

# ANNUAL REPORT

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## 2022/23



**COMPETITION  
& CONSUMER  
AUTHORITY**

A wooden desk with a brass scale of justice, a black gavel, and a black folder. The scale is in the background, and the gavel is in the foreground. The folder is on the right side of the desk.

# CCA

**COMPETITION  
& CONSUMER  
AUTHORITY**

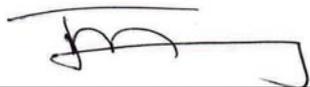
*"Fair Markets and Empowered Consumers".*



**To: Honourable Minister of Investment, Trade and Industry**

Pursuant to section 24 of the Competition Act 2018, please find attached a comprehensive report on the operations of the Authority, together with the Auditor's Report and the Audited Accounts of CCA for the financial year 2022/23, for you to lay before the National Assembly.

Yours Faithfully,



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Dr Malebogo Bakwena

**Chairperson of the Competition and Consumer Board**

## ABOUT THIS REPORT

This is an integrated business Annual Report of the Competition and Consumer Authority - CCA, that aims to provide concise, relevant and reliable information addressing the Authority's mandate, objectives and activities. The Report also provides detailed Audited Financial Statements of the Authority for the Financial Year 2022/23.

This Annual Report, like those produced in the previous years, is published pursuant to Section 24 (1) of the Competition Act No 4 of 2018.

The online version of this Annual Report is available on the CCA website [www.competitionauthority.co.bw](http://www.competitionauthority.co.bw) to provide convenience of accessibility to the wider CCA stakeholder network, nationally and across the globe.

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Gaborone, Botswana

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Facebook	Competition and Consumer Authority - Botswana
Twitter	@CCABotswana
LinkedIn	Competition Authority - Botswana

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#### Bankers

Standard Chartered Bank Botswana Limited  
Plot 1171-3 Botswana Road, Main Mall  
P.O. Box 469  
Gaborone, Botswana

Absa Bank Botswana Limited  
Plot 74358, Building 4, Prime Plaza CBD  
P.O. Box 478  
Gaborone, Botswana

#### Reporting Date

31st March 2023

#### Auditors

External Auditors

KPMG  
Chartered Accountants  
Plot 67977  
P.O. Box 1519  
Gaborone, Botswana

Internal Auditors

PricewaterhouseCoopers  
Audit, Assurance and Tax Services  
Plot 50371, Fairgrounds Office Park  
P.O. Box 294, Gaborone, Botswana

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## ACRONYMS

ACF	African Competition Forum
AEWG	Agency Effectiveness Working Group
BDF	Botswana Defence Force
BIFM	Botswana Insurance Fund Management
BOCRA	Botswana Communications Regulatory Authority
BODEA	Botswana Dentists Association
BOMAID	Botswana Medical Aid Society
BPOMAS	Botswana Public Officers Medical Aid Scheme
BPS	Botswana Police Service
BURS	Botswana Unified Revenue Service
CCA	Competition and Consumer Authority
CEO	Chief Executive Officer
EDD	Economic Diversification Drive
GABCON	Gaborone Container Terminal
ICN	International Competition Network
MTI	Ministry of Trade and Industry
MoU	Memorandum of Understanding
SMME's	Small Micro and Medium Enterprises
WCD	World Competition Day
WCRD	World Consumer Rights Day

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# ABOUT THE COMPETITION AND CONSUMER AUTHORITY

## BACKGROUND

The Competition and Consumer Authority (CCA) is a parastatal established through the Competition Act No 4 of 2018, and is responsible for enforcing law on anti-competitive behaviour and take action against businesses for non-compliance.

The Competition Act empowers the Authority to:

- Investigate Horizontal agreements (price-fixing, market allocation, bid-rigging)
- Investigate Vertical Agreements (resale price maintenance)
- Investigate Abuse of Dominance (predatory conduct, margin squeeze, refusal to deal, exclusive dealing etc.)
- Control of Mergers and Acquisitions (for enterprises with assets or turnover valued at P10m or above)

CCA further protects consumers against unfair business practices through enforcement of the Consumer Protection Act No 5, of 2018 whose main areas include:

- False, Misleading and Deceptive Conduct (false representations on goods and services, bait advertising, pyramid schemes etc.)
- Information on Goods and Services (display of prices, product labelling, used goods etc.)
- Safety and Quality of Goods and Services (right to quality goods and services, warranty, liability for damaged goods etc.)
- Direct and Mail Order Sales (direct marketing, consumer's right to cooling off etc.)
- Contracts (unfair or unjust contract terms, written contracts, prohibited contract terms, cancellation of contracts etc.)



### VISION

**A competitive Botswana with Fair Markets and Empowered consumers .**



### VALUES

- **Transparency**
- **Professionalism**
- **Integrity**
- **Teamwork**
- **Proactiveness**



### MISSION

**We ensure a vibrant competitive landscape, fair business practices and safeguard the welfare of consumers in Botswana.**



**Dr. Malebogo Bakwena**

Chairperson - Competition and  
Consumer Board



## CHAIRPERSON'S STATEMENT

It is my pleasure to present a report of the Competition and Consumer Authority performance in the 2022/23 financial year as it continued to implement its mandate.

I am pleased to report that the initiatives carried out by the Authority contributed towards a competitive landscape and fair markets in Botswana, and safeguarded the welfare of consumers.

This Annual Report highlights that the Authority removed barriers to entry in the market, addressed consumer complaints and enhanced awareness about consumer rights. With regards to regulation of mergers, the Authority's intervention in some cases led to citizen economic empowerment through the prohibition of merger specific retrenchments, employment of locals in key positions, the procurement of goods from local suppliers, and the growth of Small Medium and Micro Enterprises (SMMEs).

These achievements are quite commendable looking at the human and financial resource challenges faced by the Authority. As alluded to in the Chief Executive Officer's Report, inadequate funding and a staff complement which is far from optimal negatively impacts on the Authority's ability to fully and effectively execute its mandate of enforcing the Competition and Consumer Protection legislations.

The Board takes this challenge seriously and continued to provide guidance and support to the Authority to overcome this challenge.

I led a team of representatives of the Authority to the Office of the President where we upraised the Permanent Secretary to the President (PSP) on activities, performance, successes, challenges and opportunities of the Authority. We made suggestions to the PSP on what the Government should consider doing to support the organisation.

As the CCA Board provides oversight on the affairs of the Authority, it must be fully capacitated to effectively perform. To that end, in the period under review, Board members were trained on Corporate Governance and also attended forums facilitating exchange of information and knowledge on competition and consumer policy issues.

The Corporate Governance training was to assist Board Members understand different theories of corporate governance, financial, legal, managerial and behavioural issues that they must contend with in order to be effective. The Authority further organised Board training on the new Public Procurement Act of 2021 to capacitate the Board to effectively provide oversight on the Authority's procurement processes and ensure compliance.



I further attended the American Bar Association (ABA) Antitrust Law Spring Meeting in Washington DC where I shared knowledge about all aspects of competition, consumer protection and data privacy law. At the Spring Meeting I attended the Annual Enforcers Summit co-hosted by the Department of Justice Antitrust Division and the US Federal Trade Commission, where delegates discussed complex challenges in merger and unilateral conduct enforcement in digital and transitional markets.

This exchange of information with peers was quite beneficial as markets have increasingly moved into the digital space, a development which the Authority is already grappling with, and must also fully capacitate its employees to deal with competition enforcement in the digital markets.

I wish to conclude by thanking the Ministry of Trade and Industry for their unwavering support, and the CEO and her team for the milestones they achieved in the 2022/23 financial year. I further express gratitude to Board Members for the role they played in supporting achievement of the Authority's Mandate.

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**Dr. Malebogo Bakwena**  
Chairperson - Competition and Consumer Board

# CORPORATE GOVERNANCE AND LEADERSHIP

## COMPETITION AND CONSUMER BOARD

The Competition and Consumer Authority (CCA) is governed by a Board consisting of seven (7) non-Executive members. The Chief Executive Officer is an Ex-Officio Member of the Board.



**Dr. Malebogo Bakwena**  
Chairperson



**Mr. Phemelo M. Rankoro**  
Vice Chairperson



**Dr. Selinah Peters**  
Member



**Mr. Koonyatse K. Tamasiga**  
Member



**Mr. Phodiso P. Valashia**  
Member



**Ms. Kemmonyne Keitsile**  
Member



**Mr. Oteng B. Batlhoki**  
Member



**Ms. Tebelelo Pule**  
CEO & Ex officio Member

# CORPORATE GOVERNANCE AND LEADERSHIP (continued)

## BOARD SELECTION AND APPOINTMENT

The selection and appointment of Board Members in accordance with the Competition Act, No 4 of 2018, lies with the Minister of Trade and Industry. The Board members appointments are based on prescribed skills and experience in various disciplines such as industry, commerce, economics, law, consumer affairs, public administration or any other area relevant to the objects and functions of the Board.

The Chairperson of the Board is appointed by the Minister, and the Vice Chairperson is elected by members of the Board from amongst them.

### Board Members Term of Office as at 31st March 2023

The Minister of Trade and Industry, acting in accordance with section 7 (5) of the Competition Act, appointed members of the Board as indicated in the table below. These Members were appointed by reason of their expertise and experience in the areas relevant to the function and mandate of the Authority.

**Table 1: Board members term of office as at 31st March 2023**

MEMBER	PROFESSION / QUALIFICATION	BOARD POSITION	DATE OF APPOINTMENT	TERM	EXPIRY DATE
Dr Malebogo Bakwena	PhD Economics, University of Queensland-Brisbane, Australia  MSC Economics and Finance, University of York  BA Economics and Statistics, University of Botswana	Chairperson of the Board	1st December 2019	4 years 10 Months	30th September 2024
Mr. Phemelo M. Rankoro:	Bachelor of Laws, University of Botswana  Certificate of Proficiency in Short Term Insurance- Botswana  Accountancy College	Vice Chairperson Member – FAC Member – Technical Committee	1st February 2020	5 years	31st January 2025

# CORPORATE GOVERNANCE AND LEADERSHIP (continued)

**Table 1: Board members term of office as at 31st March 2023** (cont..)

MEMBER	PROFESSION / QUALIFICATION	BOARD POSITION	DATE OF APPOINTMENT	TERM	EXPIRY DATE
Dr Selinah Peters	<p>PhD Education and Human Resource Development Studies (Interdisciplinary Studies with special emphasis on Family and Consumer Sciences). Colorado State University U. S. A.</p> <p>Master's Degree in Design Merchandising and Consumer Sciences. Colorado State University</p> <p>BSc. Degree in Consumer Economics, University of Maryland at College Park; U. S. A.</p> <p>Diploma in Business Management &amp; Trading. Transworld Tutorial College</p>	Member - HR Committee	1st October 2019	4 years	30th September 2023
Mr. Koonyatse K. Tamasiga	<p>MSc Internal Auditing and Management, City University, UK.</p> <p>Post Graduate Diploma in Internal Auditing and Management. City University, UK</p> <p>National Diploma in Accounting and Business Studies, Institute of Development Management</p>	Chairperson - Finance and Audit Committee	1st October 2019	5 years	30th September 2024

# CORPORATE GOVERNANCE AND LEADERSHIP (continued)

**Table 1: Board members term of office as at 31st March 2023** (cont..)

MEMBER	PROFESSION / QUALIFICATION	BOARD POSITION	DATE OF APPOINTMENT	TERM	EXPIRY DATE
Mr. Phodiso P. Valashia	MA (Customs Law & Administration), University of Muenster, Germany  BA (Economics), University of Botswana	Chairperson HR Committee Member - Finance and Audit Committee	1st October 2019	5 years	30th September 2024
Ms. Kemmony Keitsile	Bachelor of Science Consumer Science, University of Wales, Cardiff  Diploma in Home Economics Education, University of Swaziland.	Member - Technical Committee	1st October 2019	5 years	30th September 2024
Mr. Oteng B. Batlhoki	Masters in Science Management – Arthur D Little Management Educational Institute, Boston (USA)  Post Graduate Diploma in International Trade and Export Marketing Helsinki School of Economics (Finland)  Bachelor of Commerce – University of Botswana and Swaziland- Kwalusweni (Swaziland)	Chairperson- Technical Committee Member - HR Committee;	1st December 2019	4 years	30th November 2023

# CORPORATE GOVERNANCE AND LEADERSHIP (continued)

**Table 1: Board members term of office as at 31st March 2023** (cont..)

MEMBER	PROFESSION / QUALIFICATION	BOARD POSITION	DATE OF APPOINTMENT	TERM	EXPIRY DATE
Ms.Tebelelo Pule	<p>Master of Business Administration University of Derby, UK</p> <p>Chartered Institute of Management Accountants (CIMA) (UK)</p> <p>Bachelor of Commerce University of Botswana</p>	Ex-Officio Member of the Board and Member of all Board Committees	1st October 2017	Duration of Term as CEO	End of Term as CEO

## Co-opted Board Member

In line with Section 15 (l) of the Competition Act, the Board co-opted **Mr Gosegomang Olefile Setswamokwena**, a Human Resources expert, to the CCA Human Resources Committee of the Board with effect from 8 th December 2022 to 8th December 2024.



**Mr Gosegomang Olefile Setswamokwena**

Co-opted Member of The Board

# CORPORATE GOVERNANCE AND LEADERSHIP (continued)

## Co-opted Board Member Term of Office

MEMBER	PROFESSION/ QUALIFICATION	BOARD POSITION	DATE OF APPOINTMENT	TERM	EXPIRY DATE
Gosegomang Olefile Setswamokwena	MSc (Strategic Management) University of Derby (U.K)  Bachelor's Degree in Technology Human Resources Management, Durban University of Technology  Diploma in Technology Human Resources Management Durban University of Technology	Co-opted Member of The Human Resource Committee	8th December 2022	2 years	8th December 2024



## RESPONSIBILITIES OF THE BOARD

The Competition and Consumer Board is the governing body of the Authority and is responsible for the direction of the affairs of the Authority. The Board is conscious of its responsibility and is unequivocally committed to upholding ethical behaviour in conducting its business. The Board through its Secretariat and the Chief Executive Officer, ensures that the day to day business of the Authority complies with the laws and regulations of Botswana.

The CCA Board's responsibilities are:

- Determine policy and provide strategic direction to give effect to the objects of the Competition Act and the Consumer Protection Act.
- Determine the general performance of the Authority.
- Ensure compliance with applicable Laws and Regulations.

- Advise the Minister on international agreements relevant to competition.
- Do other things as provided by the Competition Act and Consumer Protection Act or as may be necessary.

## BOARD COMMITTEES AS AT 31ST MARCH, 2023

The Board is accountable for the Authority's activities and deals with all organisation's business and achieves this through specifically delegated Committees. The Board has three (3) standing specialist committees.

- Finance and Audit Committee
- Technical Committee
- Human Resource Committee



*"Preventing anti-competitive practices"*

**Table 2: Board Committees, membership and responsibilities**

Committees	Members	Responsibility
Finance and Audit Committee	Mr. Koonyatse K. Tamasiga - <b>Chairperson</b> Mr. Phemelo Rankoro - <b>Member</b> Mr. Phodiso P. Valashia - <b>Member</b>	The Committee assists the Board in discharging its oversight responsibilities of monitoring and reviewing: financial activities of the Authority and the financial reporting process to ensure balance, transparency and integrity; the Authority's compliance with the legal and regulatory requirements; the effectiveness of the Authority's internal controls; and the effectiveness of the Authority's risk management strategies.
Human Resources Committee	Mr. Phodiso P. Valashia - <b>Chairperson</b> Dr Selinah Peters - <b>Member</b> Mr. Oteng B. Batlhoki - <b>Member</b>	The Committee assists the Board in discharging its oversight responsibilities of establishing, monitoring and reviewing appropriate human resource and compensation policies and strategies that provide the Authority with the capability to achieve its short and long term business objectives.
Technical Committee	Mr. Oteng B. Batlhoki - <b>Chairperson</b> Ms. Kemmony Keitsile - <b>Member</b> Mr. Phemelo M. Rankoro - <b>Member</b>	The Committee is tasked with assisting the Board in discharging its oversight responsibilities of formulating, monitoring and reviewing appropriate legal and technical policies, rules, guidelines and procedures that enable the Authority to undertake its enforcement and advocacy functions.

\* Note that the Chief Executive Officer is an ex-officio member of all Board Committees

## RECORD OF BOARD AND COMMITTEE MEETINGS

The CCA Board of Directors held **four (4) ordinary/scheduled** meetings during the financial year 2022/23 to consider various strategic and policy matters with material effect on the Authority's affairs. Special meetings were also convened as seen expedient for the discharge of the Board functions.

**Table 3: Record of Board and Committee meetings as at 31st March 2023**

Name	Position	Ordinary Board	Special Board Meetings	Finance & Audit Committee	Human Resources Committee	Technical Committee
Dr.Malebogo Bakwena	Chairperson	3/4	16/17	N/A	N/A	N/A
Mr. Phemelo M. Rankoro	Vice Chairperson	1/4	9/17	9/13	N/A	5/6
Dr Selinah Peters	Member	3/4	14/17	N/A	15/20	N/A
Mr Koonyatse K. Tamasiga	Member	4/4	16/17	13/13	N/A	N/A
Mr Phodiso P. Valashia	Member	4/4	16/17	12/13	17/20	N/A
Mr. Oteng B. Batlhoki	Member	3/4	17/17	N/A	19/20	5/6
Ms. Kemmony Keitsile	Member	3/4	11/17	N/A	N/A	6/6

## Co-opted Board Member's Record of Meetings

NAME	Human Resources Committee
Mr. Gosegomang Olefile Setswamokwena	5/5

## REMUNERATION OF MEMBERS OF THE BOARD

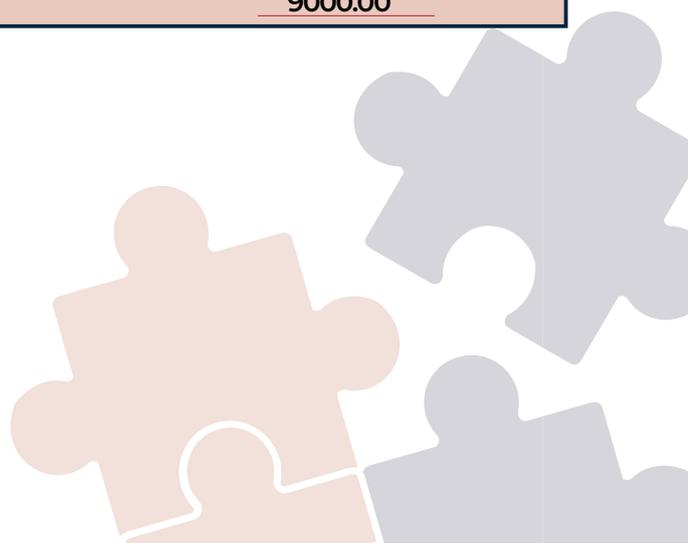
Members of the Board, as non-executive Directors, are not entitled to monthly or annual salaries. Instead, they are paid seating allowance at Board and Committee meetings. Below is the detail of Board sitting allowance payments for the year under review.

**Table 4: Board Members Remuneration**

NAME	POSITION	AMOUNT (BWP)
Dr. Malebogo Bakwena	Chairperson	69 750.00
Mr. Phemelo M. Rankoro	Vice Chairperson	54 000.00
Dr Selinah Peters	Member	68 400.00
Mr Koonyatse K. Tamasiga	Member	72 000.00
Mr Phodiso P. Valashia	Member	99 000.00
Mr. Oteng B. Batlhoki	Member	91 800.00
Ms. Kemmony Keitsile	Member	43 200.00 (paid to Botswana Government)
Ms. Tebelelo Pule	CEO	Not applicable
<b>Total</b>		<b>498 150.00</b>

**Table 5: Co-opted Board Member Remuneration**

NAME	BOARD COMMITTEE	
Mr. Gosegomang Olefile Setswamokwena	Member – Board Human Resource Committee	9000.00
<b>Total</b>		<b>9000.00</b>





Ms. Tebelelo Pule

Chief Executive Officer



## CHIEF EXECUTIVE OFFICER'S STATEMENT

### Introduction

I am delighted to present to you the key initiatives carried out by the Authority through the enforcement of the Competition Act 2018 and the Consumer Protection Act 2018 in the 2022/23 financial year. In the execution of its mandate, the Authority carried out investigations, competition assessments, market enquiries and collaborated with strategic partners to ensure a competitive market and to protect the interests of consumers.

### Our Commitment to the Reset Agenda.

Botswana has adopted the Reset Agenda that envisions a Botswana that is effective with proper working infrastructure and systems with a citizenry that has globally competitive skills, and is attractive to international investors and experts.

We are committed to this Agenda. The highlight of our demonstration of pledge to the Agenda, is the Authority's leadership (Board Chair and CEO) participation at the Ministry of Trade and Industry Leadership Forum held in Letlhakane on January 24-27, 2023. The forum's aim was to ensure alignment across all state-owned entities under the Ministry.

In line with this Agenda, CCA has committed to expedite public education and awareness on the legislation that guides our daily work. This has been enshrined in our Annual Performance Plan for 2023-24. In this plan, we have committed to remove barriers of entry in markets and embedded technology in our processes to improve efficiency of services.

Following this workshop, the CCA organised training workshops for all its staff on building a high performance culture through mind-set change, to instil a mind-set change paradigm shift.

Our customer complaints resolution mechanisms have been improved together with the assessment of notified mergers.

### Investigations and Market Inquiries

In this period, a total of 23 cases of anti-competitive conduct were investigated, of which 20 were rolled over from the previous year. Out of these, four (4) cases were closed and the remaining 19 cases are still under investigation.

A highlight in the year under review was a market inquiry in the export of live cattle market in which the Authority collaborated with the Ministry of Agriculture. The main objective of the inquiry was to identify any anti-competitive practices that hinder farmers from accessing the live cattle export market.

While no anti-competitive conduct was uncovered which would warrant further investigation by the Authority, it was recommended that an impact assessment of the live cattle dispensation be conducted by the Ministry of Agriculture to gain insights and demonstrate the effects of the dispensation on economic and social environments.

The Authority also embarked on a market inquiry in the automotive industry to understand the state of competition and to assess government policies or regulations for the industry. This inquiry is underway and is expected to be completed in the 2023/24 financial year.

A number of market barriers were removed through advocacy such as in the supply of spare parts and servicing of compressors market. In addition, CCA intervened in a situation that prevented new entrants and Small, Micro and Medium Enterprises (SMME's) in the oil supply sector to compete in issued tenders. This led to such tenders to be amended to allow SMME's to equally compete for such tenders from various government institutions.

## Regulation of Mergers

The Authority assesses and investigates merger transactions primarily to determine their possible impact in competition and public interest. The Authority received a total of 45 mergers in the 2022/23 financial year under review, representing 8% decrease compared to the previous year. Out of these, 33 mergers were assessed and finalised, one (1) was suspended from assessment and the remaining twelve (12) mergers were carried forward to the 2023/24 financial year.

One (1) merger which demonstrated negative impact on public interest was the Ngoma-Skybird transaction in the tourism industry. This merger was approved with a condition for the merged entity to source both food (fish, poultry and vegetables) and building materials (thatch grass and bricks) from local communities, creating a reliable market for their products and services.

## Consumer Protection

The Authority handled consumer complaints from the various sectors with the objective to remove unfair business practices in the market. The common unfair business practices were associated with misleading and deceptive conducts. We are delighted to note that most of these cases were resolved harmoniously through the cooperation of all those involved.

Consumer complaints from the motor vehicle industry were largely in relation to pre-owned motor vehicles and fraudulent selling practices around the Mogoditshane area. The consumers were warned about these practices and pronounced dealers involved.

To safeguard the interests of consumers, the Authority continued to carry out business compliance inspections. Non-compliance was mainly in relation to uncleanliness, improper labelling of goods and damaged packaging and display of expired goods.

## Partnerships and Collaborations

The Authority has established several partnerships and collaborations through Memorandum of Understanding (MoUs).

The most significant of these The MoU with Botswana National Library service (BNLS). Through this MoU, the Authority aims to improve consumer access to services. Consumers will access CCA services through a network of 45 public libraries and 59 Village Reading Rooms across the country.

## Human Capital

The Authority has a clear intent to inculcate a high performance culture through employee engagement to promote and strengthen teams; training and development to enhance competencies and skills; and employee performance management. Staff retention remained high throughout the financial year and stood at 96% against a target of 95%.

Inadequate staffing numbers continued to affect the execution of key aspects of the Authority's mandate such as in the areas of investigations, stakeholder engagement and research. The staff complement of 45 fulltime employees has proved inadequate to fully implement the mandate and service consumers and businesses countrywide.

However, the Authority continues to strive to implement the mandate under the prevailing circumstances, with an average employee performance rate of 88% against a target of 80%. Human capital constraints need to be mitigated in order to achieve optimum results in the enforcement of the Competition and Consumer laws.



## Employee Relations

In August 2022, the Authority recognised the Botswana Public Employees Union (BOPEU) as the bargaining agent for the Authority's employees. The parties embarked on the process of negotiating a Collective Labour Agreement (CLA) intended to guide the partnership.

## Conclusion

In conclusion, I would like to express my appreciation for the staff of the Authority who made an effort to achieve the results contained in this report notwithstanding the financial and human resource constraints. I further thank the Competition and Consumer Board for its oversight and guidance and the Ministry of Trade and Industry for its support.

---

**Ms. Tebelelo Pule**  
Chief Executive Officer

## EXECUTIVE MANAGEMENT



Ms. Tebelelo Pule  
Chief Executive Officer



Ms. Nomathemba Dladla  
Director Mergers and Monopolies



Mr. Ernest Bagopi  
Director Investigations  
Policy and Research



Ms. Gomolemo Ratsie  
Director Corporate Services



Mr. Kesego Modongo  
Director Legal Services



Ms. Gladys Ramadi  
Acting Director Communications  
and Stakeholder Relations



# BUSINESS PERFORMANCE REVIEW

“

In this section, we present the Authority's performance review in its endeavors to fulfil the strategic imperatives in the period under review.

”

**CCA**

# CONSUMER PROTECTION AND COMPETITION INVESTIGATIONS

## CONSUMER COMPLAINTS

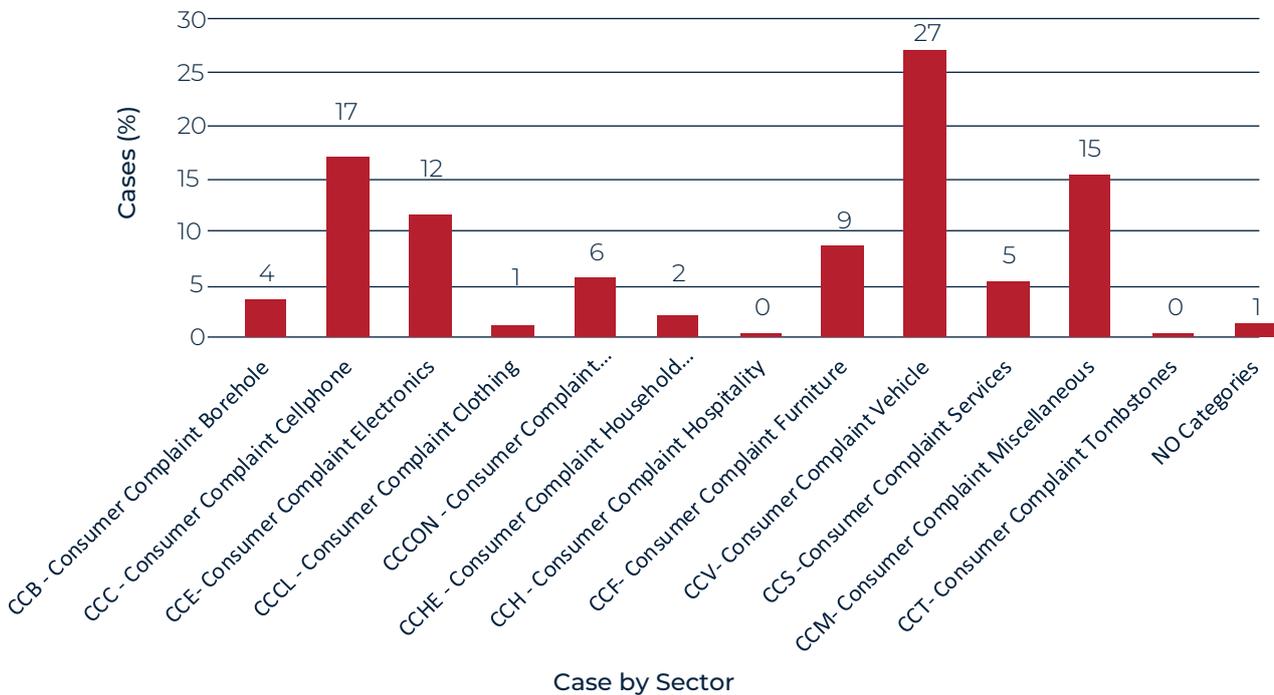
In order to enhance continued consumer protection, the Authority handled consumer complaints from the various sectors with the objective to remove unfair business practices in the market. The common unfair business practices are associated with misleading and deceptive conducts (section 6) non-disclosure of key information on goods and services (section 10) failure to deliver goods by the supplier (section 14) supplying goods that do not meet safety and quality standards (section 15), and unfair contract terms section 23 of the Consumer Protection Act.

The Authority also carried out compliance and joint inspections in order to measure the level of business compliance with Consumer Protection Act and to provide corrective measures.

In the period under review, the Authority recorded a six percent (6%) decrease in the total number of consumer complaints received during the previous reporting period. With the 229 consumer complaints brought forward from the previous financial year, and 1174 cases registered in the year, a total of 1403 consumer cases were dealt with in the period under review.

The highest number of complaints handled was in the Motor Vehicle sector recorded the highest at 27% of the cases registered within the financial year, followed by the cell-phone sector at 17%.

The Figure 1 below depicts the percentage of Consumer Complaints per Category handled by the Authority from 1st April 2022 to 31st March 2023:



**Figure 1:** Percentage of cases handled by category from 1st April 2022 to 31st March 2023

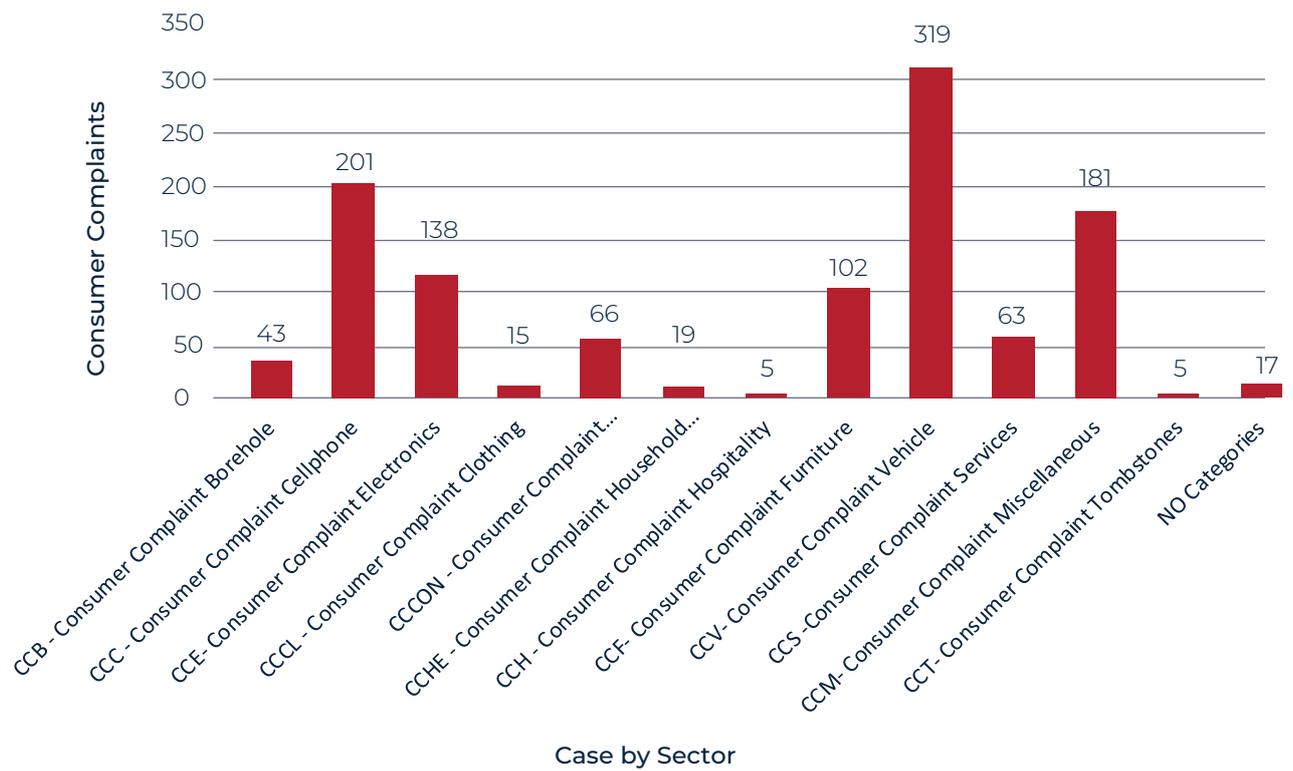


Figure 2: Total Consumer Complaints Per Category from 1st April 2022 to 31st March 2023

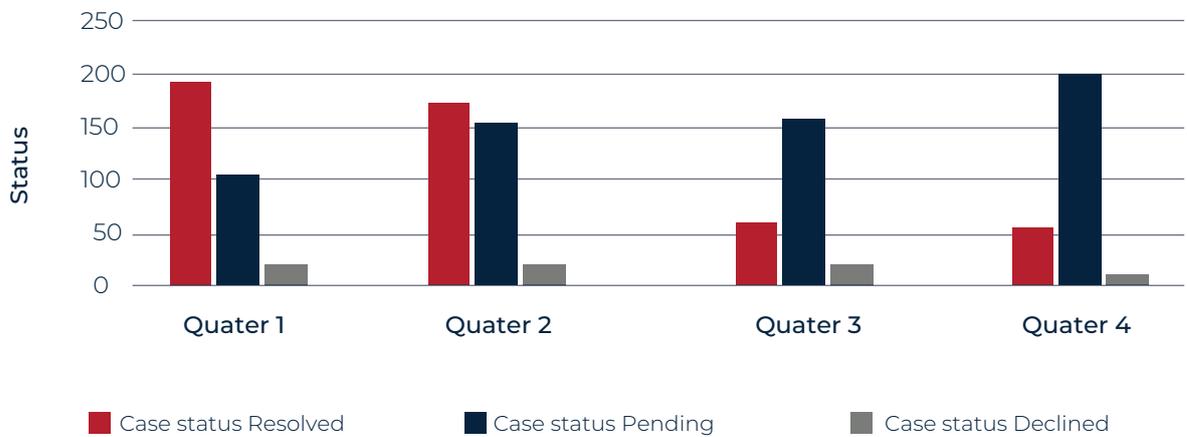


Figure 3: Status of Consumer Complaints in the Year Under Review



The Authority resolved cases during the different quarters. The cases which were predominant during the year under review for the top three categories in Quarter One (1) were from the motor vehicle category wherein 27% of the consumer complaints were resolved. Miscellaneous consumer complaints resolved stood at 20% for the quarter, followed by the cell-phone category at 16%. The motor vehicle category further dominated Quarter Two (2) followed by the cell-phone category, with furniture and electronics at the next level. The rate at which the consumer cases were resolved per these top four (4) categories of unfair business practices within Quarter Two (2) was 21%, 19%, and 17% respectively.

The Motor vehicle category still remained the category of consumer complaints resolved in Quarter Three (3), followed by the cell-phone category, and miscellaneous category. The rate at which these cases were resolved for these categories stood at: 24%, 18%, and 17% respectively.

Quarter Four (4) recorded the top three (3) consumer complaints from; Cell-phone category, followed by Motor Vehicle category and Miscellaneous category. The rate at which the cases were resolved for these top three (categories) was 36%, 18%, and 16% respectively.

In summary, the Motor Vehicle, Miscellaneous, Cell-phone and Electronics categories were key categories in consumer complaints that the Authority resolved during the reporting period. Cumulatively the Authority investigated and resolved 538 consumer complaints and 572 consumer complaints are still under investigation. Further, the Authority closed 105 sundry consumer cases. These sundry complaints are mainly dealt with at the initial stage of complaint notification, and would not warrant the need to open an investigation.

### **Complaints referral to other sector regulators**

A total of 64 complaints were received but either had to be closed because they did not qualify as consumer complaints, or they had to be re-routed to the relevant sector regulator to deal with.

### **Compliance, joint inspections and tip-offs**

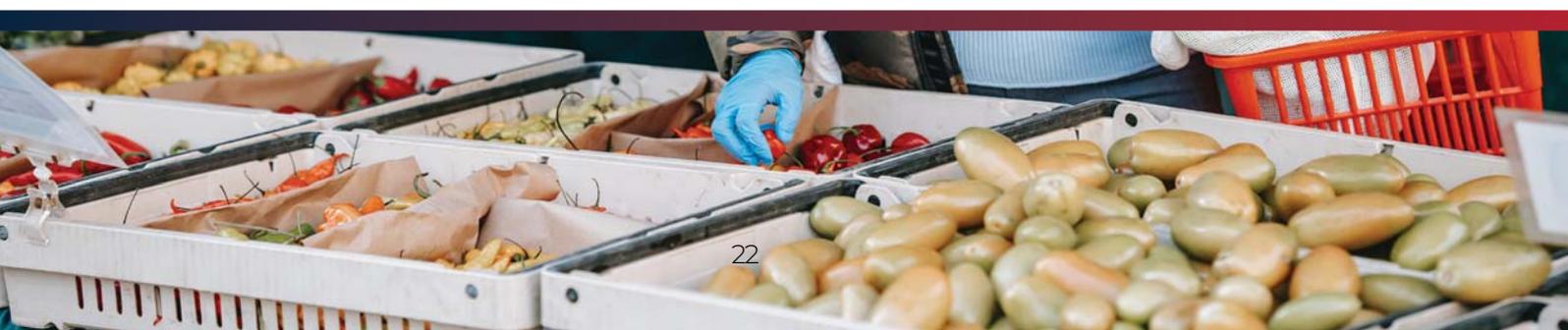
As guided by sections 10, 11 and 15 of the Consumer Protection Act, the Authority in the year under review embarked on compliance inspections exercises with a focus to check if businesses complied with the Consumer Protection legislative framework. The monitoring of businesses for compliance mainly looks at: shelf price display and if the currency is in Pula; product expiry date; and product labelling. The level of compliance is mainly measured based on these main attributes.

Across the 12 Districts of Botswana, a total 510 businesses were inspected during the reporting year. An average compliance level by the businesses inspected was recorded at 74%. Most of the businesses found not to be in compliance would be a result of having expired products/goods on the shelves, uncleanliness, improperly labelled or goods with damaged packaging.

Non-complying businesses were given corrective actions to remedy the gaps identified (with time implementation timelines).

Business compliance inspections and educational campaigns are also carried out collaboratively with the following strategic institutions: Botswana Police Services (BPS); Botswana Unified Revenue Services (BURS); Department of Immigration; Botswana Defence Force (BDF); Commercial Affairs; Port Health Services; Environmental Health Services; Fire Department; Botswana Communications Regulatory Authority (BOCRA), the Department of Bye Laws, and the Botswana Bureau of Standards (BOBS).

During a tip off exercise, the Authority together with BPS conducted spot inspections in the Gaborone and Francistown areas, where 55 perfumes were confiscated from four (4) different businesses which were fined by the BPS. The joint collaborations are meant for sector regulators to collectively use powers vested in them and clean out the unwanted business practices.



The table below shows highlights of the Compliance and Joint inspections conducted during the year under review from 1st April 2022 to 31st March 2023:

**Table 6 : Compliance and joint inspections from 1st April 2022 to 31st March 2023**

Quarter	Type of Inspection	Inspection Summary Details
Quarter 1	Compliance Inspections	<p>Compliance inspections were conducted for the Central, North East Kgalagadi /Southern and Ngamiland districts to monitor compliance with the Consumer Protection Act.</p> <p>A total of two hundred and fifty eight (258) retail stores were inspected across the districts and the level of compliance was at seventy- nine percent (79%).</p>
	Joint Inspections	<p>A joint inspection with Botswana Communications Regulatory Authority (BOCRA) and Botswana Police Service (BPS) to monitor compliance in the cell phone retail sector was conducted. A total of eleven (11) stores were inspected.</p> <p>The objective of the inspection was to establish if businesses complied with the type approval of communication equipment they sold.</p> <p>The level of compliance recorded was fifty-eight percent (58%).</p>
Quarter 2	Joint Inspections	<p>A joint inspection with the North East District Law Enforcement Committee for compliance by the business community in the region. Thirty-two (32) stores were inspected.</p> <p>The level of compliance recorded was sixty three percent (63%).</p>
Quarter 3	Joint Inspections	<p>The Authority conducted a joint inspection together with the Francistown Town Council during this quarter. Fifty (50) retail stores were inspected in the Francistown area.</p> <p>The level of compliance recorded was at ninety percent(90%).</p>
	Compliance Inspections	<p>The Authority across the Kweneng, Central and Boteti districts inspected a total of ninety five (95) retail stores wherein compliance level noted was at sixty six percent (66%).</p>
Quarter 4	Compliance Inspections	<p>Ngamiland, Borolong and Kweneng districts inspections were carried out during this quarter. A total of sixty-three (63) retail stores were inspected and level of compliance was at seventy-six (76).</p> <p>Total level of compliance recorded was seventy- percent (70%).</p>

During the period under review, Government amended the rate of VAT and this required monitoring. Twenty-three (23) retail stores were inspected in the Francistown area and the recorded compliance level was 91%.

In the Gaborone area, 83 businesses were inspected and the recorded compliance level was at 80%.

## COMPETITION INVESTIGATIONS

During this financial year, a total of 23 anti-competitive behaviour cases were investigated, of which 20 were rolled over from the previous financial year. The other three (3) cases were new investigations emanating from complaints received during the 2022/23 financial year.

Out of the cases investigated, only four (4) cases were closed. The remaining 19 cases are still under investigation and will be carried forward to the next financial year. **Table 7** below shows the summary of cases:

**Table 7: Cases handled**

Cases	Total
Number of cases investigated	23
Number of new cases registered	3
Number of cases brought over from the previous year	20
Number of cases closed after being investigated	4
Number of cases carried forward to the next financial year	19

In addition to the new cases dealt with under the period under review, a total of 34 inquiries and competition complaints were received though they are not registered as live cases. Some of them did not raise competition concerns and were closed during the screening stage for the following reasons: did not raise any competition concerns; due to lack of jurisdiction; or due to failure by the complainants to provide information to support their claims. Those that were closed for lack of jurisdiction were re-routed to the relevant sector regulators accordingly.

### Anti-competitive investigations carried out.

- Competition and Consumer Authority Vs Various Short Term Insurance Companies – (Investigations targeted to be completed in the next financial year)
- Competition and Consumer Authority vs Funeral Services company – (Abuse of Dominance case – investigations targeted to be concluded in the next financial year)
- Cases received (per market), investigated and closed during the period under review.
- Distribution of beverages market – Investigation was closed on the basis of insufficient evidence of anti-competitive business practice.
- Health professional sector – The investigation of the case was closed and the matter is being dealt with through advocacy.

<sup>1</sup> Committee members included the following stakeholders; Botswana Police Services (BPS); Botswana Unified Revenue Services (BURS); Department of Immigration (DI); Botswana Defence Force (BDF); Commercial Affairs (CA); Port Health Services (PHS); Environmental Health Services (EHS); Fire Department (FD); and the Department of Bye Laws (DBL)

## Removal of market constraints

Below is a summary of some of the market constraints removed to promote competition in the government procurement markets and during the period under review, mainly through advocacy action.

**Table 8: Summary of market constraints removed**

Sector	Complaint	Intervention
Procurement and supply of petroleum products by State Owned Enterprise	An initiative by the CCA informed by its market intelligence, identified an ITT advertised by a procuring entity for the supply of petroleum products. The ITT had a condition and requirement that closed out newly formed citizen owned businesses regardless of the work experience of the Directors or company leadership. Owned Enterprise	After the intervention of the CCA, procuring entity amended its ITT accordingly. This amendment led to more citizen owned business qualifying to bid for the tender to transport petroleum products and the award to the top five bidders included some businesses that ordinarily would not have been considered, because of the initially set minimum requirements. Owned Enterprise
Government Parastatal	Botswana Citizen Oil Companies Association (the Association) alleged that the tender requirement for availability of own depot/storage facility restricted or impeded participation of potential bidders (more especially newly set up citizen owned businesses) even though they could lease government storage.	Following the intervention of the CCA, the procuring entity removed the unnecessary restrictive requirement, and bidders that did not own storage facilities were able to take part.
State Owned Institution	An ITT specification closed out on other brands but pointed to a certain brand as such closed out other brands in the market that are highly competitive and can effectively perform the required service.	The assessment of the invitation to tender indicated that specification for some of the products pointed to a specific brand named. After the Authority engaged and sentised the procuring entity of the danger (to competition) of how the specification was set, the procuring entity recalled the tender, removed the restrictive barrier and re-advertised the tender. This allowed a wider spectrum of businesses with an equally competitive solution to competitively bid for the tender.
Commercial Horticultural Farmers	Following the Government restriction of imports of horticulture products, the Authority through its market intelligence discovered that some Commercial Farmers in the Tuli Block area were refusing to supply Hawkers with farm products but supplied big retail chain supermarkets	The intervention of the Authority facilitating market access for Hawkers as the farmers started selling to them as well.



## POLICY AND RESEARCH

### LIVE CATTLE EXPORT MARKET INQUIRY

The Authority conducted market inquiries in the export of live cattle market and the automotive aftermarket dealership market.

With regards to the live cattle inquiry, CCA collaborated with the Ministry of Agriculture and the following were the objectives of the inquiry:

- To identify if there are any anti-competitive practices that hinder farmers from accessing the export market;
- Compare local buying prices with export market prices;
- To assess market dynamics related to the introduction of the live cattle dispensation; and
- To share the findings and recommendations of the study with Government (Ministry of Trade) on whether appropriate reforms would be required to optimise the concerned market.

The inquiry could not establish any anti-competitive conduct which would warrant further investigation by the Authority. However, it was recommended that an impact assessment of the live cattle dispensation be conducted by the Ministry of Agriculture to give in-depth insights and demonstrate the effects of the dispensation on economic and social environments.

### AUTOMOTIVE MARKET INQUIRY

The Authority has embarked on a market inquiry in the automotive industry in Botswana, and the objectives of the inquiry are as follows:

- To comprehend the market structure and the state of competition (including competitive dynamics) in the industry;

- To understand the industry value chain and identify key players;
- To comprehensively assess the industry value chain for possible anti-competitive practices;
- To develop recommendations on how to prevent and redress anti-competitive practices and remove constraints on the free play of competition in the automotive industry; and
- To assess government policies or regulations relevant to the automotive industry for possible anti-competitive effects and make recommendations.

The market inquiry is underway and it is expected to be completed in the next financial year.

### MARKET STUDIES

- Competition Assessment in the grains market in Botswana.

During the period under review, the Authority completed a market study titled: Competition Assessment in the grains market in Botswana.

- ACF Cross country research study: A case of Botswana.

Through the African Competition Forum, the Authority was involved in a regional market study with some other Southern African Development Community - SADC members titled: *ACF cross country research study to review and determine the cost of roaming charges in Africa, the case of Botswana.*

Both market studies have been completed, and findings are to be presented to the relevant strategic partners in the next financial year.

## MERGERS AND ACQUISITIONS

The Authority investigates and assesses merger transactions by determining whether a proposed merger(s) is likely to substantially prevent or lessen competition; whether a proposed merger would likely result in any enterprise, (including an enterprise which is not involved as a party in the proposed merger) acquiring a dominant position in a market; and whether the merger can, or cannot be justified on public interest grounds. In assessing mergers, the Authority has statutory timelines which stipulate the duration of the assessment, as contained in section 49 of the Act.

For operational efficiency, the Authority classifies mergers under categories: simple and complex. This classification is made based on a postulated effect (or lack thereof) of the proposed merger on competition. Simple mergers are generally those with no competition concerns and are envisaged to be assessed within 30 working days. Complex mergers are those that, during the preliminary assessment, reveal signs that point to them having the potential or likelihood to pose some competition and/or public interest concerns, and are assessed within 90 working days.

In its determination of the proposed merger(s), the Authority may:

- (i) unconditionally approve;
- (ii) conditionally approve; or
- (iii) outright prohibit/decline a proposed merger.

### MERGER ACTIVITY

The Authority received 45 mergers for the 2022/23 financial year representing an eight (8) percent decrease compared to 49 mergers registered the previous year.

In addition to the 45 mergers received during the 2022/23 financial year, six (6) mergers were brought forward from the 2021/22 financial year. This brings the total of mergers received and brought forward to 51. Of the mergers received one (1) was suspended from assessment as the merging parties had failed to submit all the required information for notification. Of the total mergers, 39 were assessed and finalised. The remaining 12 mergers were carried forward to the 2023/24 financial year for completion, including the suspended merger. Thus, the Authority completed 73.3 percent of the mergers received in the 2022/23 financial year.



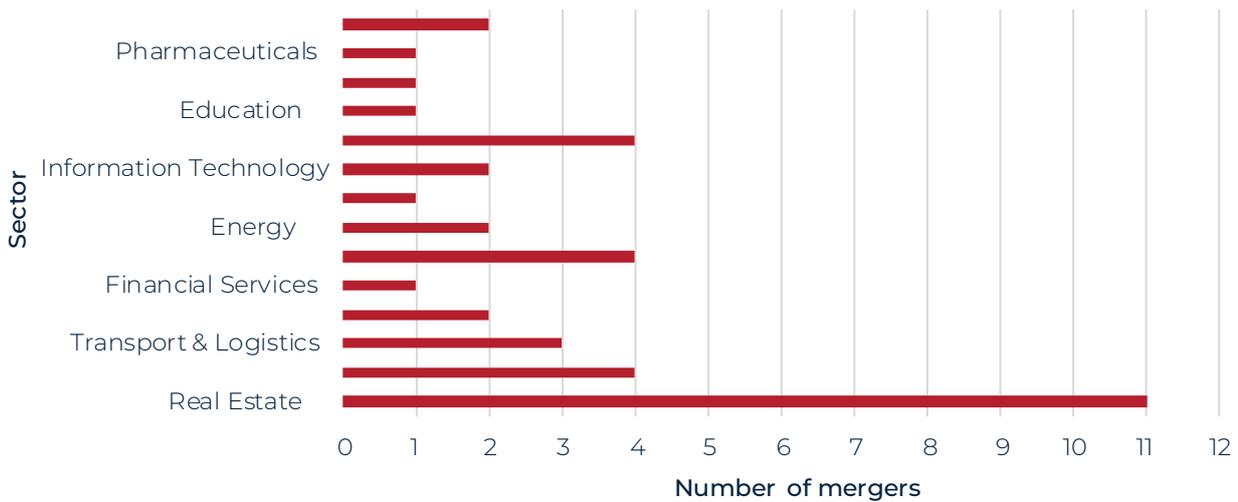
**Table 9: Summary of Merger Activities**

Brought Forward from 2021/22	Notified in 2022/23	Simple Merger	Complex Merger	Conditionally Approved	Unconditionally Approved	Prohibited/ Declined
6	45	48	3	4	35	0

Source: The Authority's Mergers and Acquisitions Database as at 31st March 2023

### Classification of Mergers by Sector

The period under review saw the assessment of mergers across a number of sectors as illustrated by [Figure 4](#) below.



**Figure 4: Number of mergers assessed and finalised by sector**

Source: The Authority's Mergers and Acquisitions Database as at 31 March 2023

<sup>2</sup> These are mergers carried forward from the previous financial year mainly because they were notified close to the end of the 2021/2022 financial year.

In the period under review, the Authority assessed and finalised eleven (11) transactions from the Real Estate sector and four (4) transactions from the Mining, Retail and Insurance sectors, each. The high number of mergers in the Real Estate sector may be attributed to enterprises varying their investment portfolio with more risk tolerant assets while others may be liquidating their assets for purposes of reinvesting the funds from the sale. Some enterprises may have been struggling to stay afloat due to the post-pandemic effects that have been exacerbated by inflation brought about by Russia's invasion of Ukraine and resulted in an increase in financial challenges for both households and corporate borrowers, hence them disposing off some of their assets.

According to S&P Global Market Intelligence, the rising costs for labour, energy and equipment and continued supply chain constraints created a snowball effect of complications for mining companies. This compounded with the reduced global demand in minerals during the pandemic might have contributed to the high number of mergers in the mining sector. The Insurance sector however, experienced an increased demand in claims and pay-outs during the Covid-19 pandemic. This coupled with the slowed economy due to the Russia-Ukraine war has led to fewer businesses and individuals spending on insurance despite its importance, and consequently lessening demand for insurance and the market becoming even more competitive.

The Retail, Manufacturing and Transport and Logistics sectors registered three (3) mergers each. In each of the stated sectors, the notified mergers involved entities playing in differing subsectors. As such, the consummations were driven by different motives. However, from a general perspective, the Authority notes that firms have been struggling to stay afloat owing to various commercially motivated reasons and as such resolved to dispose a portion of their entities to raise debt free capital. According to the World Bank, the ongoing war in Ukraine has dimmed prospects of a post-pandemic economic recovery for both emerging and developing economies.

The global economy continues to be weakened by the war through significant disruptions in trade and food and fuel price shocks, all of which are contributing to high inflation and subsequent tightening in global financing conditions.

In total, 433 mergers have been handled by the Authority since inception, which indicates the significant role that the Authority continues to play in regulating merger activities in Botswana's economy, thus ensuring that such activities are ultimately beneficial to process of continued healthy competition as well as bringing forth significant public interest benefits. Such benefits include product innovation, industrial growth, competitive pricing of goods and services, quality goods, consumer welfare and general expansion of markets are encouraged and maintained through the assessment of mergers and acquisitions.

## TURNAROUND TIMES

The Authority strives for efficiency in engaging relevant stakeholders with regards to requests for information during merger assessment through conducting interviews, site visits at the premises/production plants of some of the merging parties where necessary, as well as benchmarking with other agencies regionally and globally. This approach remains instructive in enabling the team to work efficiently in order to meet prescribed merger assessment timelines.

The Authority completed 38 mergers at an average turnaround time of 25.6 working days compared to 21 working days in the 2021/22 financial year. This represents a slight increase in the turnaround times of mergers assessed for the year under review due to a high number of cases that were notified with insufficient information and an increase in the number of complex transactions, which by their nature require more extensive research and investigation, and consequently time. Be that as it may, the average turnaround time still falls within the 30 working days' statutory time frame.

## MERGERS APPROVED UNCONDITIONALLY

The Authority unconditionally approves a proposed transaction with no competition and/or public interest concerns. In the period under review, 35 mergers were approved unconditionally as illustrated by Table 10 below, showing a 16.7% decrease from the 42 mergers approved unconditionally in the previous period.

**Table 10 : Mergers approved unconditionally**

No.	File Number	Acquiring Enterprise	Target Enterprise	Sector
1	CAS-01422-W3VIQ8	Pioneer Foods (Pty) Ltd	Bokomo Botswana (Pty) Ltd	Manufacturing
2	CAS-01447-G9L8S8 (35)	Hawks Mining (Pty) Ltd	Mupani Gold Mining (Pty) Ltd	Mining
3	CAS-01527-Y5S6L8	Luxiant Services (Pty) Ltd	Quality Services (Pty) Ltd	Insurance
4	CAS-01486-RIVIB6	Nalamalapu Anji Reddy (Pty)Ltd	Minnova (Pty) Ltd	Energy
5	CAS-01533-MIY5R5	Sarova Investments (Pty) Ltd	Abdul Kader Hussain	Real Estate
6	CAS-01564-M9F6Z5	Joyland (Pty) Ltd	Day Star (Pty) Ltd	Education
7	CAS-01647-L2J6W1	Premium Nickel Group	Tati Nickel Mining Company (Pty) Ltd	Mining
8	CAS-01689-FOQ7G7	Mr Price Group Limited	Blue Falcon 188 Trading (Pty) Ltd	Retail
9	CAS-01874-G9T7D5	Imperial Capital Limited	PST Sales and Distribution (Pty) Ltd	Transport and Logistics
10	CAS-01896-DX8Y4	Mercury Capital (Pty) Ltd.	AR Investments (Pty) Ltd(Pty)	Real Estate
11	CAS-01976-P6X9Y7	Martin C. Loo	Notwane Pharmacy (Pty) Ltd	Pharmaceutical
12	CAS-02035-B4XIH1	Premium Nickel Resources	Tuli Tourism Ltd	Mining
13	CAS-02022-HOP5L5	Abhi Arora	Pie City (Pty) Ltd	Retail
14	CAS-02034-H52029	SAS Shipping Agencies S.A.R.L	Bollere Africa Logistics SAS	Transport and Logistics
15	CAS-02091-T8V2P7	Leretlwa Construction	Watergreen (Pty) Ltd	Manufacturing

**Table 10 : Mergers approved unconditionally** (Cont..)

No.	File Number	Acquiring Enterprise	Target Enterprise	Sector
16	CAS-02069-D3B4K1	Mr Ottappattu and Mr Smith	Sunset Park (Pty) Ltd	Real Estate
17	CAS-02288-F453M8	Sanlam Allianz Africa (Pty) Limited	Botswana Insurance Holding Limited and African Life Assurance (Pty) Ltd	Insurance
18	CAS-02298-L3X5Q4	Mega Pave (Pty)Ltd	Lulu Bricks (Pty) Ltd	Manufacturing
19	CAS-02328-B717K6	Drive Control Corporation (Pty) Ltd	Drive Control Business (Pty) Ltd	Information and Technology
20	CAS-02406-C729Y0	Mostert Investment number ninety seven (Pty) Ltd	Croc.K (Pty) Ltd	Information and Technology
21	CAS-02523-V9L6D9	Power Metal Resources Plc	Kalahari key Mineral Exploration (Pty) Ltd	Mining
22	CAS-02497-N4K3Y1	A Partnership-Jeffrey S. Bookbinder, Andre Bell,Msiya Kindiano	Bookbinder Business Law	Legal Services
23	CAS-02550-W6G2Q5	Lambertus Johannes Vorster	Tuelo (Pty) Ltd	Real Estate
24	CAS-02549-D9R9N1	Lambertus Johannes Vorster	Jacinth (Pty) Ltd	Real Estate
25	CAS-02176-B9Q0Y2	Kensal Rise (Pty) Ltd	RIC Development Botswana (Pty) Ltd	Real Estate
26	CAS-02582-H8B1R2	Yumi Investment (Pty) Ltd	Magpal (Pty) Ltd and Screenarc Investment (Pty) Ltd	Energy
27	CAS-02572-D3R4Q3	ALCF1 Investment (Pty) Ltd	FSG Limited	Insurance
28	CAS-02645-WIC2G2	Tswanafuel (Pty) Ltd	Speedlite (Pty) Ltd	Real Estate

**Table 10: Mergers approved unconditionally** (Cont..)

No.	File Number	Acquiring Enterprise	Target Enterprise	Sector
29	CAS-02721-G7Z8F9	Allianz Strategic Investments S.a.r.l	Innovation Group Holdings Limited	Insurance
30	CAS-02755-BIC5F1	MHMK Capital Botswana LTD	Crosscorn (Pty) Ltd	Real Estate
31	CAS-02756-M8S3H2	Arbi Riyaz, Rossenkhan Mohammad Yusuf, Iqbal Imitaz Mahomed	Veeline Holdings (Pty) Ltd	Real Estate
32	CAS-02855-PIV7CO	Spark ATM Systems (Pty) Ltd	Altron Managed solutions (Pty)	ATM Service
33	CAS-02715-S1B0V1	Nimble Credit Fund 1(Pty) Ltd	Jet Supermarket Botswana Loan Book (Pty) Ltd	Financial Service
34	CAS-03093-W0N5Q8	Thato Baeti (Pty) Ltd	Walgreen Investments (Pty) Ltd	Real Estate
35	CAS-02907-Q0R5F2	Alchemy Promotions Holdings Ltd	Amrod investment (Pty) Ltd	Transport and Logistics

Source: The Authority's Mergers and Acquisitions Database as at 31st March 2023

## MERGERS APPROVED WITH CONDITIONS

The Authority approves a merger with condition(s) if it has found that a specific remedy can address the competition and/or public interest concerns identified during merger assessment. The Authority, therefore, expansively engages the merged entity during the period of monitoring the condition(s). In the period under review, four (4) mergers were approved with conditions as follows:

**Table 11: Mergers approved with conditions in the 2022/23 Financial Year**

File Number	Acquiring Enterprise	Target Enterprise	Sector
CAS- 01459-M6NOM6	Sunside Acquisitions Limited ("Newco")	NBL Investment Holdings Proprietary Limited and Distell Group Holdings Limited	Retail

The Authority approved the proposed acquisition with the conditions that:

1. The Merging Parties must within a period of 24 months from the decision date, identify a suitable citizen owned company in the distributorship business:
  - a) During this time, the Parties are to develop a robust supplier (distributor) development programme in order to capacitate a local citizen owned distribution company with the aim to absorb it within the Merging Parties supply chain; and

- b)** The Merging Parties are required to submit an update on the progress of part (a) of the condition above, at least 6 months before the expiry of the 24 months' period stated in condition (l) above.
- 2.** The Authority is cognisant of the Merging Parties 'commitment to divest Heineken's Strongbow brand. In light of this, the Merged Entity shall:
- a)** Once the license becomes effective, not either as a principal, agent, partner, representative, shareholder, beneficiary, consultant, advisor, financier, or in other like or similar capacity, directly or indirectly be associated with the marketing, distribution and selling of Strongbow brand in Botswana;
- b)** Furnish the Authority with the signed License Agreement between Heineken South Africa and the appointed licensee (the new Strongbow brand owner), where applicable, with the associated Transitional Service Agreement, within 10 days of the conclusion of such agreement(s); and
- c)** The aforementioned condition will allow the Authority to consider the License and Transitional Agreements to the extent that they relate to the Botswana market and whether they may amount to a merger/acquisition within the contemplation and thresholds of Botswana's Competition Law. Ultimately, the CCA will be in a position to advise the parties on its position regarding the 'new' transaction i.e. whether or not it should be notified or not.

CAS-01871-G4WIR1

Queens Proprietary  
Limited

Hungry Lion Botswana  
Proprietary Limited

The Authority approved the proposed acquisition with the conditions that:

- 1.** Queens Proprietary Limited obtains the Trading License of the Gaborone based Hungry Lion outlet currently controlled by HL Botswana within 30 working days from the decision date.
- 2.** Hungry Lion Botswana Proprietary Limited employees who decide not to transfer to Queens Property Limited are paid their full terminal benefits.
- 3.** There will be no merger specific retrenchments for a period of three (3) years from the date of implementation. For clarity, merger specific retrenchments or redundancies do not include:
  - a)** voluntary retrenchment and/or voluntary separation arrangements;
  - b)** voluntary early retirement packages;
  - c)** unreasonable refusals to be redeployed;
  - d)** resignations or retirements in the ordinary course of business;
  - e)** retrenchments lawfully effected for operational requirements unrelated to the Merger; and
  - f)** terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.
- 4.** Hungry Lion Botswana Proprietary Limited must circulate a copy of these conditions to all their employees within 7 days from the date of approval.

Queens Proprietary Limited must revert to the Authority within 6 (six) months from the date of approval with a status report regarding the above mentioned conditions.

**Table 11: Mergers approved with conditions in the 2022/23 Financial Year (Cont..)**

CAS-01911-Z3W6C4	Tano Digital Solutions (Pty) Ltd	Altron Botswana (Pty) Ltd	ATM Service
<p>The Authority approved the proposed acquisition with the conditions that:</p> <ol style="list-style-type: none"> <li>1. There will be no merger specific retrenchments or redundancies. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):               <ol style="list-style-type: none"> <li>a) voluntary retrenchment and/or voluntary separation arrangements;</li> <li>b) voluntary early retirement packages;</li> <li>c) unreasonable refusals to be redeployed;</li> <li>d) resignations or retirements in the ordinary course of business;</li> <li>e) retrenchments lawfully effected for operational requirements unrelated to the Merger; and</li> <li>f) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.</li> </ol> </li> <li>2. The merged enterprise shall inform the Authority of the date of implementation within thirty (30) days of the Approval date;</li> <li>3. The merged enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the current employees of the Target Enterprise within thirty (30) days of the Approval date;</li> <li>4. The merged enterprise shall share a copy of the conditions of approval to all employees of the target and/or their respective representatives within ten (10) days of the Approval date;</li> <li>5. The merged enterprise shall inherit all customers of the Target Enterprise on the same terms and conditions outline in the agreed contractual agreements until the elapse date;</li> <li>6. The merged enterprise shall within twelve (12) months of Approval date, demonstrate its youth empowerment and citizen empowerment strategies to the Authority.</li> </ol>			



The Authority approved the proposed acquisition with the conditions that:

1. To enhance Citizen Empowerment by disposal in (aggregate) of a minimum of 30% of the shares in Abu Private Reserve (Pty) Ltd (as the concession operator) to citizens (including, without limitation, individuals, citizen companies, consortia, joint ventures and/or community trusts) within twelve (12) months from the implementation date. The expectation is that the disposal would be publicly advertised for transparency and fairness reasons;
2. The Merged Enterprise shall inform the Authority of the date of implementation within ninety (90) business days from the Approval date;
3. There shall be no merger specific retrenchments or redundancies. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
  - a) voluntary retrenchment and/or voluntary separation arrangements;
  - b) voluntary early retirement packages;
  - c) unreasonable refusals to be redeployed;
  - d) resignations or retirements in the ordinary course of business;
  - e) retrenchments lawfully effected for operational requirements unrelated to the Merger; and
  - f) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance;
4. The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;
5. The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the current employees of the Target Enterprise within ninety (90) business days from the Approval date;
6. The Merged Enterprise shall share a copy of the conditions of approval to all employees of the target and/or their respective representatives within ninety (90) business days from the Approval date;
7. The Merged Enterprise shall as per its commitment, terminate the contract Abu has with the current management company within twelve (12) months from the Approval date and appoint a different company which will be a new entrant to manage the two lodges on its behalf; and
8. The merged enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval and demonstrate its contribution to citizen empowerment, employment,

The Authority is vested with the responsibility of ensuring that conditions set are fully complied with by the merging parties. In order to this, the Authority allows for a reasonable period of time for the consummation of the merger transaction prior to measuring whether parties have complied or not. Although this period is not cast in stone, the Authority uses its discretion to determine compliance monitoring which can be anywhere between 2-3 years post the implementation of a merger.

## MERGERS BROUGHT FORWARD

Table 12 below shows mergers that were notified in the 2021/2022 financial year and were brought forward and finalised in the period under review. These mergers were filed in the last quarter of the financial year. Investigations and assessments were on-going at the start of the 2022/2023 financial year.

**Table 12: Mergers brought forward to the 2022/23 Financial Year**

No.	FILE NUMBER	ACQUIRING FIRM	ACQUIRING FIRM	SECTOR
1	CAS-01422-W3VIQ8	Pioneer Foods (Pty) Ltd	Bokomo Botswana (Pty) Ltd	Manufacturing
2	CAS-01447-G9L8S8 (35)	Hawks Mining (Pty) Ltd	Mupani Gold Mining (Pty) Ltd	Mining
3	CAS- 01459-M6NOM6	Sunside Acquisitions Limited ("Newco")	NBL Investment Holdings Proprietary Limited and Distell Group Holdings Limited	Manufacturing
4	CAS-01527-Y5S6L8	Luxiant Services (Pty) Ltd	Quality Services (Pty) Ltd	Insurance
5	CAS-01486-R1M1B6	Nalamalapu Anji Reddy	Minnova (Pty) Ltd	Energy
6	CAS-01533-M1Y5R5	Sarova Investments (Pty) Ltd	Abdul Kader Hussain	Real Estate

Source: CCA Mergers and Acquisitions Database as at 31 March 2023



## MERGERS CARRIED FORWARD

Table 13 below shows mergers that were notified in the 2022/2023 financial year and were carried forward to the 2023/24 financial year:

**Table 13: Mergers carried forward to the 2023/24 Financial Year**

No.	FILE NUMBER	ACQUIRING FIRM	ACQUIRING FIRM	SECTOR
7	CAS-02874-23D1N3	Leif 853 (Pty) Ltd Ltd	Zimco Group (Pty) Ltd	Manufacturing
8	CAS -02868-P7Y2C3	Akzo Nobel NV. Ltd	Kansai Paint Co.	Manufacturing
9	CAS-02890-X8X5Y6	Bing Liu	Master Quarry (Pty) Ltd	Mining
10	CAS-03157-Z4K4V2	Botswana Public Officers Pension Fund	Chelford Limited	Real Estate
11	CAS-03200-Y7W9W1	Caroline Bolten	Omogolo (Pty) Ltd	Tourism
12	CAS-03214-X3M1W5	ACA Cornerstone Limited and Capital Alliance Private Equity IV Limited	C- RE Holdings Limited	Insurance
13	CAS-03124-V4X1W2	Afrocentric Investments Corporation Limited	Sanlam Limited and Sanlam Life Limited	Insurance
14	CAS-03215-R5N9R9	Vitol Emerald Bidco	Engen Limited	Energy
15	CAS-03226-T9Q2N4	EMIF II Investments	Vector Logistics (Pty) Ltd	Transport and Logistics
16	CAS-03071-H3Z4W5	Mascom Wireless Botswana (Pty) Ltd	MTN Business Solutions Botswana (Pty) Ltd	Information & Technology
17	CAS-02970-D7H4J0	RIC Investments Botswana (Pty) Ltd	Roman Catholic	Real Estate
18	CAS-02976-P6V2N1	Choppies Distribution Centre (Pty) Ltd	Kamoso Africa (Pty) Ltd	Retail

Source: CCA Mergers and Acquisitions Database as at 31 March 2023

## OTHER ACTIVITIES

The Authority also carried out a compliance exercise for two (2) merger cases and an impact assessment exercises on one (1) merger case.

The Authority's compliance monitoring exercise was based on two (2) transactions: the merger between Ngoma Lodge (Pty) Ltd and Skybird (Pty) Ltd; and the merger between Warbler Holdings (Pty) Ltd in It4Africa (Pty) Ltd; Goldtech (Pty) Ltd; Healthwest Africa (Pty) Ltd; and Solid Logistics (Pty) Ltd, together with all assets related to the business operations of the aforementioned entities by Bluehearts (Pty) Ltd.

## COMPLIANCE ASSESSMENT EXERCISE

**Table 14: Compliance assessment exercise**

Parties to the transaction	Date of the decision	Condition	Compliance Status
Ngoma Lodge (Pty) Ltd and Skybird (Pty) Ltd	5th July 2019	<p>Taking the public interest concerns and pursuant to the provisions of section 60 of the Competition Act of Botswana, the Authority has approved the proposed acquisition with the conditions that:</p> <p>a) There shall be no retrenchment of any employee as a result of the Merger;</p> <p>b) The employees of Ngoma Lodge should continue to work on terms and conditions substantially no less favourable than their current terms and conditions of employment;</p> <p>c) The merged entity shall ensure that the recruitment and appointment of a citizen as an Assistant General Manager who will be an understudy to the General Manager at Ngoma Lodge is finalised within six (6) months from the date of this decision;</p> <p>d) Within a period of 2 (two) years, the Assistant General Manager above shall be appointed as General Manager;</p> <p>e) The merged entity shall in accordance with the provisions of clause 15.1 of the Joint Venture Agreement between Chobe Enclave Conservation Trust ("CECT") and Ngoma, hire labour and procure supplies, including: fish, poultry, thatch grass, vegetables, bricks, building supplies and so on from the CECT community,</p> <p>f) The merged entity shall use all its endeavours to ensure that they continue to harmoniously work with CECT with terms and conditions that are not less favourable than the ones stated in the existing Joint Venture Agreement between CECT and Ngoma; and</p>	Compliant

Parties to the transaction	Date of the decision	Condition	Compliance Status
	5th July 2019	g) In the event that the merged entity is considering to sell the Ngoma business, priority must then be given to CECT through the principle of Right of First Refusal, failing which, a clear justification for the decision not to sell to CECT must be communicated to the Competition Authority at least two (2) months before selling the business.	
Warbler Holdings (Pty) Ltd Inlt4Africa (Pty) Ltd; Goldtech (Pty) Ltd; Healthwest Africa (Pty) Ltd; And Solid Logistics (Pty) Ltd, Together With All Assets Related To The Business Operations Of The Aforementioned Entities By Bluehearts (Pty) Ltd	11th August 2016	<p>The Authority through the analysis of the facts of the merger, and pursuant to the provisions of section 60 of the Act, authorised the said acquisition in the markets for (i) the distribution of branded consumer electronics (domestic and commercial) to resellers; and the retailing branded consumer electronics, with respect to the acquisition of Warbler Holdings by Bluehearts, with the following conditions:</p> <p>a) Bluehearts (Pty) Ltd will continue to supply the same retailers that were previously supplied by Warbler Holdings (Pty) Ltd on terms no less favourable than those offered by Warbler Holdings (Pty) Ltd to the retailers, pre-merger;</p> <p>b) Bluehearts (Pty) Ltd to annually (for a period of five (5) years from the implementation date) submit to the Authority a detailed report indicating a list of its new and old customers and the trading terms referred to in (a) above. The report is to be compiled by an Independent Consultant approved by the Authority, and Bluehearts (Pty) Ltd shall bear the costs of engaging such a Consultant. Warbler Holdings (Pty) Ltd shall in two weeks after the decision date, submit a detailed list of Warbler Holdings (Pty) Ltd's current customers and trading terms to the Authority;</p> <p>c) Within 12 months from the decision date, Mr. Ramachandran Ottapathu was to divest his interests in the following companies; Montrose Investments (Pty) Ltd t/a Ritefurn; Callao (Pty) Ltd t/a Ritefurn; Peardale (Pty) Ltd t/a Ritefurn; Decolite (Pty) Ltd t/a Ritefurn; and Mont Catering and Refrigeration, and shall inform the Authority of his disposal within 30 business days of concluding the final sale agreement(s) and submit a signed copy of the sale agreement(s) to the Authority as proof thereof. In addition, for a period of five (5) years from the implementation date,</p>	Compliant

Parties to the transaction	Date of the decision	Condition	Compliance Status
	11th August 2016	<p>Mr. Ottapathu should not either as a principal, agent, partner, representative, shareholder, director, employee, consultant, advisor, financier, or in other like or similar capacity, directly or indirectly be associated with, interested or engaged in any firm, business, company or other association of persons which carries on a business activity similar to the business carried on by the companies listed above;</p> <p>d) In view of the fact that Mr Ramachandran Ottapathu also has controlling interests in enterprises that deal with the retailing of branded customer electronics, Choppies Enterprises Limited shall for a period of five (5) years from the date of this decision, not enter the market for the retailing of branded consumer electronics currently traded by Warbler Holdings (Pty) Ltd, for as long as Mr. Ramachandran Ottapathu has a stake in Choppies Enterprises Limited. However, in the event that Choppies Enterprises Limited decides to enter this market, Mr Ramachandran Ottapathu is to immediately notify the Authority of this intent and the terms under which Choppies would be supplied by Bluehearts (Pty) Ltd;</p> <p>e) For a period of five (5) years from the decision date, Cotton Valley (Pty) Ltd t/a office Berry shall not trade in the branded customer electronics currently distributed by the merging parties and will only trade in the sale of stationary, office equipment, computers and associated accessories as per the merging parties' undertaking. However, in the event that Cotton Valley (Pty) Ltd decides to enter this market, Mr. Ramachandran Ottapathu is to immediately notify the Authority of this intent and the terms under which it would be supplied by Bluehearts (Pty) Ltd; and</p> <p>f) The Authority is cognisant of the merging parties 'commitment to retain the current employees of the target entity. In light of this, the merged entity shall ensure that there are no retrenchments of any employee associated with this merger commencing from the approval date.</p> <p>To facilitate the effective monitoring of compliance to the conditions outlined above, the Merging Parties shall: -</p>	

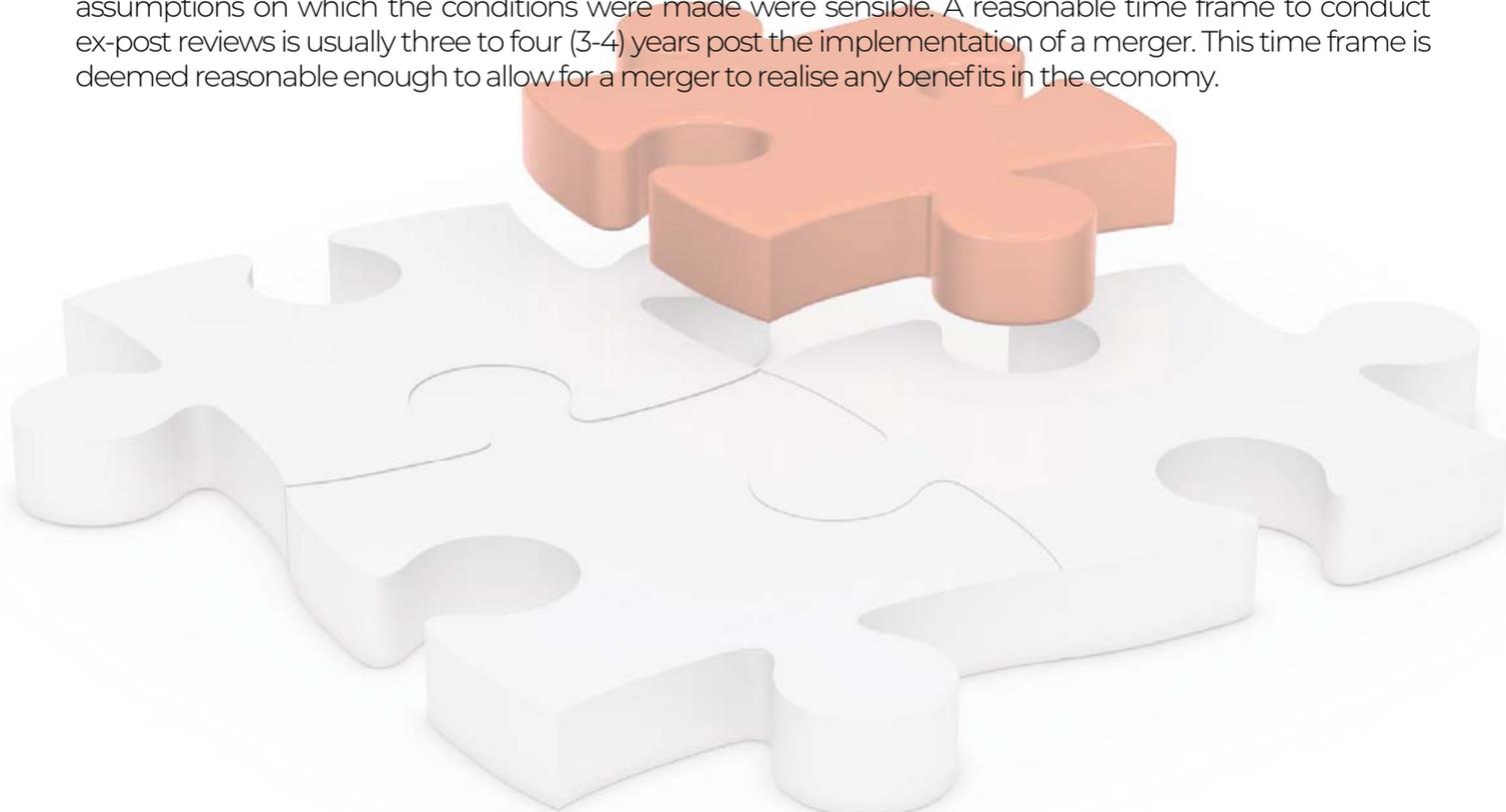
Parties to the transaction	Date of the decision	Condition	Compliance Status
	11th August 2016	<ul style="list-style-type: none"> <li>i) Inform the Authority of the implementation date within five (5) business days of it becoming effective;</li> <li>ii) Submit the reports referred to under conditions (a) and (b) above, under the cover of an affidavit to authenticate the submission; and</li> <li>iii) Be cognisant that the Authority may at any time from the decision date, carry out an inspection within the concerned companies to confirm compliance by the merged entity within the conditions referred to above.</li> </ul>	

Source: CCA 2022/23 Compliance Assessment Report

Although there are other dynamics such as Covid-19 which affected businesses in the relevant market including the Ngoma Lodge, the Authority noted that all remedies prescribed through the conditions of approval for the merger between Ngoma Lodge and Skybird were accomplished.

### IMPACT ASSESSMENT EXERCISE

Impact studies or ex-post evaluations are an important instrument for assessing previous merger decisions, as well as for improving the quality of future decisions (OECD, 2011:13). "Impact Evaluation of Policy Decisions", Competition Law and Policy, OECD]. The evaluations provide an opportunity to assess whether the conditions/remedies imposed were sound, given the information available at the time, and if the assumptions on which the conditions were made were sensible. A reasonable time frame to conduct ex-post reviews is usually three to four (3-4) years post the implementation of a merger. This time frame is deemed reasonable enough to allow for a merger to realise any benefits in the economy.



**Table 15: Ngoma Lodge/Skybird Post-Merger Impact Assessment study**

Parties to the transaction	Date of the decision	Condition	Impact Status
Ngoma Lodge (Pty) Ltd and Skybird (Pty)	5th July 2019	<p>The Authority's envisaged economic impact spanning from the conditionally approved merger was vested on the following conditions.</p> <p>a) There shall be no retrenchment of any employee as a result of the Merger;</p> <p>b) The employees of Ngoma Lodge should continue to work on terms and conditions substantially no less favourable than their current terms and conditions of employment;</p> <p>c) The merged entity shall ensure that the recruitment and appointment of a citizen as an Assistant General Manager who will be an understudy to the General Manager at Ngoma Lodge is finalised within six (6) months from the date of this decision;</p> <p>d) Within a period of two (2) years, the Assistant General Manager above shall be appointed as General Manager;</p> <p>e) The merged entity shall in accordance with the provisions of clause 15.1 of the Joint Venture Agreement between CECT and Ngoma, hire labour and procure supplies, including: fish, poultry, thatch grass, vegetables, bricks, building supplies and so on from the CECT community;</p> <p>f) The merged entity shall use all its endeavours to ensure that they continue to harmoniously work with CECT with terms and conditions that are not less favourable than the ones stated in the existing Joint Venture Agreement between CECT and Ngoma; and</p> <p>g) In the event that the merged entity is considering to sell the Ngoma business, priority must then be given to CECT through the principle of Right of First Refusal, failing which, a clear justification for the decision not to sell to CECT must be communicated to the Competition Authority at least two (2) months before selling the business.</p>	<p>1. The findings of the assessment indicate that as at the time of the compliance assessment, which informed the impact assessment study, the Merged Entity had a staff complement of 38 employees, which shows an increase by four (4) employees, from the 34 at the time of the transaction.</p> <p>2. In terms of the Merged Entity absorbing employees of the Target Enterprise at similar or better terms of employment, the investigations by the Authority discovered that the merged entity has made efforts which were implemented by Ngoma Lodge to abide by labour standards including increasing its minimum wage from P2000.00 to P2500.00 as well as offering support such as provision of accommodation and introduction of shift work during lockdown.</p> <p>3. The Authority has established that the Merged Entity has consistently procured from local suppliers as directed.</p> <p>4. The findings indicated that the Merged Enterprise has maintained a cordial relationship with the CECT and the parties have continuously engaged each other on critical issues relating to the development of the CECT communities. The Merged Enterprise revealed that plans are underway to improve and expand the lodge facilities and relevant stakeholders such as the CECT have been informed about the proposed developments.</p> <p>5. The feedback received from the CECT committee about the proposition to have CECT given priority when considering to sell Ngoma business was that this clause was not incorporated in the Joint Venture agreement as yet but declared that it will be incorporated in the soon to be done review of the Joint Venture agreement.</p>

Parties to the transaction	Date of the decision	Condition	Impact Status
		h) The desired impact of the Authority's decision was to guarantee citizen empowerment in terms of employee retention and progression thereby ensuring that people in the CECT communities continue to form part of Ngoma Lodge's significant workforce.	

Source: CCA 2022-2023 Impact Assessment Report

It can be noted that in the case of Ngoma Lodge (Pty) Ltd & Skybird (Pty) Ltd, the impact accruing from the merger whose decision was made in 2019, was realised three (3) years later, well within the reasonable time frame post implementation. The Authority's decision has led to the enhancement of citizen empowerment through the prohibition of merger specific retrenchments as well as advocating for employment of locals/ citizens in key positions at the Ngoma Lodge. Additionally, the Authority was successful in directing Ngoma Lodge to continue procuring its supplies from SMME businesses located in a number of villages surrounding the lodge, the impact of which has been the growth of SMME's in the horticulture space and the maintenance of the lodge by locals.



## LEGISLATIVE WORK AND ENFORCEMENT

The Authority has a mandate to remove anti-competitive conduct and unfair business practices in the markets for the benefit of the economy and consumers. In addition to other functions this is done through prosecution of infringing enterprises at the Competition and Consumer Tribunal as the court of first instance. Through its Legal Services Department, the Authority has the power to litigate and defend any litigation brought against it at any other competent court in Botswana.

### SUCCESS IN LITIGATION

#### CCA v Katlego Motors (Pty) Ltd

The Authority received a complaint on 24th February 2021, that the complainant had entered into a sale agreement with Katlego Motors (Pty) Ltd ("Katlego Motors") on 6th October 2020, for the purchase of a motor vehicle; Madza 6 grey in colour for the sum of P33 000. The motor vehicle was to be delivered within four (4) working days from the date of payment. Instead of a grey Madza 6, Katlego Motors delivered a blue Madza 6 which was also defective. The parties entered into another agreement, the terms of which were that Katlego Motors would dispose of the vehicle and refund the complainant.

The vehicle was indeed disposed of but the complainant was not refunded, following this she lodged a complaint with the Authority. The Authority investigated the complaint on the basis that Katlego Motors had contravened section 15(1) of the Consumer Protection Act, by committing an unfair business practice through failure to deliver goods which are of good quality, in good working order, and free of defects.

The Authority attempted to have the complaint resolved through mediation under which Katlego Motors only refunded P 9900 and thereafter failed to make any other further refunds. The case was referred to the Tribunal on 22nd March 2022 and a default order was granted on 12th May 2022 for Katlego Motors to refund the complainant P23 100 with immediate effect. The enforcement of the collection order is ongoing.

#### CCA v High Hills Holdings (Pty) Ltd t/a HHH

This case emanated from a service agreement entered into by the complainant and High Hills Holdings (Pty) Ltd t/a HHH ("HHH") on 13th January 2021 for the provision of borehole cleaning and re-casing services at the sum of P25 000. The Complainant paid the full amount but HHH failed to provide the services. The Authority investigated on the basis that HHH had contravened section 14(1)(a) and (b) of the Consumer Protection Act by failing to provide services timeously and in a manner and quality that a consumer is entitled to.

An attempt was made to resolve the complaint through mediation. HHH claimed to have purchased casing material to the tune of P12419.40 and that transport costs to the complainant were P1718.40 costs that the complainant accepted. The parties therefore agreed that HHH would refund the balance but failed to do so. The case was referred to the Tribunal on 7th April 2022 and a default order for the amount of P9 580 was granted by the Tribunal on 15th September 2022 (a part payment of P3000 was made by HHH between the 7th April and 15th September 2022). The collection of outstanding balance is ongoing.

### **CCA v High Hills Holdings (Pty) Ltd t/a HHH**

This case emanated from a service agreement entered into by the complainant and High Hills Holdings (Pty) Ltd t/a HHH (“HHH”) on 13th January 2021 for the provision of borehole cleaning and re-casing services at the sum of P25 000. The Complainant paid the full amount but HHH failed to provide the services. The Authority investigated on the basis that HHH had contravened section 14(1)(a) and (b) of the Consumer Protection Act by failing to provide services timeously and in a manner and quality that a consumer is entitled to.

An attempt was made to resolve the complaint through mediation. HHH claimed to have purchased casing material to the tune of P12 419.40 and that transport costs to the complainant were P1718.40 costs that the complainant accepted. The parties therefore agreed that HHH would refund the balance but failed to do so. The case was referred to the Tribunal on 7th April 2022 and a default order for the amount of P9 580 was granted by the Tribunal on 15th September 2022 (a part payment of P3000 was made by HHH between the 7th April and 15th September 2022). The collection of outstanding balance is ongoing.

### **CCA v Givemore (Pty) Ltd**

A complaint was received on 10th March 2021 against Givemore (Pty) Ltd (“Givemore”) for failing to deliver the right colour and correct number of buckets of paint ordered by the complainant. The Authority investigated the complaint on the basis that Givemore had contravened section 14(1)(a)(b) of the Consumer Protection.

The Authority made an attempt to resolve this complaint through mediation and the parties agreed that Givemore would deliver the correct colour paint and the additional buckets of paint. Givemore failed to meet the terms of the agreement and the case was referred to the Tribunal on 7th April 2022. The matter is complete and closed.

The paints were collected but Givemore failed to provide painting services. On 22nd June 2022, the Tribunal ordered Givemore to have painted the complainant’s house within seven (7) days and further awarded the Authority costs of suit. The complainant’s house was indeed painted within seven (7) days of the order.

### **CCA v Hogan Holdings (Pty) Ltd**

This case was referred to the Tribunal on 26th August 2022 against Hogan Holdings (Pty) Ltd for the contravention of section 14 (1)(a) of the Consumer Protection Act for failing to deliver a service timeously. The complainant purchased concrete and bricks from Hogan Holdings for P39 200 which were never delivered. Through mediation on 29th January 2021, the parties agreed Hogan Holdings will refund the complainant the full amount of P39 200 by 31st March 2021, the complainant was however never refunded. The Tribunal granted the Authority a default order on 19th October 2022 for P39 200 and costs of suit. Efforts to collect outstanding balances are still ongoing.

### **BOMAID Case**

In a case where the Authority investigations against BOMAID and other medical aids were halted to allow for an application to the High Court to determine whether BOMAID was exempt from the provisions of the Competition Act, the High Court ruled in favour of the Authority. BOMAID alleged that it was a nonprofit making society and therefore could not be investigated by the Authority because it was not an enterprise as defined in the Competition Act. On 4th November 2022, the High Court found that BOMAID was not exempt from the provisions of the Competition Act. BOMAID has since appealed the decision and is still to be heard at the Court of Appeal.

## CASES PENDING ACROSS DIFFERENT COURTS

### **CCA v Universal House (Pty) Ltd and another : Case no: CCT//MER/01/2022 I**

On 25th March 2022, (on the background of the decision of the High Court of December 2021 compelling the Authority to enforce its 17th February 2017 merger decision), the Authority filed an application at the Tribunal to enforce its merger decision of 17th February 2017. The decision was a direction to Universal Holdings to diversify 28.73% shares it acquired in Mmegi Investment Holdings (Pty) Ltd without prior notification of the merger to the Authority. The case is still pending before the Tribunal.

### **BOMAID v CCA: Case no: CACGB-254-22**

BOMAID has appealed the High Court decision of 4th November 2022, in which it was held that it is not exempt from the provisions of the Competition Act and therefore can be investigated for any alleged anti-competitive conduct. The Authority is opposing the appeal.

### **CCA v Decodroy Autos (Pty) Ltd: Case no: CCT/CP/01/2023 I**

This case was referred to the Tribunal on 09th February 2023 against Decodroy Autos (Pty) Ltd for the contravention of section 14 (1)(a) of the Consumer Protection Act for failing to deliver a service timeously. The matter is still pending before the Tribunal with the Authority having filed an Application for Default Judgment.

### **Challenges Encountered**

The Authority faced numerous challenges in both litigation and enforcement of decisions against infringing enterprises regarding unfair business practices against consumers. With regard to litigation, the Authority realised in trying to serve the infringing enterprises that most of them were briefcase enterprises with no physical address and place of business, therefore service is dependent on cellphones being answered and enterprise managers being truthful about their whereabouts. In many instances the Authority has had to resolve to many different tactics to ensure services which causes delays in the completion of matters. It has also become apparent that quiet a number of these enterprises have been de-registered from the CIPA's register and appear to be trading unlawfully.

In respect of enforcement, the Authority is sitting with a number of orders that are still to be enforced because either the enterprise has since de-registered and or it is a briefcase enterprise, whose whereabouts are unknown making enforcement of writ of executions difficult. To this end, the CCA is in possession of writ executions that cannot be enforced these emanate from Tribunal orders amounting to P77 880 of refunds owed to consumers and P26 760.20 of legal costs owed to the Authority.

## OUTREACH AND STAKEHOLDER RELATIONS

The Authority is compelled by law to inform and educate members of the public and persons engaged in trade or commerce, about its powers and functions and undertake advocacy of competition law and its nuances among its wide spectrum of stakeholders.

In respect to this, the Authority has reached out to most of the stakeholders through various initiatives such as commemoration of international celebrated days for consumers and competition. Some outreach programmes were undertaken in partnership with sector and strategic partners.

### Consumer Advocacy Groups

Advocacy groups are a key partner in supplementing the CCA's consumer education efforts.

The Authority embarked on a consultation exercise with consumer groups following key recommendations of the national workshop on consumer groups held during World Consumer Rights Day. The workshop tasked the Authority to develop guidelines for cooperation with consumer advocacy groups and to engage with such groups.

These Guidelines for Cooperation with Consumer Advocacy Groups have been developed and will be discussed and consulted with consumer advocacy groups for finalisation and implementation in the 2023/24 financial year.

### Roadshows

To step up advocacy groups effectiveness, CCA embarked on a roadshow that covered various places such as Mabule, Palapye, Francistown, Selebi Phikwe Lerala, Ghanzi and Gaborone.

The Authority spread awareness on various topics being rights and responsibilities of consumers and created common understanding of the functions of consumer advocacy groups. Also included in the brief were key elements of the Consumer Protection Act such as false and misleading conduct, information on goods and services, safety and quality of goods and services, Direct marketing and online shopping and contracts.

### African Competition Forum Workshop on Roaming and Pharmaceuticals

The Authority hosted a two-day African Competition Forum (ACF) Technical Research Workshop on August 1st to 2nd, 2022 for presentation of collated country reports for the cross-country initiative on the Determination of the Cost of Roaming Charges in Africa and Competition in the Generic Pharmaceutical Industry Studies.

The ACF is a network of African national and multi-national competition authorities. The principal objective of the ACF is to promote the adoption of competition principles in the implementation of national and regional economic policies of African countries.

### Collaboration and Strategic Partners

The Authority recognises the importance of partnerships and collaborations in undertaking organizational essentials and strategy delivery. collaborations are necessary to kindle ideas and make positive impact in every business growth. The Authority therefore pursued to established several collaborations locally and international, governed by Memoranda of Understanding. CCA therefore entered in to the following partnership through MoUs;

## CCA Signs MoU with BNPC

The (CCA) and the Botswana National Productivity Centre (BNPC) signed a memorandum of understanding on 10th May 2022. The two organisations have a common goal in promoting competitiveness and therefore committed to leverage on each other's capabilities.

While the CCA prevents and redresses anti-competitive practices in the economy and protects consumers, BNPC on the other hand contributes towards national productivity and competitiveness. Areas of cooperation will include sharing of information on research that has a bearing on competitiveness, joint policy briefs and advocacy programmes pertaining to constraints on competition.

## CCA Signs MoU with Seychelles Fair Trading Commission

The Competition and Consumer Authority (CCA) and the Fair Trading Commission (FTC) of Seychelles on 12th September 2022, signed a Memorandum of Understanding (MoU) to enhance cooperation between the two agencies in the field of competition law enforcement. The MoU was signed by the Chief Executive Officer of the CCA, Ms Tebelelo Pule, and the CEO of FTC Seychelles, Mr Francis Lebon, in a ceremony that was held virtually.

Through the MoU, the two agencies committed themselves to among others; share experiences in the practical enforcement of competition law, render each other technical assistance and exchanges of expert studies; conduct joint research in the field of competition and consumer protection, as well as staff exchanges.

## Consumer Alerts

The following consumer Alerts were issued by the Authority in the period under review to warn consumers against suppliers engaging in unfair business practices in various sectors:

- Pre-Owned Vehicles Consumer Alert - 16th August 2022
- Katlego Motors Consumer Alert - 19th August 2022
- Good Knight Bedding Consumer Alert - 23rd August 2022



1

CCA Signs MoU with BNPC

2

Roadshows

3

Outreach Programmes

### World Consumer Rights Day 2023

The Authority on 15th March 2023 joined the rest of the world to observe the World Consumer Rights Day. This is a moment set aside to raise global awareness of consumer rights, consumer protection and empowerment. It was celebrated under the theme “Consumer Rights and Responsibilities.” This commemoration was held in Goodhope Village and was officiated by Assistant Minister of Trade and Industry Hon. Beauty Manake

The Consumer Protection Act gives consumers in Botswana the right to information on goods and services; the right to demand quality service, and the right to safe and good quality goods. Most unfair business practices against consumers have been observed in the sale of used imported motor vehicles, cell-phones and electronics with most consumer complaints received by the Authority. The CCA urges consumers to familiarise themselves with the provisions of the Consumer Protection Act so that they exercise their rights and take the necessary action to defend themselves against unfair business practices.

In exercising responsibility, consumers were urged to inform themselves before buying goods and services such as terms of contracts before signing and also to demand and keeping receipts safely after buying goods and services as proof of purchase is always required in resolving cases of unfair business practices.

### World Competition Day 2022

The Authority joined other competition agencies and civil society organisations in observing 5th December as World Competition Day under the theme “Competition Policy and Climate Change.”

In a press statement to commemorate the day, the Authority said businesses need to play a bigger role in a green economy by making sustainability the easy choice for consumers in order to reduce the negative effects of climate change. The Authority noted that development of sustainable business practices leads to efficient operations that reduce wastage and conserves resources, and investing in green policies and practices can give firms a competitive advantage.

Consumers, on the other hand were called upon to champion environmental sustainability through choosing products based on their impact on the environment. The statement said avoiding waste generation altogether, or waste minimisation is the most effective option in ensuring environmental sustainability.



## Media Engagement

In the year under review, the Authority continued to utilise newspapers, radio and television to communicate with its stakeholders and the general public.

Tables 16 and 17 below depict the press releases and public notices issued by the Authority, and the newspaper articles and radio interviews which featured the Authority from 1st April 2022 to 31st March 2023:

**Table 16 : Radio and television broadcasts featuring the Authority from 1st April 2022 to 31st March 2023**

DATE	SUBJECT OF RADIO/TELEVISION DISCUSSION
16th June 2022	Mercedes Benz Recall - RB1
5th August 2022	CCA Mandate and exorbitant pricing by enterprises – RB2
8th August 2022	2% VAT Reduction – Implications on the Consumer and the Economy (Btv. The Eye programme)
21ST September 2022	CCA MoU signing with Seychelles Fair Trading Commission
21st December 2022	Consumers urged to take Precaution when Purchasing Pre Owned Motor Vehicles
21st December 2022	Consumers urged to take precaution against unfair business practices during the festive season – Duma FM
13th December 2022	unfair business practices - RB 1
14th March 2023	Consumer Rights - Day Break BTV News Channel.
14th March 2023	World Consumer Rights Day - BTV Dumela Breakfast Show
14th March 2023	World Consumer Rights Day –Duma FM
15th March 2023	World Consumer Rights Day - RB1



**Table 17 : Summary of stakeholder engagement from 1st April 2022 to 31st March 2023**

STAKEHOLDER	TYPE OF ENGAGEMENT
Business	<ul style="list-style-type: none"> <li>• Presentation at Botswana Textile Sector, Capacity Building workshop in Gaborone on 21st February 2023.</li> <li>• Public hearing on the Proposed acquisition regarding Namibia Breweries Limited, Distell Group, Heineken, Sunside on 23rd June 2022.</li> <li>• Presentation to the Banking Ombudsman on Forging ahead and embracing resilience in the financial services sector amid Covid-19 challenges on 16 November 2022.</li> </ul>
Government Ministries, Parastatals.	<ul style="list-style-type: none"> <li>• Presentation at Ministry of Trade and Industry (MTI) – Outreach for Botswana Council for the Disabled on 9th February 2023.</li> <li>• Exhibition and Engagements with Stakeholders on Word Accreditation Day in Lobatse on 17th June 2022</li> <li>• Presentation on Customer Service and Consumer Protection to Gaborone Boys Prison Staff on 18th October 2022</li> </ul>
Sector Regulators and Strategic Partners.	<p>Hosting FTC Seychelles delegation on Benchmarking visit On 1st to 5th August 2022.</p> <ul style="list-style-type: none"> <li>• Presentation to Botswana Mining Workers Union on 3rd November 2022.</li> <li>• Presentation to the Banking Ombudsman on Forging ahead and embracing resilience in the financial services sector amid Covid-19 challenges on 16 November 2022.</li> <li>• Joint Working Committee Meeting with BOCRA on 4th May 2022.</li> </ul> <p>CCA- BNPC MoU Signing on 10th May 2022.</p>

**Table 17 : Summary of stakeholder engagement from 1st April 2022 to 31st March 2023 (Cont...)**

STAKEHOLDER	TYPE OF ENGAGEMENT
Consumers	<ul style="list-style-type: none"> <li>• Mercedes Benz Recall on 16th June 2022</li> <li>• Engagement with Consumer Groups in Francistown and Selibe Phikwe – 28th to 29th June 2022</li> <li>• Engagement with Consumer Groups in Lerala on 11th July 2022</li> <li>• Exhibition at Property Expo on the mandate of CCA and Services on 22nd to 23rd September 2022</li> <li>• Exhibition and empowering Consumers on the mandate of CCA and Services at Consumer Fair on 29th to 3rd September 2022</li> <li>• Exhibition and empowering Consumers on the mandate of CCA and Services at Made in Botswana Expo in Gaborone on 27th to 28th October 2022</li> <li>• Engaging with consumers at the Global Expo Botswana on 1st to 4th November 2022</li> <li>• Metlhala ya Khumo Exhibition in Selibe- Phikwe on 4th March 2023</li> <li>• Commemoration of World Consumer Rights day at Good Hope on 15th March 2023</li> <li>• Commemoration of World Consumer Rights Day at Francistown Nswazwi Mall on 15th March 2023</li> <li>• CCA Engages with Stakeholders at the Business Botswana Northern Trade Fair on May 25th to 29th, 2023 in Francistown</li> <li>• Public Notice on Mercedes Benz Recall on</li> <li>• CCA Engagement with Consumer Groups in Palapye – 27th June 2022</li> </ul>
Consumers	<ul style="list-style-type: none"> <li>• CCA hosts African Competition Forum workshop in Gaborone on 1st to 2nd August 2022</li> <li>• CCA Signs MoU with FTC Seychelles on 21st September 2022</li> </ul>

### Corporate Social Responsibility

The Authority on 5th December 2022 donated fruit and shade trees as well as braille brochures about the CCA mandate to Pudulogong Centre for the Blind in Mochudi. This was in line with the Authority's Corporate Social Responsibility Guidelines which have environmental protection as one of the key priority areas.



## HUMAN CAPITAL AND ADMINISTRATION

The Authority strives to inculcate a high performance culture as a strategic intent through employee engagement to promote and strengthen teams; training and development to enhance competencies and skills and management of employee performance.

### Staffing

The Authority continued to implement the Employee Assistance Programme intended to promote general wellness of employees through guidance and counselling services. Staff Retention has been at its highest throughout the financial year and stood at 96% against the target of 95%.

### Union Recognition

In August 2022 the Authority recognised the Botswana Public Employees Union (BOPEU) as the bargaining agent for the Authority employees. The parties embarked on a process of negotiating the Collective Labour Agreement (CLA) intended to guide the partnership.

### Performance Management

Average Employee Performance is at 88% against target of 80%. This was achieved through implementing initiatives such as performance rewards to encourage employees to always go an extra mile against resource constraints and to do more with less. The Authority also implemented an inflationary salary adjustment so as to cushion employees against effects of inflation.

### Staff Engagement and Employee Wellness

The welfare of the human capital is a priority as it impacts the envisioned high performance and results driven culture. Employee engagement initiatives were carried out during the year, such as Staff quarterly meetings; commemoration of important days including Culture day and Spring day; Staff Retreat; Divisional team building; and employee support programme activities.

### Talent Management

Training and development was undertaken covering a high number of employees. The Divisions of Investigations, Policy and Research (DIPR) and that of Legal Services (DLS) administered in-house training on the Interpretation of the Consumer Protection Act and related investigation work. Training was intended to technically equip staff as well as create a common understating on the mandate. Furthermore, training was conducted for all staff on emotional intelligence to improve personal mastery, interpersonal relations and build a cohesive team with organisational alignment.

During the year employees were trained through capacity building workshops, webinars and networking conferences.

## Procurement

The Authority as a state owned entity embraced the new procurement law, Public Procurement Act, 2021. The new law resulted in the lapse of the former Management and Board Tender Committees and coming in of the Procurement Oversight Unit (POU) and the Accounting Officer as the adjudication and approving authority, respectively, for all procurements.

The Authority supports citizen owned companies through the implementation of the following, among others:

- Reservation of tenders for Citizen-Owned Enterprises – 95% of the procurements for year were from citizen owned entities;
- The application of the Economic Diversification Drive (EDD) -procurement of local produced services and evaluation of tenders is done in accordance with the EDD thresholds; and
- Local Procurement Scheme (LPS) where the Authority supports procurement from groups such as youth, women, people with disabilities.

## Information Technology

The Authority leverages Information technology (IT) to deliver value-adding services to customers. In a bid to ensure accessibility and connectivity, a number of strides were made in the IT arena. Internet was upgraded to WIFI to enhance a high level of connectivity and sustainable internet. The Authority migrated the Enterprise Resource Planning (ERP), Sage 300 to cloud hosting. This has resulted in the Authority applications being accessible using cloud resources, which comes with accessibility and greater flexibility as it enables access from anywhere.

Human Resources services such as leave applications and payslip access can be obtained anytime through the Employee Self Service. Similarly the accounting application can be accessed anywhere enabling staff to work from anywhere. Cloud hosting has positively impacted and improved ways of work as it enables convenience and efficiency resulting from access.

The Case Management System (CMS) facilitates internal management of cases which includes monitoring of turnaround time for cases. The Authority continues to enforce use of the system and transition from the manual case management system.



# COMPETITION AND CONSUMER AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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# COMPETITION AND CONSUMER AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

## BOARD'S RESPONSIBILITY AND APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors of the Competition and Consumer Authority is responsible for the preparation of the Financial Statements and all other information presented therewith. The Board's responsibility includes maintenance of financial records and the preparation of Financial Statements in accordance with the International Financial Reporting Standards.

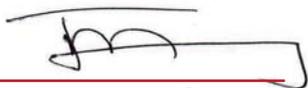
The Competition and Consumer Authority maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse of the Competition and Consumer Authority's assets. According to Section 23 of the Competition Act 2018, the Competition and Consumer Authority appoints the External Auditor but the Board is also responsible for providing policy and reviewing the design, implementation, maintenance and monitoring of the systems of internal control.

The Independent Auditor is responsible for giving an independent opinion on the Financial Statements based on their audit of the affairs of the Competition and Consumer Authority.

After making enquiries, the Board has no reason to believe that the Competition and Consumer Authority will not be a going concern in the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these Financial Statements based on forecasts, available cash resources and continued support of the Government of the Republic of Botswana.

The Board is satisfied that Management introduced and maintained adequate internal controls to ensure that dependable records exist for the preparation of the Financial Statements, to safeguard the assets of the Competition and Consumer Authority and to ensure that all transactions are duly authorised.

Against this background, the Board accepts responsibility for the Financial Statements on pages 61 to 88 which were approved and signed on its behalf by:



Dr. Maerogo Bakwena

Chairperson of the Board



Ms. Tebelelo Pule

Chief Executive Officer

27 September 2023



KPMG, Chartered Accountants  
Audit  
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Fairgrounds Office Park  
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## Independent Auditor's Report

To the members of Competition and Consumer Authority

### Opinion

We have audited the financial statements of Competition and Consumer Authority (the Authority) which comprise the statement of financial position as at 31 March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accounting policies and notes to the financial statements.

In our opinion, these financial statements give a true and fair view of the financial position of Competition and Consumer Authority as at 31 March 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS 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 financial statements section of our report. We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence and accuracy of expenditure Refer to note 4 - staff costs and note 5 - administration expenses	
Key audit matter	How the matter was addressed in our audit
<p>Competition and Consumer Authority is responsible for the prevention of, and redress for, anti-competitive practices in the economy, and the removal of constraints on the free play of competition in the market. It further receives and investigates consumer complaints, promotes awareness of consumer rights and conducts consumer education.</p> <p>The Authority incurs significant annual expenditure in discharging its mandate and relies on Government funding for conducting its business.</p> <p>The total expenditure incurred during the financial reporting year amounted to P 38,954,662.</p> <p>Due to the significant risks pertaining to the non-approval of expenditure, recording of expenditure not incurred or expenditure incurred for the purpose other than for which the Authority was set up, the extent of expenditure incurred and the significant work effort.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• The testing of the design and implementation and operating effectiveness of internal controls over the processing, review, monitoring and authorisation of expenditure to assess whether expenditure incurred and recognised is in terms of the procurement policy and approved by the appropriate authority levels.</li> <li>• Critically evaluated the procurement and payroll processes to ensure expenditure items are appropriately authorised in accordance with the Authority's authorisation matrix and verified that they were supported by valid invoices, supplier contracts and/or employment records.</li> <li>• Reviewing of the budget approval and monitoring process.</li> <li>• With the assistance of our information technology specialists, we performed data analytical procedures, specifically related to staff costs and cash payments, to identify any exceptions against approved processes and expectations. We followed up on the exceptions identified by inspecting relevant</li> </ul>



Existence and accuracy of expenditure Refer to note 4 - staff costs and note 5 - administration expenses	
Key audit matter	How the matter was addressed in our audit
by the audit team, the existence and accuracy of expenditure was considered a key audit matter.	supporting documentation on a sample basis to confirm that the expenditure was approved and valid.

**Other Information**

The directors are responsible for the other information. The other information comprises the General Information, Board's Responsibility and Approval of the Financial Statements, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have 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 financial statements**

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

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



## Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

  
KPMG  
Firm of Certified Auditors  
Practicing member: Adele  
Venter (CAP 0040 2023)  
Gaborone  
28 September 2023

**COMPETITION AND CONSUMER AUTHORITY**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023**

Revenue	Notes	2023 BWP	2022 BWP
Government subvention	1	37 193 898	38 742 360
Revenue arising from contracts with customers	2	2 584 039	3 025 373
<b>Total Revenue</b>		<b>39 777 937</b>	<b>41 767 733</b>
Other income	3	297 809	17 750
<b>Total Income</b>		<b>40 075 746</b>	<b>41 785 483</b>
Administration Expenses	4 & 5	(38 954 662)	(41 834 164)
<b>Operating Profit/(loss)</b>		<b>1 121 083</b>	<b>(48 681)</b>
Finance Income	6	55 892	26 343
Impairment loss on Assets Held for Sale	8	(3 511)	-
Finance Costs on Lease Liability	6	(1 336 190)	(1 574 264)
<b>Total comprehensive loss for the year</b>		<b>(162 725)</b>	<b>(1 596 602)</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023**

ASSETS	Notes	2023 BWP	2022 BWP
<b>Non-Current Assets</b>			
Plant and Equipment	7	1 230 528	1 902 319
Right of Use Assets	16	14 640 553	16 203 551
		<b>15 871 081</b>	<b>18 105 870</b>
<b>Current Assets</b>			
Assets Held for sale	8	27 643	-
Receivables and prepayments	9	1 700 561	1 151 497
Cash and cash equivalents	10	4 070 834	1 135 308
		<b>5 799 038</b>	<b>2 286 805</b>
<b>Total Assets</b>		<b>21 670 119</b>	<b>20 392 675</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY RESERVES</b>			
Accumulated loss		(5 230 913)	(5 068 188)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Deferred capital grant	18	556 639	925 447
Lease liability	16	18 189 293	19 498 329
		<b>18 745 932</b>	<b>20 423 776</b>
<b>Current Liabilities</b>			
Trade and other payables	11	3 425 085	1 030 939
Employee Benefits Accruals	12	1 843 029	1 330 310
Deferred Capital Grants	18	538 931	586 971
Lease liability	16	2 348 055	2 088 867
		<b>8 155 100</b>	<b>5 037 087</b>
<b>Total Liabilities</b>		<b>26 901 032</b>	<b>25 460 863</b>
<b>Total Equity and Liabilities</b>		<b>21 670 119</b>	<b>20 392 675</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**

	Accumulated Loss BWP	Total BWP
<b>Balance at 1 April 2021</b>	(3 471 586)	(3 471 586)
Total Comprehensive loss for the year	(1 596 602)	(1 596 602)
<b>Balance at 31 March 2022</b>	<b>(5 068 188)</b>	<b>(5 068 188)</b>
Balance at 1 April 2022	(5 068 188)	(5 068 188)
Total Comprehensive loss for the year	(162 725)	(162 725)
<b>Balance at 31 March 2023</b>	<b>(5 230 913)</b>	<b>(5 230 913)</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**

CASH FLOWS FROM OPERATING ACTIVITIES:	Notes	2023 BWP	2022 BWP
<b>Loss for the year</b>		<b>(162 725)</b>	<b>(1 596 602)</b>
<b>Adjustments for:-</b>			
Finance income	6	(55 892)	(26 343)
Finance costs	6	1 336 190	1 574 264
Profit on disposal of plant and equipment	3	(270 836)	-
Amortisation of capital grant	18	(538 931)	(586 971)
Depreciation of plant and equipment	7	538 931	586 971
Impairment of assets held for sale	8	3 511	-
Depreciation on right of use asset	16	2 861 205	3 134 286
Movement in provision for gratuity pay	12	240 994	(247 031)
Movement in provision for leave pay	12	227 644	84 193
Movement in provision for leave travel	12	44 082	(21 624)
<b>Cash generated by operations</b>		<b>4 224 173</b>	<b>2 901 143</b>
(Increase)/Decrease in trade and other receivables	9	(549 064)	400 214
Increase/(Decrease) in trade and other payables	11	2 394 146	(323 646)
<b>Net cash flows from operating activities</b>		<b>6 069 254</b>	<b>2 977 711</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	6	55 892	26 343
Purchase of plant and equipment	7	(122 083)	(557 290)
Proceeds from disposal of plant and equipment		494 625	-
<b>Net cash flows generated from (used in) investing activities</b>		<b>428 434</b>	<b>(530 947)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Capital grant received	18	122 083	557 290
Payment of lease liabilities	16	(3 684 245)	(3 663 143)
<b>Net cash flows used in financing activities</b>		<b>(3 562 162)</b>	<b>(3 105 853)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2 935 526</b>	<b>(659 089)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>1 135 308</b>	<b>1 794 397</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	10	<b>4 070 834</b>	<b>1 135 308</b>

# COMPETITION AND CONSUMER AUTHORITY

## ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 1 PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a historical cost basis. All values are rounded to the nearest Pula (BWP) except when otherwise indicated.

### 2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Financial Accounting Standards Board (IFRS Board)

### 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements is in conformity with the IFRS, which 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. The estimation is based on management's best judgment.

### 4 PLANT AND EQUIPMENT

All plant and equipment are measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, to estimated residual values. Where significant parts of an item have different useful lives to the item itself, these parts are depreciated separately over their estimated useful lives. The methods of depreciation, useful lives and residual values are reviewed annually, with the effect of any change in estimates accounted for prospectively.

The following rates were used during the period to depreciate plant and equipment on a straight line basis to estimated residual values.

Furniture and Fittings	<b>10-20%</b>
Motor Vehicles	<b>10-20%</b>
Computer Equipment	<b>20-25%</b>

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

## **COMPETITION AND CONSUMER AUTHORITY ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

### **6 IMPAIRMENT OF NON-FINANCIAL ASSETS**

At each reporting date, the Authority assesses whether there is any indication that assets are impaired. If any such indication exists for any asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where an asset does not generate cash flows that are largely independent of those of other assets or group of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined by the market values relating to the asset and the related costs to sell. 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. Impairment losses are recognised in the surplus or deficit in those expense categories consistent with the function of the impaired asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating-unit) is increased to the revised estimate of its recoverable amount. This increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in surplus or deficit.

### **7 REVENUE RECOGNITION**

#### **Revenue arising from contracts with customers**

Revenue is accounted as per the requirements of IFRS 15: Revenue. Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue recognition follows a five step model framework as follows:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

#### **Merger fees**

The threshold for merger notification is satisfied when either the turnover or asset value of the target enterprise is more than BWP10 million or the combined market share of the merging enterprises is 20% or more. It is also required under Regulation 18 (2) that a merger shall be accompanied by a merger fee of 0.01 percent of the merging enterprises' combined turnover or assets in Botswana, whichever is higher. Merger fees are recognised upon approval of the merger.

## **COMPETITION AND CONSUMER AUTHORITY ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

### **7 REVENUE RECOGNITION** (Continued)

#### **Exemption Fees**

Regulation 6 (2) requires that an application for an exemption shall be accompanied by an application fee of 0.01 percent of the applicant's latest turnover. Exemption fees are recognised on an accrual basis. There were no exemption fees received during the current and prior year.

### **8 OTHER INCOME**

#### **Sale of Tender Documents**

Tender fees are recognised when payment is received from the bidders. The fees are non-refundable.

#### **Insurance**

Insurance claimed against losses covered under the Authority's insurance Policy are recorded upon receipt from the Insurer.

#### **Profit/loss on Disposal of Assets**

A gain or loss is recognised as the difference between the disposal proceeds and the carrying value of the asset at the time of disposal.

### **9 FINANCE INCOME**

Interest income is recognised as it accrues (using the effective interest rate). Effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

### **10 RELATED PARTY TRANSACTIONS**

The Authority maintains a very close relationship with the Government of Botswana. The Government of Botswana provides significant income to the Authority through operational subventions and capital grants and also has a representation of one member in the Competition and Consumer Board. Transactions directly with Government of Botswana are treated as related party transactions.

Transactions with members of the Competition and Consumer Board and Executive Management are treated as related party transactions.

### **11 EMPLOYEE BENEFITS**

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

## **COMPETITION AND CONSUMER AUTHORITY**

### **ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **11 EMPLOYEE BENEFITS** (Continued)

##### **Pension**

For eligible permanent and pensionable employees, the Competition and Consumer Authority operates a defined contribution scheme for the employees. Payments to the scheme are charged as an expense to the statement of comprehensive income as they fall due.

##### **Gratuity**

For contract employees, the Competition and Consumer Authority pays gratuity in accordance with the respective contracts of employment. Employees have an option to be paid gratuity annually or be deferred and settled at the end of the contract.

##### **Leave Pay**

The Competition and Consumer Authority recognises, in full, employees' rights to annual leave entitlement in respect of past service. The recognition is made each year and is calculated based on accrued leave days not utilised during the year. The charge is made to expenses in the Statement of Comprehensive Income and a separate accrual is recognised in the Statement of Financial Position.

#### **12 FINANCIAL INSTRUMENTS**

##### **Initial recognition and measurement**

Financial instruments recognised on the statement of financial position include cash and cash equivalents, receivables and trade and other payables. Financial instruments are initially measured at fair value, including transaction costs, when the company becomes a party to the contractual arrangements. Financial assets are classified at initial recognition and subsequently measured at amortised cost.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### **Receivables**

Receivables are held by the entity to collect contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. Receivables are therefore classified and subsequently measured at amortised cost, using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### **Cash and cash equivalents**

Bank balances and cash in the statement of financial position comprise cash at banks and on hand and short term deposits with an original maturity of three months or less. Cash and cash equivalents are classified and subsequently measured at amortised cost. For the purpose of the cash flow statement, bank balances and cash consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

## **COMPETITION AND CONSUMER AUTHORITY**

### **ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **12 FINANCIAL INSTRUMENTS** (Continued)

##### **Impairment of Financial Assets**

The entity recognises an allowance for expected credit losses (ECLs) for financial instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For receivables, the entity applies a simplified approach in calculating ECLs. Therefore, management does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial assets are written off when there is no reasonable expectation of recovering the contractual cash flows.

##### **Trade and other payables**

After initial recognition, trade and other payables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

##### **Derecognition**

A financial asset is derecognised when the rights to receive cash flows from the asset have expired. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **13 PROVISIONS AND CONTINGENCIES**

Provisions are recognised when the Competition and Consumer Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are measured at management's best estimate of expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect of the time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs. Contingent assets and contingent liabilities are not recognised.

## COMPETITION AND CONSUMER AUTHORITY ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

### 14 TAX

No provision for tax is made as the Authority is exempt from Income Tax.

### 15 LEASES

Leases are recognised, measured and presented in line with "IFRS 16: Leases". The Authority recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period of time.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease and deferred lease asset amount relating to the lease contract at the beginning of the reporting period. The right-of-use asset is depreciated using the straight line method over the shorter of the asset's useful life and the lease term.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate at the date of initial application. Lease payments included in the measurement of the lease liability comprise of the fixed payments. The lease liability is subsequently measured by discounting revised lease payments using the applicable entity's incremental borrowing rate at the date of initial application.

The Authority presents the right-of-use asset separately under Non-current Assets and the lease liability separately under Current and Non-Current Liabilities.

The Right-of-Use Assets are depreciated over the lease period.

#### **Right-of-Use Asset**

Buildings

#### **Useful life**

3 - 6.5 years

After the commencement date, the Right-of-Use Assets are measured at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability.

#### **Leases of low value assets**

The Authority has elected not to recognise right of use assets and lease liabilities for leases of low value assets. The Authority recognises lease payments associated with such leases as an expense in the statement of comprehensive income.

## **COMPETITION AND CONSUMER AUTHORITY**

### **ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

#### **16 GOVERNMENT GRANT**

Government grants are recognised when there is reasonable assurance that: the Authority will comply with the conditions attaching to them; and the grants will be received.

##### **Government grants related to income**

These are government grants other than those related to assets. These are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs is recognised as income of the period in which it becomes receivable. When the grant relates to an expense item, it is recognised on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants related to income are presented as income in the statement of comprehensive income.

##### **Government grants related to assets (Capital Grants)**

These are grants whose primary condition is that for the Authority to qualify for them, it should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held. The Authority presents the grant related to assets in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised in statement of comprehensive income over the useful lives of depreciable assets as reduced depreciation expenses.

##### **Deferred income**

Grants received in advance or grant received, but not spent for the purpose of which is it received by the end of reporting date is deferred in the statement of financial position. There was no deferred income during the year.

#### **17 NEW STANDARDS AND INTERPRETATIONS**

The Authority has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the financial statements of the Authority.

##### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non- life, direct insurance and reinsurance), 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.

## **COMPETITION AND CONSUMER AUTHORITY ACCOUNTING POLICIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

### **17 NEW STANDARDS AND INTERPRETATIONS** (Continued)

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. IFRS 17 is based on a 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

The amendments have no impact on the Financial Statements of the Authority.

#### **Definition of Accounting Estimates - Amendments to IAS 8**

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Authority's financial statements.

#### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments had no impact on the Authority's financial statements.

#### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Authority's financial statements.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

		2023 BWP	2022 BWP
<b>1 GOVERNMENT SUBVENTION</b>			
Revenue/subvention received from the Government of Botswana		36 654 967	38 155 389
Arnotisation of capital grant	18	538 931	586 971
Total Government subvention received		<b>37 193 898</b>	<b>38 742 360</b>
Amount recognised as income includes amortisation of grants received to fund capital expenditure.			
There were no unfulfilled conditions or contingencies attached to these income and capital grants.			
<b>2 REVENUE ARISING FROM CONTRACTS WITH CUSTOMERS</b>			
Regulation 16 (2) stipulates that a merger application shall be accompanied by a merger fee of 0.01 percent of the merging enterprises' combined turnover or assets in Botswana, whichever is higher. The basis of recognition is disclosed in accounting policy note 7. The revenue is recognised on completion of assessment of a merger.			
		<b>2 584 039</b>	<b>3 025 373</b>
<b>3 OTHER INCOME</b>			
<b>Sale of tender documents</b>		14 500	5 750
Bidders are required to pay for the tender documents upon collection. There are no contractual obligations around tender fees and the fees are non refundable.			
<b>Sundry income</b>		12 473	12 000
<b>Profit on disposal of assets</b>		270 836	-
This is profit made from the sale of non-current assets			
		<b>297 809</b>	<b>17 750</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

	2023 BWP	2022 BWP
<b>4 STAFF COSTS</b>		
Salaries and wages	17 251 327	22 479 728
Allowances and benefits	3 428 409	3 304 948
Pension fund contributions	1 989 902	1 573 958
Medical aid and uniforms	1 344 646	1 007 519
Contract gratuity, severance and leave pay	2 036 708	2 072 018
	<b>26 050 992</b>	<b>30 438 171</b>
<b>5 ADMINISTRATION EXPENSES</b>		
Advertising and Publicity	868 039	385 710
Competition and Consumer Board sitting allowances	507 150	270 461
Competition and Consumer Board training and related expenses	231 601	98 435
External audit fees	331 237	234 840
Internal audit fees	248 199	467 556
Bank charges	21 385	20 164
Depreciation	538 931	586 971
Insurance	392 682	299 235
Cleaning expenses	317 579	201 040
Printing and stationery	498 283	779 815
Merger related costs	78 038	101 535
Information technology and related services costs	698 582	601 408
Workshop and seminars	242 105	28 150
Staff training	400 154	133 942
Staff welfare and social activities	409 840	282 396
Utilities	1 492 095	1 464 188
Vehicle Expenses	257 600	102 409
Legal expenses	279 030	266 905
Recruitment expenses	367 048	613 049
Repairs and maintenance	182 765	178 164
Security services	123 342	115 588
Subscriptions to professional bodies	42 131	77 145
Office refreshments and utensils	76 870	47 773
Travel and accommodation	1 061 452	319 384
Depreciation on right of use asset	2 861 205	3 134 286
Financial Inclusion Expenses	-	269 107
Consultancy Costs	306 393	316 338
Provision for Doubful debt	69 937	
	<b>12 903 669</b>	<b>11 395 993</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

	2023 BWP		2022 BWP	
<b>6 FINANCE INCOME AND COSTS</b>				
<b>6.1 Finance Income</b>				
Interest income from bank deposits	55 892		26 343	
<b>6.2 Finance Costs</b>				
Lease Liabilities	1 336 190		1 574 264	
<b>7 PLANT AND EQUIPMENT</b>				
	Furniture & Fittings BWP	Motor Vehicles BWP	Computer Equipment BWP	Total BWP
<b>2023 COST</b>				
At 31 March 2022	3 927 589	2 526 207	5 222 422	11 676 218
Additions for the period	17 010	-	105 073	122 083
Disposals	(304 647)	(710 360)	-	(1 015 007)
Reclassified as Held for sale	(195 400)	-	-	(195 400)
<b>At 31 March 2023</b>	<b>3 444 552</b>	<b>1 815 847</b>	<b>5 327 495</b>	<b>10 587 894</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 31 March 2022	3 281 568	1 971 307	4 521 024	9 773 899
Depreciation	193 006	98 383	247 542	538 931
Depreciation on Disposals	(258 448)	(532 770)	-	(791 218)
Reclassified as Held for sale	(164 246)	-	-	(164 246)
<b>At 31 March 2023</b>	<b>3 051 880</b>	<b>1 536 920</b>	<b>4 768 566</b>	<b>9 357 366</b>
<b>CARRYING AMOUNT</b>				
<b>At 31 March 2023</b>	<b>392 672</b>	<b>278 927</b>	<b>558 929</b>	<b>1 230 528</b>
	Furniture & Fittings BWP	Motor Vehicles BWP	Computer Equipment BWP	Total BWP
<b>2022 COST</b>				
At 31 March 2021	3 872 543	2 526 207	4 720 178	11 118 928
Additions for the period	55 046	-	502 244	557 290
<b>At 31 March 2022</b>	<b>3 927 589</b>	<b>2 526 207</b>	<b>5 222 422</b>	<b>11 676 218</b>
<b>ACCUMULATED DEPRECIATION</b>				
At 31 March 2021	3 032 822	1 822 014	4 332 092	9 186 928
Depreciation	248 747	149 293	188 932	586 971
<b>At 31 March 2022</b>	<b>3 281 568</b>	<b>1 971 307</b>	<b>4 521 024</b>	<b>9 773 899</b>
<b>CARRYING AMOUNT</b>				
<b>AT 31 MARCH 2022</b>	<b>646 021</b>	<b>554 900</b>	<b>701 398</b>	<b>1 902 319</b>

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**8 ASSETS HELD FOR SALE**

As at year end, the Authority held household furniture which was approved for sale in their current condition but was not yet disposed as at year end. The assets were classified as "non-current assets held for sale" on 13th December 2022 on approval of the sale. As at 31st March 2023, the assets were still in the process of being disposed. The sale process is expected to be completed within one year. The assets have been remeasured and are now carried at the lower of their carrying amount or fair value less cost to sell, Fair value less cost to sell has been determined as the amount as advised by a professional valuer. An impairment loss has been recognised for assets whose fair value was lower than the carrying amount and have not been depreciated after recognition as "held for sale".

	2023 BWP	2022 BWP
<b>Cost as at 01 April 2022</b>	195 400	-
Depreciation charged for the year before classification as held for	(164 246)	-
Balance transferred from plant and equipment	<b>31 154</b>	-
Impairment on reclassification	(3 511)	-
<b>Carrying amount classified to held for sale</b>	<b>27 643</b>	-
<b>9 RECEIVABLES AND PREPAYMENTS</b>		
Staff receivables	231 655	299 618
Receivables-Deposits	251 740	254 065
Allowance for credit losses	(18 897)	-
	<b>464 498</b>	<b>553 683</b>
Prepayments	1 287 103	597 814
Allowance for credit losses	(51 040)	-
	<b>1 700 561</b>	<b>1 151 497</b>
Staff receivables are for salary advances recovered over Six months and Twenty Four months for training advance. Staff advances do not attract any interest. Receivables were evaluated for impairment. Amounts receivable from employees are recoverable through payroll deductions.		
Receivables-Deposits consists of rental and utilities deposits. Prepayments mainly consists of rental, licences and insurance paid for in advance.		
<b>Reconciliation of allowance for credit losses</b>		
Opening balance	-	-
Provision raised during the year	(69 937)	-
Closing balance	<b>(69 937)</b>	-

A provision for doubtful debts was raised for amounts due to the Authority for more than 12 months.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

	2023 BWP	2022 BWP
<b>10 CASH AND CASH EQUIVALENTS</b>		
Call	4 014 541	1 058 601
Current	51 243	67 512
Cash in hand	5 050	9 195
	<b>4 070 834</b>	<b>1 135 308</b>

A sweeping arrangement is in place between the current and the call accounts held with Standard Chartered Bank.

<b>11 TRADE AND OTHER PAYABLES</b>		
Trade Payables and Accruals	293 232	569 854
Provision External Audit Fees	330 600	233 814
Merger Fees Advance and Refunds	2 801 253	227 271
	<b>3 425 085</b>	<b>1 030 939</b>

Accruals are non-interest bearing and have an average term of three months. Accruals were booked in for the services rendered that was paid after year end. Audit fee provision is based on the terms of the engagement letter. It is payable in stages with the last payment due on delivery of the signed audit report.

Merger fees advance refers to merger fees received on notification which remains payable until completion of the assessment of a merger. When a merger has gone through assessment stage, the fees are recognised as revenue. A significant number of mergers were received towards the end of the financial year and were under assessment as at year end. This included a merger fee of P1.8 million for one transaction.

**COMPETITION AND CONSUMER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**12 EMPLOYEE BENEFITS ACCRUALS**

	2023 BWP	2022 BWP
<b>12.1 Gratuity</b>		
Opening balance	522 434	769 465
Provision raised during the period	1 006 165	1 026 280
Provision used during the period	(765 171)	(1 273 311)
<b>Closing balance</b>	<b>763 428</b>	<b>522 434</b>
<b>12.2 Leave - Annual</b>		
Opening balance	694 000	609 807
Provision raised during the period	1 029 343	1 013 575
Provision used during the period	(801 699)	(929 382)
<b>Closing balance</b>	<b>921 644</b>	<b>694 000</b>
<b>12.3 Leave - Travel</b>		
Opening balance	113 875	135 500
Provision raised during the period	68 082	55 375
Provision used during the period	(24 000)	(77 000)
<b>Closing balance</b>	<b>157 957</b>	<b>113 875</b>
	<b>1 843 029</b>	<b>1 330 309</b>

Total provisions relate to gratuity, leave and leave travel as at the reporting date. The gratuity provision is calculated in accordance with the respective contracts of employment. Leave provision is calculated based on accrued leave days not taken during the period, while leave travel is a contractual benefit payable after every two years of service. Under contract employment, there is an option to pay the gratuity on an annual basis.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**13 FINANCIAL INSTRUMENTS**

The accounting classification of each category of financial instruments and their carrying amounts are as follows:

	Note	Financial Assets at amortised cost BWP	Financial liabilities at amortised BWP	Total carrying amount BWP
<b>2023</b>				
Staff Advances and deposits	9	464 498	-	464 498
Cash and cash equivalents	10	4 070 834	-	4 070 834
Trade and other payables	11	-	3 425 085	3 425 085
		<b>4 535 332</b>	<b>3 425 085</b>	<b>7 960 417</b>

		Financial Assets at amortised cost	Financial liabilities at amortised cost	Total carrying amount
<b>2022</b>				
Staff Advances and deposits	9	553 683	-	553 683
Cash and cash equivalents	10	1 135 308	-	1 135 308
Trade and other payables	11	-	1 030 939	1 030 939
		<b>1 688 991</b>	<b>1 030 939</b>	<b>2 719 930</b>

## **COMPETITION AND CONSUMER AUTHORITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **13 FINANCIAL INSTRUMENTS** (Continued)

##### **Financial risk management objectives and policies**

The main risks arising from the Competition and Consumer Authority's financial instruments are interest rate risk, credit risk and liquidity risk. The Competition and Consumer Authority does not hold any derivative financial instruments.

##### **Credit Risk**

The Competition and Consumer Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is the risk that the regulated and supervised institutions and other counterparties will not be able or willing to pay or fulfil their obligations in accordance with the Competition Act. The Authority is exposed to credit risk through its cash balances and staff advances. All cash and cash equivalents are placed with financial institutions registered in Botswana.

The maximum exposure to credit risk is represented by the carrying amount of cash and cash equivalents, as shown in the Statement of Financial Position. Credit risk on staff debtors is managed through recoveries from terminal benefits in accordance with the contractual terms and conditions of employment.

##### **Significant Concentration of Credit Risk**

Financial assets that potentially subject the Competition and Consumer Authority to concentrations of credit risk consist primarily of cash and cash equivalents, as well as accounts receivable. Cash and cash equivalents are placed with reputable financial institutions in the normal course of trading. The Competition and Consumer Authority does not engage in any other investment portfolios. Expertise and controls have been put in place to manage credit risk.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**13 FINANCIAL INSTRUMENTS** (Continued)

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments that are sensitive to interest rate risk are bank balances and cash (refer note 10). The Competition and Consumer Authority does not have long-term significant interest bearing assets. Since the Competition and Consumer Authority receives funds from Government on a quarterly basis, which are linked to expenditure, it does not engage in long-term investments which attract significant interest rates. The Authority also monitors instructions from the Central Bank on issues relating to interest rate trends.

Interest rates on call deposits ranged from 0.25% and 0.50%.

The following sensitivity analysis is measured on cash balance against possible changes in interest rates with all other variables held constant:

2023	Increase / decrease in basis points	Effect on Surplus or deficit and equity
Pula	+100	401
Pula	-100	-401

2023	Increase / decrease in basis points	Effect on Surplus or deficit and equity
Pula	+100	106
Pula	-100	-106

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**13 FINANCIAL INSTRUMENTS** (Continued)

**Liquidity Risk**

The Competition and Consumer Authority's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the its reputation.

The ultimate responsibility for liquidity risk management rests with the Competition and Consumer Board, which has established appropriate liquidity risk management procedures for the management of the Competition and Consumer Authority's funding and liquidity management requirements. The Competition and Consumer Authority manages liquidity risk by maintaining adequate cash and cash equivalents to settle liabilities when they become due, by continuously monitoring forecast and actual cash flows, and by matching the Government Subvention to the maturity profile of the financial liabilities.

The following table summarises the maturity profile of the Competition and Consumer Authority's financial liabilities as at 31 March 2023 based on contractual undiscounted payments:

2023	Less than 1 month BWP	1 to 3 months BWP	3 to 12 months BWP	1 to 5 years BWP	> 5 years BWP	Total BWP
Trade and other payables	-	3 425 085	-	-	-	3 425 085
	-	<b>3 425 085</b>	-	-	-	<b>3 425 085</b>

2022	Less than 1 month BWP	1 to 3 months BWP	3 to 12 months BWP	1 to 5 years BWP	> 5 years BWP	Total BWP
Trade and other payables	-	1 030 939	-	-	-	1 030 939
	-	<b>1 030 939</b>	-	-	-	<b>1 030 939</b>

## **COMPETITION AND CONSUMER AUTHORITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **13 FINANCIAL INSTRUMENTS** (Continued)

##### **Fair Value**

Due to the short-term nature of all financial assets and financial liabilities, the amortised cost approximates their fair value.

##### **Capital Management**

Capital consists of the line item Accumulated losses in the Statement of Financial Position. The Competition and Consumer Authority's objectives when managing capital are to safeguard its ability to continue in order to provide benefits to all its stakeholders and continue as a going concern. Management is of the view that these are being met as the government continues to commit to funding the Authority. During the period under review, the Competition and Consumer Authority did not have any borrowings. As a government owned institution, the Competition and Consumer Authority is supported by the Government of Botswana, which currently provides the necessary support to sustain the operations of the Competition and Consumer Authority.

#### **14 RELATED PARTY TRANSACTIONS**

The Competition and Consumer Authority was set up by the Competition Act, 2018 and is a parastatal of the Republic of Botswana. All related party transactions and balances are non-interest bearing and un-secured. There are no guarantees for transactions with related parties. Transactions with related parties are on agreed terms and conditions. The following transactions were carried out with related parties:

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**Relationships**

Owner with control of entity  
 Members of Competition and Consumer Board

Government of Botswana  
 Refer to General Information Page

	Note	2023 BWP	2022 BWP
<b>Subvention Received</b>			
Government of the Republic of Botswana	1	37 193 898	38 742 360
<b>Competition and Consumer Board Expenses</b>			
Competition and Consumer Board expenses for the year amounted to BWP738 751 (2022: BWP270 461).			
<b>Compensation Paid to Key Management Personnel of the Authority</b>			
Key Management personnel of the Authority comprises the Chief Executive Officer and Directors who are responsible for the strategic direction of the Authority.			
<b>Short term benefits</b>			
Basic salaries and allowances		5 527 838	5 214 432
Rental for CEO's official residence		443 142	422 040
		<b>5 970 980</b>	<b>5 636 472</b>
<b>Post Employment Benefits</b>			
Gratuity		1 006 165	1 026 280
<b>Total employee benefits</b>		<b>6 977 145</b>	<b>6 662 752</b>
Key management personnel are also provided with staff advances under the terms applicable to all staff.			
		2023 BWP	2022 BWP
<b>Staff Advances</b>			
Salary advance		53 520	63 333
Training advance		-	16 665
<b>Total Staff Advances</b>		<b>53 520</b>	<b>79 998</b>

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Competition and Consumer Authority has not recorded any impairment of receivables relating to amounts owed by related parties (2022: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**15 TAXATION**

No provision for taxation is required as the Competition and Consumer Authority is exempt from taxation in terms of the Second Schedule of the Income Tax Act (CAP 52:01).

**16 LEASES**

(Authority as Lessee)

	2023 BWP	2022 BWP
<b>16.1 Right-of-use assets</b>		
Opening balance 1 April 2022	16 203 551	23 675 913
Depreciation	(2 861 205)	(3 134 286)
Lease Modification	-	(4 338 076)
Additions	1 298 207	-
<b>Closing balance 31 March 2023</b>	<b>14 640 553</b>	<b>16 203 551</b>
<b>16.2 Lease liability</b>		
Opening balance 1 April 2022	21 587 196	28 014 152
Add: Interest	1 336 190	1 574 264
Less: Payments	(3 684 245)	(3 663 143)
Lease Modification	-	(4 338 076)
Additions	1 298 207	-
<b>Closing balance 31 March 2023</b>	<b>20 537 348</b>	<b>21 587 196</b>
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	4 206 272	3 462 661
Two to five years	20 390 530	20 776 550
More than five years	-	2 609 906
Total undiscounted lease liabilities at 31 March 2023	24 596 803	26 849 117
Less: Total finance cost allocated to future periods	(4 059 455)	(5 261 921)
<b>Lease liability at 31 March 2023</b>	<b>20 537 348</b>	<b>21 587 196</b>
Current portion	2 348 055	2 088 867
Non-current portion	18 189 293	19 498 329
	<b>20 537 348</b>	<b>21 587 196</b>
<b>Amounts recognised in Profit or loss</b>		
Finance cost on lease liability	1 336 190	1 574 264
Depreciation relating to right-of-use assets	2 861 205	3 134 286
<b>Amounts recognised against lease liability</b>		
Total cash outflow for leases	3 684 245	3 663 143
Principal amount paid	2 348 055	2 088 879

**COMPETITION AND CONSUMER AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

**16 LEASES continued**

**16.3 Lease Modifications**

During the Financial Year 2021/22, lease negotiations resulted in the office rental being maintained at P270 092.19 from October 2021 until the end of the lease period; September 2023. There was no other change to the lease terms. The change in the monthly payment was considered a lease modification.

The table below sets out the closing Lease Liability and Right-of-Use Asset before and after the change in consideration terms.

	30 September 2021	01 October 2021	Variance
Lease liability	26 636 464	22 298 387	4 338 076
Right-of-Use Asset	21 594 634	17 256 558	4 338 076

The reduced monthly rental resulted in a decrease in the Lease Liability and corresponding Right of Use Asset.

**COMPETITION AND CONSUMER AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023**

**17 COMMITMENTS AND CONTINGENCIES**

	2023 BWP	2022 BWP
<b>17.1 Capital Commitments</b>		
As at 31 March 2023, the Competition and Consumer Authority had no capital commitments (2022: Nil). There were no other commitments already made at the end of the reporting period.		
<b>17.2 Guarantees</b>		
The Competition and Consumer Authority does not have guarantees on employee loans.		
<b>18 DEFERRED CAPITAL GRANT</b>		
Opening balance	1 512 418	1 542 099
Received during the year	122 083	557 290
Amortisation of Capital Grants	(538 931)	(586 971)
Closing balance	<b>1 095 570</b>	<b>1 512 418</b>
<b>18.1 CLASSIFICATION OF CAPITAL GRANTS</b>		
Current	538 931	586 971
Non-Current	556 639	925 447
	<b>1 095 570</b>	<b>1 512 418</b>

The government of Botswana provides capital grants to the Authority to finance the purchase of Plant and Equipment and intangible assets. The grants are transferred to the statement of comprehensive income in a manner that represents the economic benefits derived from the usage of such assets.

## **COMPETITION AND CONSUMER AUTHORITY**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **20 GOING CONCERN**

The Authority incurred a net loss of P162 725 (2022 P1 596 602) for the year ended 31 March 2023 and as of this date the total liabilities exceeded total assets by; P5 230 913 (2022: P5 068 188). Current liabilities exceeded current assets by; P2 356 062 (2022: P2 750 281). The Authority has received a letter of support from the Government of Botswana through the Ministry of Trade and Industry confirming financial support for the next financial year.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

The Directors have considered the following matters in making an assessment on the going concern assumption:

- Letter of support - This letter confirms that the Government of Botswana through the Ministry of Trade and Industry, will continue to provide financial support to the Competition and Consumer Authority for the next 12 months from the date of signing of the financial statements in order for the Authority to continue as a going concern.
- Cash flow forecast – The cash flow forecast for the 12 month period indicates consistent cash inflow as such the Authority will continue as a going concern.







## FEEDBACK CONTACT DETAILS

Feedback, comments and questions on the content of this Annual Report can be addressed to the contacts below:

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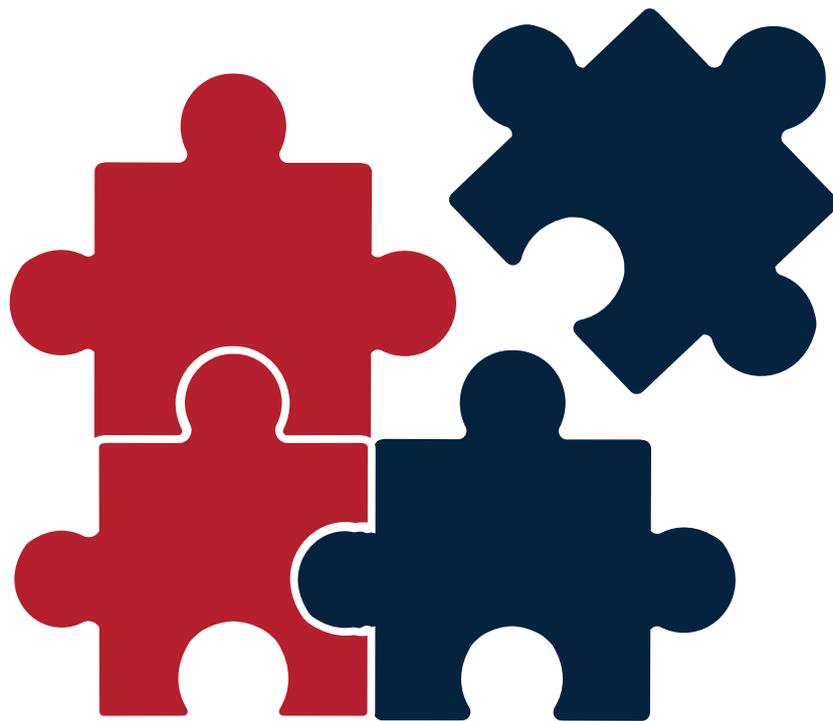
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