	-	-	-
Ordinary dividend paid to shareholders	(93,089)	(93,089)	-	-	-
Net Income tax received/(paid)	(2,076)	(2,076)	-	-	-
Net cash from operating activities	51,870	50,259	-	95,334	7,493
CASH FLOWS USED IN INVESTING ACTIVITIES:					
Investment to expand operations:					
Purchase of property, plant and equipment	(117,400)	(117,400)	-	-	-
Purchase of intangible assets	(112,568)	(112,568)	-	-	-
Proceeds from disposal of property, plant and equipment	2,608	2,608	-	-	-
Interest income received	10,427	10,427	-	-	-
Net cash used in investing activities	(216,933)	(216,933)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest paid	-	-	-	(22,850)	-
Payment of lease liabilities	(18,970)	(18,970)	-	-	(7,493)
Payment of IRU liability	-	-	-	(72,484)	-
Net cash from financing activities	(18,970)	(18,970)	-	(95,334)	(7,493)
Increase / (decrease) in cash and cash equivalents	(184,033)	(185,644)	-	-	-
Net foreign exchange difference on cash and cash equivalents	(1,723)	(1,723)	-	-	-
Cash and cash equivalents at beginning of the year	305,456	305,456	-	-	-
Cash and cash equivalents at end of the year	119,700	118,089	-	-	-

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For the year ended 31 March 2021

24.4 P'000	24.5 P'000	24.6 P'000	24.7 P'000	24.8 P'000	Total adjustments P'000	Restated Group 2020 P'000	Restated Company 2020 P'000
7,571	-	-	-	-	11,565	139,043	141,590
-	-	-	19,061	-	18,803	18,803	18,803
-	-	-	-	-	-	184,958	184,958
-	-	-	-	-	-	34,361	34,361
-	-	-	-	(7,303)	(7,303)	(7,303)	(7,303)
-	-	-	-	9,494	31,015	31,015	31,015
-	-	-	-	-	498	22,272	22,272
-	-	-	-	-	29,715	38,209	38,209
-	-	-	-	-	-	(2,105)	(2,105)
-	-	-	-	-	-	4,158	-
-	-	-	-	-	-	(1,437)	(1,437)
-	-	-	-	-	-	(29,862)	(29,862)
-	-	-	-	-	-	(27,697)	(27,697)
-	-	-	-	-			
7,571	-	-	19,061	2,191	84,293	404,415	402,804
					-	5,338	5,338
(317)	-	-	(19,061)	-	39,651	(18,726)	(18,726)
(7,254)	-	-	-	-	(18,926)	(141,165)	(141,165)
-	-	-	-	2,191	105,018	249,862	248,251
-	-	-	-	7,303	7,303	-	-
-	-	-	-	(9,494)	(9,494)	-	-
-	-	-	-	-	-	(93,089)	(93,089)
-	-	-	-	-	-	(2,076)	(2,076)
-	-	-	-	-	102,827	154,697	153,086
-	-	-	-	-	-	(117,400)	(117,400)
-	-	-	-	-	-	(112,568)	(112,568)
-	-	-	-	-	-	2,608	2,608
-	-	-	-	-	-	10,427	10,427
-	-	-	-	-	-	(216,933)	(216,933)
-	-	-	-	(9,527)	(32,377)	(32,377)	(32,377)
-	-	-	-	9,527	2,034	(16,936)	(16,936)
-	-	-	-	-	(72,484)	(72,484)	(72,484)
-	-	-	-	-	(102,827)	(121,797)	(121,797)
-	-	-	-	-	-	(184,033)	(185,644)
-	-	-	-	-	-	(1,723)	(1,723)
-	-	-	-	-	-	305,456	305,456
-	-	-	-	-	-	119,700	118,089

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For the year ended 31 March 2021

25 RELATED PARTY TRANSACTIONS

Relationships

Shareholder with 54.16% ownership	Government of Botswana
Members of the Board of Directors	Refer to General information Page
Members of Key management	Anthony Masunga
	Boitumelo Paya (Appointed 3 April 2020)
	Aldrin Sivako
	Edward Wicks
	Abel Bogatsu
	Peter Olyn
	Lebudi Kgetse
	Same Kgosiemang
	Boitumelo Masoko
	Mmamotse Wilkinson
	Sidney Mganga
	Malebogo Mosinyi
	Nelson Disang
	Kutlo Mokgosana

Directors, Management and employees shareholdings

The Group has employees who hold shares that were purchased on the open market. 814 488 shares (Mar 2020: 814 488) were held by certain members of the Board of Directors and 508 700 (Mar 2020: 308 700) shares were held by certain members of key management.

Trading transactions

The following related party transactions were based on agreed prices as per signed contracts:

	Billing		Balance due	
	2021 P'000	2020 P'000	2021 P'000	2020 P'000
Sales and outstanding balances due from related parties				
The Government of the Republic of Botswana	376,057	378,860	106,645	116,253
Parastatals	130,366	122,587	40,873	19,625
	506,423	501,447	147,518	135,878
Purchases and outstanding balances due to related parties				
Parastatals	302,937	364,314	17,900	26,094

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

25 RELATED PARTY TRANSACTIONS (Continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are the rendering or receiving of services between a party related to the Group. In general BTC uses a cost plus a variable margin in the pricing model applied. Outstanding balances at the year end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 March 2021, the Group recognised provision for expected credit losses of P8 019 310 relating to amounts owed by related parties (2020: P2 492 422). The Impairment losses and gains on financial assets and contract assets was P5 526 888 (2020: P409 692).

BTC Foundation Corporate Social Investment

BTC established the BTC Foundation in 2014 to coordinate and deliver the Group's Corporate Social Investment initiatives. The Foundation is governed by a Board of Trustees. Their main focus is to support community projects that are aligned to the following focus areas; health, sports development; education, arts and culture. During the year under review, BTC did not donate to the Foundation (March 2020: NIL). As at 31 March 2021, the foundation had an unexpended cash balance of P533,850 (March 2020: P1 611 552).

Individually significant transactions

Global Connectivity projects (EASSY and WACS)

The Government of Botswana owes BTC P9,455,478 (Mar 2020: P9,455,478) for payments which were made on behalf of the Government towards procuring the Indefeasible right of use (IRU). BTC is now leasing network capacity from BoFiNet on agreed upon prices per signed contract. The balance is disputed and the amount has been fully impaired as at 31 March 2015 as per the requirements of IAS 24.18.

BoFiNet (Botswana Fibre Network)

BoFiNet is a wholesale provider of national and international telecommunication infrastructure and has offered BTC an IRU worth P340 million for 10 years up to 2024. The P340 million has been fully paid.

In the 2019 financial year, BTC entered into a second 15 year IRU agreement with BoFiNet for P555 million. A discount of P98 million was obtained and payment terms agreed for the P457 million up to 2029 . Unlike the first IRU, this particular agreement gives BTC unlimited capacity up to an aggregate of 300Gbps.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

25 RELATED PARTY TRANSACTIONS (Continued)

BoFiNet (Botswana Fibre Network) - (Continued)

25.1 IRU liability
Group and Company

A financial liability equiavalent to the fair value of the discounted future payments to 2029 was recognised under the second agreement and will be written over the agreement with payments made as per agreed payment plan. Interest expense is to be recognised in the profit and loss over period.

As the first agreement was fully paid for, no liability has been recognised.

	2021 P'000	Restated 2020 P'000
At beginning of the year	289,589	338,953
Repayments during the year	(70,000)	(70,000)
Accretion of interest	17,277	20,636
As at end of the year	236,866	289,589
Comprising:		
Current liabilities	56,389	52,723
Non-current liabilities	180,477	236,866
	236,866	289,589

25.2 IRU asset

Group and Company

The second agreement was negotiated over the first agreement therefore inextricably interwoven. The Group evaluated that the second IRU replaced the first agreement and accordingly a single asset was recognised comprising the fair value of the liability recognised and the remaining un-amortised cost emanating from the first agreement.

The asset recognised is amortised on a straight-line basis over the 15-year period during which the agreement is effective.

	2021 P'000	Restated 2020 P'000
At beginning of the year	496,723	534,932
Amortisation during the year	(38,209)	(38,209)
At end of the year	458,514	496,723

BoFiNet services licensed telco Operators both Nationally and Internationally. Botswana Government has acquired stakes in the EASSy and WACS submarine cables, which are managed by BoFiNet.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

25 RELATED PARTY TRANSACTIONS (Continued)

	2021 P'000	2020 P'000
Compensation of key management personnel		
Compensation	19,267	18,722
	19,267	18,722

The remuneration for key management staff is determined by the Human Resource Remuneration and Nominations Committee.

The non-executive members of the Board do not receive pension entitlement from the Group.

Directors' Interests
Emoluments per director (in Pula) (2021)

Director	Fees	Remuneration	Bonus	Fringe and other benefits	Total
Anthony Masunga (Managing Director)	-	2,455,345	-	27,816	2,483,161
Lorato Boakgomo-Ntakhwana	195,000	-	-	-	195,000
Maclean Letshwiti	125,000	-	-	-	125,000
Choice Pitso	37,000	-	-	-	37,000
Serty Leburu	115,000	-	-	-	115,000
Andrew Reginald Johnson	145,000	-	-	-	145,000
Ranjith Priyalal De Silva	187,000	-	-	-	187,000
Bafana Molomo	185,000	-	-	-	185,000
Thari Pheko	135,000	-	-	-	135,000
Gaone Macholo	72,000	-	-	-	72,000
Total emoluments paid	1,196,000	2,455,345	-	27,816	3,679,161

Directors' Interests
Emoluments per director (in Pula) (2020)

Director	Fees	Remuneration	Bonus	Fringe and other benefits	Total
Anthony Masunga (Managing Director)	-	2,023,898	113,927	191,221	2,329,046
Lorato Boakgomo-Ntakhwana	229,000	-	-	-	229,000
Maclean Letshwiti	115,000	-	-	-	115,000
Choice Pitso	98,000	-	-	-	98,000
Serty Leburu	155,000	-	-	-	155,000
Andrew Reginald Johnson	118,000	-	-	-	118,000
Ranjith Priyalal De Silva	275,000	-	-	-	275,000
Bafana Molomo	165,000	-	-	-	165,000
Thari Pheko	130,000	-	-	-	130,000
Total emoluments paid	1,285,000	2,023,898	113,927	191,221	3,614,046

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT

26.1 Financial risk management objectives and policies

The Group's principal financial liabilities are trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Exposure to currency, liquidity, interest rate and credit risk arises in the normal course of the Group's business.

26.2 Currency risk:

The Group undertakes certain transactions denominated in foreign currencies with international operators and other foreign suppliers. Hence, exposure to exchange rate fluctuations arise. The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows (the analysis below gives a combined impact of assets and liabilities):

March 2021	AUD	EUR	USD	ZAR	GBP	BWP	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Closing exchange rate	0.1305	0.0735	0.0865	1.2905	15.8575	1.0000	
Trade Payables	-	7,089	30,049	2,044	76	48,043	87,301
Interconnection balances	-	169	1,917	-		5,556	7,642
Total Liabilities	**-**	**7,258**	**31,966**	**2,044**	**76**	**53,599**	**94,943**
Interconnect balances	-	7	12,371	-		1,709	14,087
Total assets	**-**	**7**	**12,371**	**-**		**1,709**	**14,087**
Net Position	**-**	**7,251**	**19,595**	**2,044**	**76**	**51,890**	**80,856**

March 2020 (Restated)	AUD	EUR	USD	ZAR	GBP	BWP	Total
	P'000	P'000	P'000	P'000	P'000	P'000	P'000
Closing exchange rate	0.1305	0.0785	0.0810	1.4610	1.0000	1.0000	
Trade Payables	84	-	22,103	611	-	51,720	74,518
Interconnection balances	-	-	1,650	-	-	6,626	8,276
Total Liabilities	**84**	**-**	**23,753**	**611**	**-**	**58,346**	**82,794**
Interconnect balances	-	-	14,411	-	-	30,993	45,404
Total assets	**-**	**-**	**14,411**	**-**	**-**	**30,993**	**45,404**
Net Position	**84**	**-**	**9,342**	**611**	**-**	**27,353**	**37,390**

The Group's currency risk exposure emanates from liabilities that were yet to be settled as at year end and mainly cash holdings denominated in foreign currencies.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.3 Foreign Currency sensitivity analysis

The Group is mainly exposed to the currencies of South Africa (Rand), the United States (US Dollar) and the European Union (Euro).

The following table details the Group's sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit.

The analysis below gives a combined impact of assets and liabilities.

Pre Tax Profit/(Loss)		Restated
	2021	2020
10% decrease	P'000	P'000
Rand	(204)	(61)
United States Dollar	(1,960)	(934)
Australian Dollar	-	(8)
Net Effect	**(2,164)**	**(1,003)**
10% increase		
Rand	204	61
United States Dollar	1,960	934
Australian Dollar	-	8
Net Effect	**2,164**	**1,003**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.4 Credit Risk

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

Trade receivables

The Group applied the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on days past due.

In determining the level of likely credit losses on write-off of trade receivables, the Group has taken cognisance of historical collections from external debt collection processes and delayed settlement arrangements with debtors, as well as the impact which the expected future development of macro-economic indicators (specifically the impact of COVID-19) may have on future collection and default rates.

At 31 March 2021, the ECL provision was P148 916 000 (Mar 2020: P238 116 000)

Trade receivables are considered irrecoverable where;

- the customer has not made any payment within 150 days from the date of invoice (at which stage amounts are considered in full default),
- no alternative payment arrangements have been made, or if made, are not being adhered to by the customer;
- alternative collection efforts (mainly through external debt collection agencies) have failed and;
- the amounts in question are disputed.

Cash & cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The credit risk on liquid funds is low because the counterparties are commercial banks with high credit ratings assigned by international credit-rating agencies.

Significant concentrations of credit risk

The Group does have significant credit risk exposure to single counterparties or groups of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities and this includes sectors such Corporate clients, Government clients, etc. The credit risk related to these counterparties or groups of counterparties is however limited since the counterparties are Government agencies or businesses possessing an implied high credit ratings.

Below is the significant concentration of credit risk per counterparty:
Government agencies: P79 927 489 (2020: P60,514,202)
Short term deposits with financial institutions: P223 505 506 (2020: P84,388,765)

The carrying amount of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. The Group holds no collateral with which to secure its financial assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.4 Credit Risk (Continued)

Group **Financial assets and other credit exposures (Not rated)**	**2021** **P'000**	**Restated** **2020** **P'000**
Trade debtors including those from related parties	345,100	475,912
Short term call deposits	223,506	84,389
Cash and bank	140,300	35,311
	708,906	595,612

Company **Financial assets and other credit exposures (Not rated)**	**2021** **P'000**	**Restated** **2020** **P'000**
Trade debtors including those from related parties	345,100	475,912
Short term call deposits	223,506	84,389
Cash and bank	139,767	33,700
	708,373	594,001

26.5 Financial instruments designated at fair value through profit and loss

At the reporting date the Group held no financial instruments designated at fair value through profit and loss (FVTPL).

26.6 Financial assets held or pledged as collateral

At the reporting date the Group held $60,000 received from a counterparty as security for potential bad debts. The Group had not pledged any of its financial assets as collateral.

26.7 Interest income by financial instrument category

Group and Company	**Financial assets at amortised cost** **P'000**
2021	
Interest income	6,360
Interest income	**6,360**
2020 (Restated)	
Interest income	7,303
Interest income	**7,303**

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.8 Liquidity and interest risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Management has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Group's expected maturity for its financial assets. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets except where the Group anticipates that the cash flow will occur in a different period.

Financial Assets	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	Total P'000
2021				
Trade and other receivables	106,660	79,605	158,835	345,100
	106,660	79,605	158,835	345,100
2020 (Restated)				
Trade and other receivables	111,035	73,016	268,546	452,597
	111,035	**73,016**	**268,546**	**452,597**

The following table details the Group's remaining contractual maturity of its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Financial Liabilities 2021	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	1 - 5 years P'000	5+ years P'000	Total P'000
Trade and other payables	-	251,184	-	-		251,184
IRU liability	-	17,500	52,500	157,800	52,200	280,000
Lease liabilities	2,129	6,356	16,726	72,402	101,778	199,391
	2,129	**275,040**	**69,226**	**230,202**	**153,978**	**730,575**

Financial Liabilities 2020 (Restated)	Less than 1 month P'000	1 - 3 months P'000	3 months to 1 year P'000	1 - 5 years P'000	5+ years P'000	Total P'000
Trade and other payables	-	195,066	-	-	-	195,066
IRU liability	-	17,500	52,500	210,400	69,600	350,000
Lease liabilities	2,139	6,411	17,376	84,141	115,251	225,318
	2,139	**218,977**	**69,876**	**294,541**	**184,851**	**770,384**

The Group maintains an overdraft facility with Standard Chartered Bank Botswana Limited. At 31 March 2021, the Group had cash and cash equivalents of P323 million (2020: P120 million).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.9 Interest rate sensitivity analysis

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relate to the fixed deposits and call deposits with financial institutions.

To manage interest rate risk, the Group enters into fixed deposits with financial institutions, in which the Group accrues interest at specified intervals.

The table below has been determined based on the exposure of financial instruments to interest rates at the reporting date. For variable rate assets, the analysis is prepared assuming the amount of the assets held at the reporting date was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If the market interest rates had been 1% higher/lower and all other variables were held constant, the change in the Group's profit and equity reserves would be as shown in the table below:

		Increase/ (decease) in pre tax profit/ (loss) for the year
2021		**P'000**
Interest rate risk		
Change in interest rate	+1%	2,235
	-1%	(2,235)
2020 (Restated)		
Interest rate risk		
Change in interest rate	+1%	844
	-1%	(844)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

26 FINANCIAL RISK MANAGEMENT (Continued)

26.10 Fair values

Set out below is a comparison, by class, of the carrying amount and fair values of the Group's financial instruments:

2021	**Group**		**Company**	
Financial assets	Carrying amount **P'000**	Fair value **P'000**	Carrying amount **P'000**	Fair value **P'000**
Trade and other receivables	310,084	310,084	310,084	310,084
Contract assets	35,016	35,016	35,016	35,016
Cash and cash equivalents	363,806	363,806	363,273	363,273
	708,906	708,906	708,373	708,373
Financial liabilities				
Trade and other payables	251,184	251,184	251,183	251,183
IRU liability	236,866	236,866	236,866	236,866
Contract liabilities	19,534	19,534	19,534	19,534
Lease liabilities	142,780	142,780	142,780	142,780
	650,364	650,364	650,363	650,363
2020 (Restated)				
Financial assets	Carrying amount **P'000**	Fair value **P'000**	Carrying amount **P'000**	Fair value **P'000**
Trade and other receivables	449,549	449,549	449,549	449,549
Contract assets	26,363	26,363	26,363	26,363
Cash and cash equivalents	119,700	119,700	118,089	118,089
	595,612	595,612	594,001	594,001
Financial liabilities				
Trade and other payables	192,288	192,288	192,288	192,288
IRU liability	289,589	289,589	289,589	289,589
Contract liabilities	26,103	26,103	26,103	26,103
Lease liabilities	153,131	153,131	153,131	153,131
	661,111	661,111	661,111	661,111

Management assesed that the fair value of cash and cash equivalents and short term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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For the year ended 31 March 2021

27 FAIR VALUE HIERACHY

The revalued land and buildings consist of:

1. Commercial properties (including certain urban network sites), light industrial and residential properties in the major urban areas in Botswana, and
2. Network sites located outside of the major urban areas in Botswana.

During the year under review the Directors revalued the Group's Land and Buildings. The 2021 revaluation of land and buildings was conducted in accordance with BTC's accounting policies as at 31 March 2021 by Vantage Properties (Proprietary) Limited, a real estate research and consulting firm registered with the Real Estates Institute of Botswana and Real Estates Advisory Council.

Scope of works required that BTC Properties be valued on the basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. The valuation covered both remote and physical inspections.

In terms of the company policy land and buildings are revalued every 3 years. The valuation covers the four existing categories of land and buildings namely land, land improvements, buildings and building improvements. Valuation is performed separately for each category.

Management determined that these constitute one class of assets under IFRS 13, based on the nature, location (urban vs rural) and conditions of the specific property. Fair value of the properties was determined using the comparable market valuation method. As at the date of revaluation on 31 March 2021, the properties fair values were based on valuations performed by Vantage Properties (Proprietary) Limited, a real estate research and consulting firm with experience in valuing similar properties in Botswana.

The 2021 revaluation of land and buildings was conducted in accordance with BTC's accounting policies as at 31 March 2021 by Vantage Properties (Proprietary) Limited. Vantage Properties is a registered valuer with the Real Estate Institude of Botswana.

Scope of works required that BTC Properties be valued on the basis of open market value, forced sale value, insurance replacement cost and the leasehold interest in the properties as at the valuation date. The valuation covered both remote and physical inspections. In terms of the company policy land and buildings are revalued every 3 years. The valuation covers the four existing categories of land and buildings namely land, land improvements, buildings and building improvements. Valuation is performed separately for each category.

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27 FAIR VALUE HIERACHY (Continued)

Assets measured at Fair Value	Significant unobservable inputs (level 3) 2021 P'000	2020 P'000
Land & Buildings	587,961	542,054

The significant unobservable valuation inputs were:		Price range per square meter		Total square meters	Average value per square meter
Land		From	To		
Urban areas	Pula	100	2,500	209,163	592
Rural areas	Pula	10	65	566,424	34

Significant increases/(decreases) in estimated price per square meter in isolation would result in a significantly (higher/ lower) fair value.

Significant unobservable inputs for the management/director assessment done on 31 March 2021 have been disclosed above.

Valuation techniques used to derive level 3 fair values

The comparable market valuation method was used to value land, land improvements, buildings and building improvements in urban areas and land in rural areas. Valuation inputs as disclosed above are for the comparable market valuation method. Rural land improvements were valued on the basis of the replacement cost of the land improvements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

28 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure continuity as a going concern for the Group while at the same time maximising the shareholders' return through the optimisation of the debt and equity balances. The Group has access to financing facilities, the total unused portion amounting to P7.3 million (2020: P8.7 million) at the reporting date. The Group expects to meet its other obligations from operating cash flows and the proceeds of maturing financial assets. The capital structure of the Group consists of trade and other payables, share capital, reserves and retained earnings.

	Group		Company	
		Restated		Restated
	2021	2020	2021	2020
Debt	P'000	P'000	P'000	P'000
Trade and other payables	274,939	218,391	274,939	218,391
Lease liabilities	142,780	153,131	142,780	153,131
IRU liability	236,866	289,589	236,866	289,589
Total debt	654,585	661,111	654,585	661,111
Equity				
Stated Capital	478,892	478,892	478,892	478,892
Revaluation reserve	382,363	347,603	382,363	347,603
Accumulated profits	1,410,995	1,291,679	1,410,462	1,290,068
Total equity	2,272,250	2,118,174	2,271,717	2,116,563
Total capital	2,926,835	2,779,285	2,926,302	2,777,674
Gearing ratio	29%	31%	29%	31%

Total capital is derived by adding total equity and total debt less cash and short term deposits.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 March 2021

29 SEGMENT REPORTING

In 2016, BTC refreshed its fixed, mobile and fixed mobile convergence strategy in order to bring synergy in its business operations. Both identifiable fixed and mobile business units were brought together to share resources including human capital. Therefore operating expenses, assets, liabilities are reported on an overall basis for the Group given the integrated nature of the Group's business. Management tracks revenue streams on the basis as outlined in note 1.

All operations take place in Botswana. There are therefore no identifiable geographical segments.

30 CONTINGENT LIABILITIES

BTC had contingent liabilities at 31 March 2021 of P2.95 million in respect of several cases mostly relating to unlawful dismissal cases. BTC has disclaimed liability and is defending all actions. It is impractical to estimate the potential financial effect of these claims but legal advice indicates that it is not probable that a significant liability will arise. All matters are currently before the courts of law and BTC considers it probable that judgments in some of the matters would be in its favour.

The Group is also subject to telecommunications regulations and has complied with all regulations. There are no contingencies associated with the Group's compliance or lack of compliance with such regulations.

31 EVENTS AFTER THE REPORTING PERIOD

Deregistration of BTC Foundation

On 29 April 2021, the Board of Trustees of Botswana Telecommunications Corporation Foundation unanimously approved the dissolution of its Notarial Deed of Trust MA245/2014 dated 19 March 2014 together with all its amendments.

Dividends

The directors have declared that a further dividend of 5.31 thebe be paid for the financial year ended 31 March 2021. An interim dividend of 3.13 thebe per share was paid in February 2021 hence the total annual dividend declared in respect of the financial year shall be 8.44 thebe per share.

SHAREHOLDER INFORMATION

08.

SHAREHOLDING ANALYSIS

FOR THE YEAR ENDED 31 MARCH 2021

Share Analysis - Ordinary Shareholders

	Shareholders		Shares held	
	Number of holders	**% of holders**	**Shares held**	**% of issued shares**
1-2000	25,631	59.53%	31,648,164	3.01%
2001-5000	9,388	21.81%	39,318,573	3.74%
5,001-10,000	4,126	9.58%	37,913,488	3.61%
10,001- 50,000	2,988	6.94%	74,783,246	7.12%
50,001 -100,000	486	1.13%	40,084,129	3.82%
100,001- 500,000	352	0.82%	84,267,697	8.03%
500,001 - 1,000,000	47	0.11%	34,541,426	3.29%
1000,000 - 100,000,000	35	0.08%	171,943,277	16.38%
over 100,000,000	1	0.00%	535,500,000	51.00%
Total	**43,054**	**100.00%**	**1,050,000,000**	**100.00%**

TOP 25 SHAREHOLDERS

NAME	HOLDINGS	%
BOTSWANA PRIVATISATION ASSET HOLDINGS	535,500,000	51.00%
GOVERNMENT OF BOTSWANA - MINISTRY OF TRANSPORT & COMMUNICATIONS	33,230,800	3.16%
FNB BOTSWANA NOMINEES (PTY) LTD RE: ALLANGRAY BPOPF EQUITY PORTFOLIO B	25,465,802	2.43%
FNB BOTSWANA NOMINEES (PTY) LTD RE:AG BPOPF EQUITY	17,739,339	1.69%
FNB BOTSWANA NOMINEES (PTY) LTD RE:BIFM BPOPF-EQUITY	10,746,769	1.02%
FAROUK ISMAIL	12,471,814	1.19%
BPOPF - ACTIVE MEMBERS AND DEFFERED PENSIONERS	8,711,891	0.83%
FNB NOMS BW (PTY) LTD RE: BPOPF EQUITY PORTFOLIO C - ALLAN GRAY	8,679,810	0.83%
BOTSWANA POLICE SAVINGS AND LOANS GUARANTEE SCHEME	5,884,495	0.56%
BOTSWANA PRIVATISATION ASSET HOLDINGS	4,502,790	0.43%
MOTOR VEHICLE ACCIDENT FUND	4,232,400	0.40%
VFM STANDARD CHARTERED BANK BOTSWANA PENSION FUND	3,299,636	0.31%
STANBIC NOMINEES BOTSWANA RE INVESTEC DEBSWANA PENSION FUND	3,211,904	0.31%
FNBBN (PTY) LTD RE:KGORI CAPITAL ALEXANDER FORBES RETIREMENT FUND	3,208,216	0.31%
MBIGANYI CHARLES TIBONE	2,800,756	0.27%
DITIRO CLEMENT LENTSWE	2,483,741	0.24%
MORULA RE DEBSWANA PENSION FUND	2,247,870	0.21%
SIMON HIRSCHFELD	2,051,934	0.20%
BIFM RE UNIVERSITY OF BOTSWANA DEFINED CONTRIBUTION PENSION FUND	1,713,092	0.16%
SBBL O/A BIFM MARKET LINKED FUND	1,632,382	0.16%
JOSEPH KGOTLAETSILE MOLEMI	1,388,199	0.13%
FAIZEL ISMAIL	1,369,513	0.13%
BAITSENG DIRENG	1,330,842	0.13%
REGINAH DUMILANO SIKALESELE	1,312,256	0.12%
FNB BOTSWANA NOMINEES (PTY) LTD RE:KGORI CAPITAL - AON AGRESSIVE PORTFOLIO	1,266,258	0.12%
OTHERS	353,517,491	33.67%
TOTAL	1,050,000,000	100.00%

		Shareholders		Shareholding	
Classification	**Category**	**Number**	**%**	**Number**	**%**
Public Shareholders	Corporate bodies	370	0.86%	38,169,413	3.64%
	Nominees companies	56	0.13%	104,869,713	9.99%
	Private individuals	42,621	98.99%	333,187,284	31.73%
	Trusts	5	0.01%	540,000	0.05%
Non Public shareholders	Non Public shareholders	2	0.00%	573,233,590	54.59%
	TOTAL	**43,054**	**100%**	**1,050,000,000**	**100%**

NOTICE OF THE 2021 ANNUAL GENERAL MEETING

Notice is hereby given that the 2021 Annual General Meeting of BOTSWANA TELECOMMUNICATIONS CORPORATION LIMITED will be held by means of audio or audio and visual communication (Microsoft Teams) in Gaborone, Botswana on Tuesday, 28th September 2021 at 09:00hrs, to transact the following business:

Agenda:

1. **ORDINARY BUSINESS**
   To read the notice convening the meeting.

2. **Ordinary Resolution No.1**
   Presentation of Annual Financial Statements and report
   To receive, consider and adopt the Audited Financial Statements for the year ended 31st March 2021, together with the Report of the Auditors and Report of the Audit and Risk Committee as contained in the annual report.

3. **Ordinary Resolution No.2**
   Dividends
   To approve a full and final dividend of 8.44 thebe per share that was declared by the Directors and paid by the Company.

4. **Ordinary Resolution No.3**
   Appointment of Directors
   To confirm the appointment by way of separate vote the following Directors in accordance with Clause 17.4 of the Constitution:
   4.1 Ms. Boitumelo Molefe
   4.2 Mr. Thato Kewakae

   Brief CVs in respect of each director offering themselves for appointment are contained in the annual report.
   The Board recommends the appointment of these directors.

5. **Ordinary Resolution No.4**
   Re- election of directors of the Company
   To re-elect by way of separate vote the following Directors of the company, who retire by rotation in terms of Clause 17.4.1 of the Constitution and, being eligible, offer themselves for re-election.
   5.1 Ms. Lorato Boakgomo-Ntakhwana
   5.2 Mr. Maclean Letshwiti

   Brief CVs in respect of each director offering themselves for re-election are contained in the annual report.
   The Board recommends the re-election of these directors.

6. **Ordinary Resolution No.5**
   Retirement of Directors
   To note the retirement of the following Director from the Company:
   6.1 Ms. Serty Leburu

7. **Ordinary Resolution No. 6**
   Remuneration of non-executive directors
   To consider and approve the remuneration paid to Non-Executive Directors of the Company for the year ended 31st March 2021 as reflected on page 84 of the Annual Report.

NOTICE OF THE 2021 ANNUAL GENERAL MEETING (Continued)

8. Ordinary Resolution No.7

Appointment of External Auditors

To appoint Deloitte & Touché, upon recommendation of the Audit and Risk Committee, as the independent registered auditors of the company for the ensuing year.

9. Ordinary Resolution No.8

Remuneration of external auditors

To approve the remuneration paid to the external auditors, Deloitte & Touché for the year ended 31st March 2021 as reflected on page 170 of the Annual Report.

10. Ordinary Resolution No.9

Re-election of the members of the Audit and Risk Committee

To appoint or re-elect by way of separate vote, the following Non-Executive Directors as members of the Audit and Risk Committee:

10.1 Mr. Ranjith Priyalal De Silva

10.2 Mr. Bafana Molomo

The members' appointment or re-election shall be effective from the conclusion of the annual general meeting at which this resolution is passed until the conclusion of the next annual general meeting of the Company.

Brief CVs in respect of each director offering themselves for appointment or re-election are contained in the annual report. The Board recommends the appointment and re-election of these directors to the Audit and Risk Committee.

11. Any Other Business

To answer any questions put by shareholders in respect of the affairs and the business of the company.

12. To close the meeting

Voting and Proxies

A shareholder entitled to attend and vote may appoint a proxy (who need not be a shareholder of the company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the Transfer Secretaries at the below stated address not less than 48 hours before the meeting. Central Securities Depository Botswana, are authorized to receive and count postal votes.

By Order of the Board

Company Secretary

Transfer Secretaries
Central Securities Depository Botswana
Private Bag 00417, Gaborone
Physical address: Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400 /11/12

PROXY FORM

IMPORTANT INFORMATION REGARDING ATTENDANCE AND PARTICIPATION AT THE ANNUAL GENERAL MEETING OF BOTSWANA TELECOMMUNICATIONS CORPORATION THAT WILL HELD BY MEANS OF AUDIO OR AUDIO AND VISUAL COMMUNICATION (MICROSOFT TEAMS) IN GABORONE ON 28 SEPTEMBER 2021 AT 09H00

Shareholders are reminded that the AGM 2021 will be held by way of electronic communication through Microsoft Teams at BTC Megaleng Head Office, Plot 50350, Gaborone, Botswana at 9am on Tuesday, 28 September 2021.

Persons who are registered as shareholders, in the registers of the Company at the Central Securities Depository Botswana shall be entitled to attend, participate and vote in person or by proxy at the AGM.

ELECTRONIC PARTICIPATION

Given restrictions on gatherings and travel due to the COVID-19 pandemic as implemented by Government of Botswana, which restrictions are anticipated to prevail in the immediate future and during September 2021, the Annual General Meeting will be held entirely through electronic communication, being audio or audio and visual communication through Microsoft Teams by which all Shareholders participating in the meeting will be able to simultaneously hear each other throughout the meeting, as provided for in section 109 of the Companies Act and section 3(b) of the Second Schedule to the Companies Act. The Company's Constitution also permits such electronic communication at a meeting of shareholders.

Shareholders who choose not to attend in person but seek to appoint a proxy to attend the meeting on their behalf can still submit their proxy forms. Proxy are to be delivered or sent by fax or by e-mail to the Transfer Secretaries , **Central Securities Depository Botswana,** Private Bag 00417, Gaborone, Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds, Telephone: +267 367 4400 /11/12 or Fax: +267 3180175 or e-mail: csd@bse.co.bw as provided for on the proxy form. Where a Shareholder has submitted a proxy from, the person attending on the Shareholder's behalf shall be presumed to vote in accordance with the instructions of voting set out in the proxy form.

Shareholders and the proxy of any Shareholder who wish to participate in the AGM 2021, will be required to submit the relevant duly completed Electronic Participation Form, which is annexed to this Notice together with relevant documents to our Transfer Secretaries, Central Securities Depository Botswana, Private Bag 00417, Gaborone, Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds, Telephone: +267 367 4400 /11/12 or Fax: +267 3180175 or e-mail: csd@bse.co.bw. Shareholders are strongly encouraged to complete the Electronic Participation Form their verification well ahead of time.

Once the identity of a Shareholder seeking to attend the meeting and the due authority of any person representing such Shareholder has been verified by Central Securities Depository, the person seeking to attend the AGM will be provided with details on how to join the AGM 2021 via Microsoft Teams.

Voting and Proxies

A shareholder entitled to attend and vote may appoint a proxy (who need not be a shareholder of the company) to attend and vote for him/her on his/her behalf. The instrument appointing such a proxy must be lodged at or posted to the Transfer Secretaries at the below stated address not less than 48 hours before the meeting. Central Securities Depository Botswana, are authorized to receive and count postal votes.

By Order of the Board
Company Secretary

Transfer Secretaries

Central Securities Depository Botswana
Private Bag 00417, Gaborone
Physical address: Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds
Telephone: +267 367 4400 /11/12

PROXY FORM (Continued)

ELECTRONIC PARTICIPATION FORM

Shareholders or their proxies who wish to participate in the AGM 2021 to be held at 9am on Tuesday, 28 September 2021 via electronic communication ("AGM Participant") must notify the Company by delivering this form to the office of the Transfer Secretaries, Central Securities Depository Botswana, Private Bag 00417, Gaborone, Plot 70667, 4th Floor, Fairscape Precinct, Fairgrounds, Telephone: +267 367 4400 /11/12 or Fax: +267 3180175 or e-mail: csd@bse.co.bw as soon as possible but not later than close of business of business on Monday, 27 September 2021.

Shareholders are strongly encouraged to complete their verification well ahead of time.

Each AGM Participant who has been successfully verified by Central Securities Depository will be provided details on how to join the AGM 2021 via Microsoft Teams. AGM Participants who are a proxy for a shareholder will be presumed to vote at the meeting in accordance with the instructions for voting set out on the proxy form.

Reference is made to the Notice of AGM and the below important information which must be completed regarding participation and voting at the AGM 2021:

Name of registered shareholder	
Omang/ID/Registration number of registered shareholder	
Name and Contact details of CSDP or broker (if shares are held in dematerialised form)	
Shareholder CSD account number/broker account number or own name account number or custodian account number	
Number of ordinary shares held	
Full name of AGM 2021 Participant	
Omang/ID number of AGM Participant	
Email Address of AGM Participant	
Cell phone number of AGM Participant	

By signing this form/We agree and consent to the processing of my/our personal information above for purposes of participating in the AGM 2021 and acknowledge the following:

1. The cost of joining the AGM 2021 is for the expense of the AGM Participant. The AGM Participant is not permitted to share the link with a third party.
2. The Company, its agents and third party service providers cannot be held accountable and will not be obliged to make alternative arrangements in the vent of a loss or interruption of network activity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth, power outages or any other circumstances which may prevent the AGM Participant or proxy holder from participating in the AGM 2021.

Signed this__________________day of September 2021

Signature of Shareholder (s) __________________

Assisted by (where applicable) __________________

PROXY FORM (Continued)

Only for use and completion by holders of Ordinary shares of BTC in certificated or dematerialized "own name registered" form. Other dematerialized shareholders must inform the CSDP or broker of their intention to attend the annual general meeting to be held by means of audio or audio and visual communication in Gaborone, Botswana on Tuesday, 28th September 2021 at 09:00hrs, in order that the CSDP or broker may issue them with the necessary Letters of Representation to attend, or provide the CSDP or broker with their voting instructions should they wish not to attend the annual general meeting in person.

Please read the notes overleaf before completing this form.
I/We____
(Name in block letters) ____
Of (Address) ____
Telephone(work) ____
being a shareholder of BTC and a holder of ____
number of ordinary shares, hereby appoint;
1. ____or failing him/her
2. ____or failing him/her
3. The Chairperson of annual general meeting as my /our proxy to act for me/us at the Annual General Meeting of the Company to be held held by means of audio or audio and visual communication in Gaborone, Botswana on Tuesday, 28th September 2021 at 09:00hrs, and at any adjournment thereof for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions and/or abstain from voting as indicated in the resolution to be considered at the said meeting.
Signed at: ____
Date: ____
Signature: ____

		For	Against	Abstain
Ordinary resolution 1	Agenda item No 2			
Ordinary resolution 2	Agenda item No 3			
Ordinary resolution 3	Agenda item No 4			
	Ms. Boitumelo Molefe			
	Mr. Thato Kewakae			
Ordinary resolution 4	Agenda item No 5			
	Ms. Lorato Boakgomo-Ntakhwana			
	Mr. Maclean Letshwiti			
Ordinary resolution 5	Agenda item No 6			
Ordinary resolution 6	Agenda item No 7			
Ordinary resolution 7	Agenda item No 8			
Ordinary resolution 8	Agenda item No 9			
Ordinary resolution 9	Agenda item No 10			
	Mr. Ranjith Priyalal De Silva			
	Mr. Bafana Molomo			

Assisted by (where applicable):
Full names of signatory/ies if signing in a representative capacity
Each shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the shareholder at the Annual General Meeting and the proxy so appointed need not be a shareholder of the company.
Please read notes 1 - 11 on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. A BTC Shareholder must insert the name of a proxy or the name of two alternative proxies of the Shareholder's choice in the space provided with or without deleting "Chairperson of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.

2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairperson, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.

3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms thereof.

4. The Chairperson of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.

5. The date must be filled on this proxy form when it is signed.

6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/ies.

7. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.

8. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.

9. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered with the transfer secretaries.

10. Forms of Proxy must be lodged or posted to the Transfer Secretaries, Central Securities Depository Company of Botswana (CSDB), Private Bag 00417, Gaborone

11. Dematerialized shareholders, other than with "own name registration", must NOT complete this form of proxy and must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and CSDP or broker.

ANNEXURE - DIRECTORS' PROFILES

Ms. Boitumelo Molefe

Boitumelo has over 20 years' experience mostly in business units requiring improvements and business start ups. She has experience in strategy development, cost optimization, investments and financial management and reporting. Boitumelo was the CEO of Botswana Public Officers Pension Fund (BPOPF) where she was responsible for establishing strategic policies, overseeing the Pension Fund operations, including investment management. Prior to that she was the Chief Financial Officer of Bokamoso Private Hospital where she played a key role in developing, monitoring and evaluating the overall corporate strategy with emphasis on bottom line performance, working capital and enhanced shareholder value.

Boitumelo has worked for the Debswana Group of Companies in various roles. She started her career as an Accountant and rose through the ranks to become the Chief Financial Officer and also Chief Executive Officer of the Debswana Pension Fund. She also held the role of Group Supply Chain Manager for Debswana Group.

Boitumelo has extensive board experience, having sat on the boards of numerous entities such as Mascom Wireless, BancABC, Botswana Bulding Society, Healthcare (Pty) Ltd, Sechaba and various property companies.

She holds a CIMA qualification including the FCMA, CGMA, FCPA from Botswana Accountancy College.

Mr. Thato Kewakae

Thato is a well-rounded business professional and executive with a business and ICT background that is supplemented by working experience from across many industry verticals. He has extensive experience is in leading growth in private sector business, consultancy and support services for government and state-owned enterprises, financial and telecommunications sector clients. He has worked with professionals in other areas such as strategy, policy and data analysis and has experience in the corporate sector involved executive leadership in developing systems, quality assurance, innovative products and supervising projects that lead to inclusion of members of society that were previously not included in mainstream financial and digital products.

He has served as a Managing Director at Cabling for Africa (Pty) Ltd, Botswana for six years. He also worked as the Information Systems Manager at the Botswana Institute for Development Policy Analysis (BIDPA). His most recent post was Chief Operations Officer at Botswana Post, where he also previously served as Manager for Special Projects and then Chief Information Officer. Mr Kewakae currently sits on the Botswana Housing Corporation Board and is part of the Finance/ Audit and HR committees.

He graduated from the University of Botswana with Master of Business Administration and also holds a Bachelor of Engineering (Computer Science) from Birla Institute of Technology in India. He has also successfully completed the Executive Development Program at the University of Stellenbosch in Cape Town and a Project Management Course at Wits University.

NOTES