burs

botswana unified revenue service

INTEGRATED ANNUAL REPORT 2024

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PREFACE

Welcome to the third edition of the Botswana Unified Revenue Service (BURS) Integrated Report. This report continues our commitment to transparency, accountability, and responsible governance as we reflect on our progress and the transformative steps we have taken in fulfilling our mandate. As we navigate an evolving economic and regulatory landscape, our dedication to driving sustainable development, strengthening tax administration, and enhancing public trust remains unwavering.

Building upon the milestones achieved in previous editions, this report explores our advancements in revenue generation, governance, and service delivery. In 2024, we have further refined our operational efficiency, deepened stakeholder collaborations, and reinforced our role as a key contributor to Botswana's economic growth. Our strategic focus aligns with national development priorities, ensuring that our actions drive long-term value and sustainable progress. As custodians of public resources, we uphold the highest standards of integrity and accountability. Every initiative we undertake is aimed at fostering economic resilience, promoting tax compliance, and ensuring that Botswana's fiscal framework supports inclusive and equitable growth. This Integrated Report offers an in-depth view of our strategies, challenges, and achievements over the past year, showcasing our unwavering commitment to continuous improvement.

We invite you to engage with this report as we share insights into our journey towards an adaptive and future-ready tax administration system. BURS is not just about revenue collection—it is about shaping a fair and prosperous economic environment where taxation serves as a catalyst for national development, social progress, and governance excellence.

Together, let us embrace the opportunities of the future while addressing the challenges of today, working collectively towards a Botswana characterized by growth, equity, and lasting sustainability.

WHO WE ARE

About Us

The Botswana Unified Revenue Service (BURS) was established by an Act of Parliament in 2004, the Botswana Unified Revenue Service Act of 2003 which came into operation in August 2004. The Botswana Unified Revenue Service (BURS) is responsible for the assessment and collection of taxes on behalf of the Government of Botswana. Specifically, the Revenue Service is mandated to assess and collect the Income Tax, the Value Added Tax (VAT), the Capital Transfer Tax and the Transfer Duty. Further, it administers statutory controls at various border posts and other ports of entry. Furthermore, BURS collects Customs and Excise duties on behalf of the Southern African Customs Union (SACU). Other responsibilities include accounting for the revenue collected on behalf of other Government Agencies.

OUR VISION

Centre of Excellence in Revenue Mobilisation and Border Management

OUR MISSION

To enable the fair payment of taxes, facilitate trade and manage borders for the transformation of Botswana

OUR CORE VALUES

Botho: We subscribe to the national aspiration of Botho, embracing trust and respect for one another.
Integrity: We uphold strong moral principles in all our dealings.
Accountability: We take responsibility for all our actions.
Innovation: We strive to improve our work – always seeking to introduce new ideas, methods and ways to improving our levels of service to our customers.
Teamwork: We work as a team, breaking silos and collaborating to improve our efficiencies and effectiveness
Our philosophy: Collecting for progress

KEY HIGHLIGHTS

BURS performance snapshot

This section provides a summary of BURS performance based on key metrics essential for achieving its strategic objectives. It highlights the primary performance indicators, demonstrating how BURS tracks progress toward these goals. By comparing current-year date with previous years, it shows BURS's position in relation to the achieving of its strategic plan.

STAFF
1,640

TOTAL TAX REVENUE COLLECTION
P59.411
BILLION

TAX REGISTER
516,090
REGISTRANTS

TOTAL REVENUE AGAINTS TARGET

TARGET
P59.200
BILLION

ACTUAL
59.411
BILLION

SACU REMITTANCES
P728
MILLION

BOTSWANA SACU SHARE
R33.488
BILLION

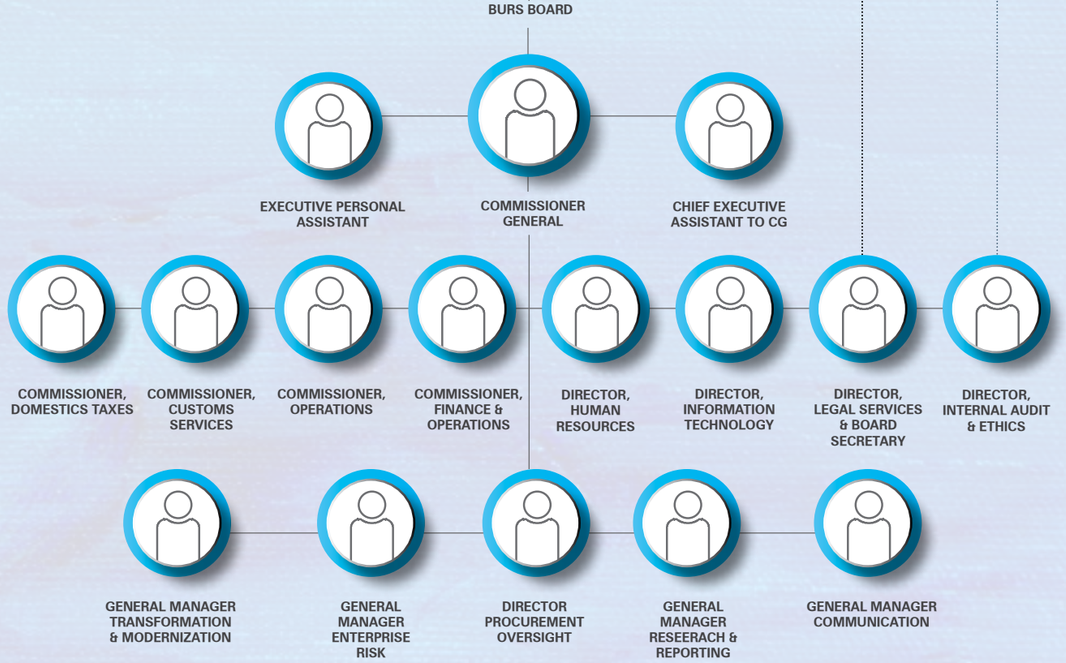
TAX TO GDP RATIO
22.7%

COST OF COLLECTION
P0.02
TO COLLECT P1

ORGANISATIONAL STRUCTURE

The organizational structure of BURS establishes a system of authority, roles, communication, and responsibilities that steer our operations to fulfil our mandate and meet strategic goals. It outlines a clear hierarchy, ensuring that each role is distinct and responsibilities are appropriately distributed across all levels. This clarity is vital for the smooth flow of information, facilitating effective communication and prompt decision-making throughout the organization. BURS operates under the supervision of the Ministry of Finance, with oversight from the Board of Directors, who offer strategic guidance and leadership. This governance structure ensures that our operational framework aligns with national priorities, supporting the broader economic objectives set by the Ministry. This relationship enhances our capacity to adapt to the evolving needs of stakeholders and reinforces our dedication to delivering quality service. In the year under review, BURS continued with its realignment project to improve the efficiency of its organizational structure. This initiative aims to keep our operations responsive to the changing needs of our stakeholders while enhancing internal coordination and overall performance. The realignment is part of our ongoing effort to optimize resources and align our structure more closely with strategic goals, allowing us to tackle the dynamic challenges in the tax and revenue sector.

Figure 1: BURS Organisational Structure



BURS is made up of nine Divisions namely: Customs Services Division (CSD), Domestic Taxes Division (DTD), Operations Division (OD), Finance & Administration Division (FAD), Human Resources Division (HRD), Information Technology Division (ITD), Internal Audit and Ethics Division (IAED), Legal Services Division (LSD) and the Office of the Commissioner General (OCG).

Office of the Commissioner General

The Office of the Commissioner General provides the strategic and operational leadership necessary for the organization to achieve its revenue targets and support the Government's efforts to expand the tax base, thereby boosting domestic revenue generation. This office is also responsible for overseeing key functions, including Communications, Transformation and Modernization, Research and Reporting, and Enterprise Risk Management, which play a vital role in driving organizational growth and ensuring sustained performance.

Customs Services Division

The Customs Services Division is responsible for providing strategic direction to the customs and excise operations, ensuring effective administration across all aspects. It develops policies, strategies, and programs while offering guidance on customs and excise management. The division also leads negotiations and facilitates regional & international trade and customs agreements to protect Botswana's interests. Additionally, it coordinates policy matters with the Botswana Government and engages with international organisations such as the International Monetary Fund (IMF), World Bank, World Customs Organisation (WCO), World Trade Organisation (WTO), Southern African Customs Union (SACU) ensuring alignment with global standards and practices.

Domestic Taxes Division

This Division is responsible for providing strategic direction in the development of legislation, policies, and strategies related to Domestic Taxes. It ensures consistency in the interpretation and application of tax laws, including the Income Tax, VAT, Transfer Duty, and Capital Transfer Acts. The Division also plays a key role in leading and advising on matters concerning the international tax landscape, including the determination and negotiation of tax agreements and treaties.

Internal Audit and Ethics Division

The Internal Audit and Ethics function operates independently to support BURS in achieving its objectives by applying a systematic and disciplined approach to evaluating and enhancing the effectiveness of risk management, control, and governance processes. It fulfills this role by monitoring, reviewing, investigating, and verifying the organization's activities and operations to ensure integrity, efficiency, and adherence to internal control systems and procedures. Additionally, the function promotes ethical conduct across the organization, fostering a culture of accountability, consistency and compliance.

Legal Services Division

The Legal Services Division serves a dual purpose in administering the BURS Act and Revenue Laws. Led by the Secretary to the Board, who oversees the legal affairs of the Revenue Service, the Division provides legal advice and support to the Commissioner General on matters related to the BURS Act, Revenue Laws, and other legislation that affects the organization's operations. This guidance ensures that BURS remains compliant with relevant legal frameworks while effectively carrying out its mandate.

Finance and Administration Division

The Finance and Administration Division is responsible for accounting for revenue collected by BURS in accordance with various revenue and non-tax statutes, as well as accounting for government subventions and related expenditure transactions. Additionally, the Division is responsible for planning, organizing, and overseeing the delivery of cost-effective, value-for-money support services across several areas, including Infrastructure Development Projects, Facilities Management, Fleet Management, General Administration, and Security Services.

Human Resources Division

The Human Resources Division is dedicated to ensuring that BURS implements effective policies and a strategic approach to the acquisition, motivation, development, and management of its human resources. This Division plays a crucial role in fostering an appropriate organizational culture that aligns with the mission and objectives of BURS. It actively introduces programs and initiatives that reflect and support the core values of the Revenue Service, such as integrity and accountability.

In addition to recruitment and talent management, the Division focuses on employee engagement and continuous professional development, providing training and career advancement opportunities to enhance staff skills and competencies. By prioritizing a positive work environment and promoting a culture of collaboration and respect, the Human Resources Division aims to empower employees, drive organizational performance, and ultimately contribute to the overall success of BURS in fulfilling its mandate.

Information Technology Division

The Information Technology Division is responsible for delivering comprehensive information technology services that support the various service delivery functions of BURS. This role involves strategic technology planning, the establishment of standards and procedures, and the acquisition of technology solutions. The Division operates in both a supportive and oversight capacity, ensuring the quality and effectiveness of the IT components in all business system initiatives.

In addition to managing IT infrastructure and systems, the Division plays a pivotal role in enhancing operational efficiency through the implementation of innovative technological solutions. It works closely with all divisions to assess their IT needs, providing tailored support that aligns with the organization's goals. By fostering a culture of continuous improvement and technological advancement, the Information Technology Division ensures that BURS remains at the forefront of digital transformation, ultimately improving service delivery and stakeholder engagement.

Operations Division

The Operations Division is responsible for the on-the-ground delivery of BURS services, ensuring that taxpayers receive the support and assistance they need. This Division encompasses several key sections, including the Investigations, Compliance & Enforcement Section, Returns Processing Section, Taxpayer Service Section, Customs Declaration Processing Centre and Call Centre. Additionally, it oversees the operations of Regional and Inland offices, as well as all Ports of Entry.

By coordinating various functions, the Operations Division plays a critical role in ensuring compliance with tax and customs laws and regulations. It focuses on making processes efficient and responsive to taxpayer needs while maintaining high standards of service quality. The Division also undertakes agency work at ports of entry, performing tasks on behalf of other government departments. This collaboration is essential for upholding regulatory standards, ensuring the seamless processing of goods and travellers, and safeguarding national interests.
By integrating tax compliance efforts with other regulatory functions at the borders, BURS strengthens enforcement and contributes to the broader mandate of enhancing government service delivery at critical entry points. Additionally, the Division prioritizes communication and collaboration across its sections, aiming to provide a seamless experience for taxpayers and traders while fostering a culture of accountability and transparency within the organization. Through these comprehensive efforts, the Operations Division significantly enhances BURS overall effectiveness in fulfilling its mandate.

CORPORATE GOVERNANCE

BURS continues to prioritize strong corporate governance as a fundamental pillar of its operations. Adhering to the principles of the King IV Code of Corporate Governance, we have strengthened our governance structures, decision-making frameworks, and ethical leadership practices throughout 2024.

Our governance focus areas for the year included:

Leadership & Ethical Conduct – Reinforcing a culture of accountability and integrity at all levels of the organization.
Regulatory Compliance – Ensuring full adherence to the King IV Code, local governance frameworks, and international best practices.
Risk Management & Internal Controls – Strengthening risk oversight and embedding robust internal control measures to mitigate operational vulnerabilities.
Stakeholder Engagement – Promoting transparency and inclusivity in our engagements with key stakeholders.
By maintaining high governance standards, BURS continues to foster trust and accountability, ensuring that its operations align with both regulatory expectations and stakeholder interests.

Leadership, Ethics and Corporate Citizenship: Board of Directors

Composition of the Board
The BURS Board of Directors is composed of a Non-Executive Chairperson, Members drawn from the Public, Parastatal, and Private sectors, as well as the Commissioner General. The Board appointments are made by the Minister of Finance, in line with the provisions outlined in Section 5 of the BURS Amendment Act, 2020.

Role and Responsibilities of the Board:
The Board plays a crucial role in setting the strategic direction for BURS, ensuring that its operations align with the organization's vision and objectives. Its primary responsibilities include:

Approval of Corporate Strategy and Annual Business Plans:
The Board holds the responsibility for approving BURS's overarching strategic plan, including the annual corporate business plans that direct the organization's activities. In this capacity, the Board establishes BURS's Vision, Mission, and Values, along with strategic objectives that define the organization's direction and priorities.

Identifying Key Risk Areas:
The Board identifies areas of potential risk and mitigation strategies for the success of BURS's operations.

Monitoring Performance:
The Board regularly reviews BURS's performance to assess progress against established objectives and targets. This oversight ensures that the organization operates efficiently and meets its performance goals.

Safeguarding Tax Revenues:
The Board prescribes administrative measures necessary to protect the integrity of tax revenues.

Approval of the Code of Conduct:
The Board is responsible for overseeing the development of BURS's Code of Conduct and formally approves it to promote high ethical standards throughout the organization.

Advising on Financial Matters:
It provides guidance on significant financial issues affecting BURS, ensuring sound financial management practices.
Reviewing the Commissioner General's Performance: The Board evaluates the performance of the Commissioner General, based on set objectives and standards.

Meeting Frequency and Governance Practices

As stipulated by its statutory mandate, the Board must convene at least four times annually to ensure robust oversight of BURS's operations and to conduct periodic evaluations of the organization's performance. In addition to these requirements, the Board members are expected to uphold transparency and accountability. Each year, members disclose their interests and assets, and at each meeting, they declare any potential conflicts of interest related to the agenda items.

In the year under review, the Board exceeded the minimum meeting requirement, convening a total of seven times. This proactive approach demonstrates the Board's commitment to maintaining effective control and oversight of BURS's operational and strategic initiatives. The regular meetings ensured thorough discussions on critical issues, timely decision-making, and a continuous focus on advancing BURS's goals.

Commitment to Sound Governance

The governance structure adopted by BURS is designed to uphold the highest standards of accountability and transparency. The Board's dedication to sound governance principles is evident in its rigorous approach to strategic planning, risk management, and performance evaluation. By consistently monitoring progress and addressing challenges proactively, the Board ensures that BURS remains aligned with its mission of optimizing revenue collection and supporting the nation's economic development.

Through its leadership and strategic oversight, the Board of Directors plays a pivotal role in guiding BURS toward sustainable growth and operational efficiency. As the organization continues to adapt to changes in the economic and regulatory landscape, the Board's governance practices will remain integral to fostering an environment of trust, accountability, and resilience.

BOARD OF DIRECTORS

BOARD CHAIRMAN
Dr. Lesedi S. Senatla

MEMBER
Dr. Pinkie G. Kebakile

MEMBER
Mr. Gerald N. Nthebolan

MEMBER
Mr. Pono W. Molatlhwe

MEMBER
Mr. Benjamin Tobedza

MEMBER
Mr. Mishingo H. Jeremia

MEMBER
Ms. Seabo M. Keorapetse

BURS EXECUTIVE COMMITTEE

COMMISSIONER GENERAL
Ms. Jeanette C. Makgolo

COMMISSIONER OPERATIONS
Mr. Phodiso P. Valashia

COMMISSIONER FINANCE AND ADMINISTRATION
Ms. Ediretse C. Mokara

COMMISSIONER DOMESTIC TAXES
Mr. Tutu P. Bakwena

COMMISSIONER CUSTOMS SERVICE
Ms. Gaone L. Arieff (Acting)

DIRECTOR HUMAN RESOURCES
Ms. Mama M. Maite

DIRECTOR INFORMATION TECHNOLOGY
Ms. Lebesani C. Mosweu

DIRECTOR INTERNAL AUDIT & ETHICS
Mr. Lovemore Katukula

DIRECTOR PROCUREMENT OVERSIGHT
Mr. Kgakgamalo K. Ketshajwang

DIRECTOR LEGAL SERVICES
Ms. Motsisi Mongati

GENERAL MANAGER ENTERPRISE RISK MANAGEMENT
Mr. Obakeng Okgethile

GENERAL MANAGER RESEARCH & REPORTING
Mr. Zibanani Mokgethi

GENERAL MANAGER TRANSFORMATION & MODERNISATION
Mr. Ephraim T. Kentse

GENERAL MANAGER COMMUNICATIONS
Ms. Mable B. Bolele

Board of Directors Membership

NAME	ROLE	TENURE	DUTIES
Dr. Lesedi S. Senatla	Chairperson & Board Member	01 April 2022 – 31 March 2024	The Board's primary responsibilities include the approval of the business and corporate plans of BURS, determining BURS' vision and values and giving strategic direction to BURS, identifying key risk areas and key performance indicators of BURS' business, monitoring the performance of BURS against agreed objectives, prescribing such administrative measures as may be required to safeguard the tax revenues, approving a code of conduct for the Revenue Service, advising on significant financial matters pertaining to BURS and reviewing the performance of the Commissioner General against defined objectives and other applicable performance standards.
Dr. Pinkie G. Kebakile	Board Member	10 December 2020 - 09 December 2024	
Mr. Benjamin Tobedza	Board Member	01 April 2021 – 31 March 2025	
Mr. Gerald Nthebolan	Board Member	01 April 2021 – 31 March 2025	
Mr. Pono W. Molatlhwe	Board Member	01 April 2021 – 31 March 2025	
Mr. Mishingo H. Jeremia	Board Member	01 April 2022 - 31 March 2026	
Ms. Seabo M. Keorapetse	Board Member	01 November – 31 October 2027	
Ms. Jeanette C. Makgolo	Commissioner General	01 August 2021 – 31 July 2026	

Board of Directors Qualifications

NO	NAME	COMPANY/ORGANISATION	QUALIFICATIONS
1.	Dr. Lesedi Says Senatla	Bank of Botswana – Director, Statistics, Data Management and Analytics Department	* PhD (Economics), University of Nottingham, Nottingham, UK * Master of Arts (Economics), University of Delaware, Delaware, USA * Bachelor of Arts (Economics) University of Botswana, Gaborone, Botswana
2.	Dr. Pinkie Gertrude Kebakile	Botswana Institute for Development Policy Analysis – Research Fellow	* PhD (Economics), University of Cape Town, South Africa * MCom (Economics), University of Cape Town, South Africa * Bachelor of Arts (Economics and Statistics), University of Botswana, Gaborone, Botswana
3.	Mr. Benjamin Tobedza	Fresh Brand Marketing - Business Development Manager	* Master's in Business Administration (Business Finance), North-West University, South Africa * Bachelor of Commerce Degree, University of Botswana, Gaborone, Botswana
4.	Mr. Pono Walter Molatlhwe	Consultant	* Master's Degree in Public Administration, University of Botswana, Gaborone, Botswana * Bachelor of Arts Degree (Social Sciences), University of Botswana, Gaborone, Botswana
5.	Mr. Gerald Nteme Nthebolan	Retired (Debswana-Head of Information Management)	* Master's in Business Administration (General), De Montfort University, England * B.Sc. (Hons) Computer Science, Leicester Polytechnic, England
6.	Mr. Mishingo Hadzani Jeremia	Jeremia Attornerys – Partner	* Bachelor of Laws Degree (LLB), University of Botswana, Gaborone, Botswana
7.	Ms. Seabo Motlhwatswi Keorapetse	Ministry of Finance – Deputy Secretary, Budget Administration	* Masters of Sciences (Accounting and Finance), Buckingham University, England * Bachelor of Arts Degree (Economics and Accounting), University of Botswana, Gaborone, Botswana
8.	Ms. Jeanette Chanda Makgolo (EX OFFICIO)	* Botswana Unified Revenue Service – Commissioner General	* Bachelor of Commerce (Accounting and Management), University of Botswana, Gaborone, Botswana

Board of Directors Meetings Attendance

Name	Position	4/05/23 EO	10/07/23	28/07/23 EO	11/09/23	29/09/23 EO	24/10/23 EO	7/12/23	22/02/24	AMOUNT
Dr. L. S. Senatla	Chairperson	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P69, 750**
Mr. G. Nthebolan	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P50, 800**
Dr. P. G. Kebakile	Member	√√√	√	√√√	√√√	√√√	√√√	√√√	√√√	**P49, 000**
Mr. B. Tobedza	Member	√√√	√√√	√√√	√√√	√√√	√√√	√	√√√	**P40, 800**
Mr. P.W. Molatlhwe	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P50, 800**
Mr. M. H. Jeremia	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P50, 800**
Ms. S. M. Keorapetse	Member	X	X	X	X	X	X	N/a	N/a	**P5,000.00**
Ms. J. C. Makgolo	Commissioner General	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**N/a**
Ms. M. Mongati	Board Secretary & Director Legal Services	√√√	√	√√√	√	√√√	√√√	√√√	√√√	**N/a**
Mr. K. Tshane	Acting Board Secretary & Director Legal Services	N/a	√√√	N/a	√√√	N/a	N/a	N/a	N/a	**N/a**

KEY

√√√	Attended
√	Apology
X	Pre/Post term
EO	Extra Ordinary Board/Committee meeting
CS	Closed Session
N/a	Not applicable

Board Committees and their mandate

Section 9 (1) of the BURS Amendment Act empowers the Board to appoint Committees. The Committees may be of a general or special nature, consisting of a number of Members, with such qualifications, as the Board may determine. Further, the Board may delegate any of its powers, functions or duties under the Act to the appointed Committees. The Board has appointed the following Committees, namely; the Board Audit and Finance Committee (BAFC), the Board Human Resources Committee (BHRC) and the Board Strategy Committee (BSC). The Board may further appoint co-opted Members who are specialists in the identified fields. The following table sets out the composition of the Board Committees and their mandates. In terms of Section 10 of the BURS Amendment Act, the Board may appoint co-opted Members to serve as Committee Members.

Board Audit and Finance Committee

NAME	ROLE	DUTIES
Mr. Gerald Nthebolan	Committee Chairperson & Board Member	The Committee is charged with the oversight responsibilities and providing direction in the assessment of effectiveness of BURS systems of Risk Management Internal Controls, Governance and Compliance. The Committee also oversees the review of financial performance in line with corporate strategy and budgets, as well as the review of audited financial statements with the external auditors prior to the approval by the Board. The Committee is also functionally responsible for the Internal Audit Function.
Mr. Benjamin Tobedza	Committee Member & Board Member	
Dr. Pinkie G. Kebakile	Committee Member & Board Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Audit and Finance Committee Meeting Attendance

NAME	Position	13/04/23 EO	12/06/23	07/08/23	13/10/23 EO	18/1023 EO	14/11/23	13/02/24	AMOUNT
Mr. G. Nthebolan	Chairperson	√√√	√√√	√√√	√√√	√√√	√√√	√√√	P33, 750
Dr. P. G. Kebakile	Member	√√√	√	√√√	√√√	√√√	√√√	√√√	P19, 000
Mr. B. Tobedza	Member	√√√	√√√	√√√	√	√√√	√√√	√√√	P19, 000
Ms. J. C. Makgolo	Commissioner General	√	√√√	√√√	√√√	√√√	√	√√√	N/a
Ms. E. C. Mokara	Acting Commissioner General	N/a	N/a	N/a	√√√	N/a	√√√	N/a	N/a
Ms. M. Mongati	Board Secretary & Director Legal Services	√√√	√	√√√	√√√	√√√	√√√	√√√	N/a

Board Human Resources Committee

NAME	ROLE	DUTIES
Mr. Pono W. Molatlhwe	Committee Chairperson & Board Member	The Committee deals with the recruitment of senior members of staff and remuneration policy of all BURS staff, and advises the Board on all staff welfare and human resources related matters.
Mr. Mishingo H. Jeremia	Committee Member & Board Member	
Mr. Benjamin Tobedza	Committee Member & Board Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Human Resources Committee Meeting Attendance

NAME	Position	4/05/23	6/06/23 EO	2/08/23	08/08/23 EO	25/09/23 EO	1/11/23	13/11/23 EO	6/12/23 EO	31/01/24	19/02/24 EO	AMOUNT
Mr. P. W. Molatlhwe	Chairperson	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P65, 250**
Mr. B. Tobedza	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√√√	**P42, 600**
Mr. M. H. Jeremia	Member	√√√	√√√	√√√	√√√	√√√	√√√	√√√	√	√√√	√√√	**P32, 600**
Ms. J. C. Makgolo	Commissioner General	√√√	√√√	√√√	√√√	√√√	√	√√√	√√√	√√√	√√√	**N/a**
Ms. E. C. Mokara	Acting Commissioner General	N/a	N/a	N/a	N/a	N/a	√√√	N/a	N/a	N/a	N/a	**N/a**
Ms. M. Mongati	Board Secretary & Director Legal Services	√√√	√√√	√√√	√	√√√	√√√	√√√	√√√	√√√	√√√	**N/a**

Board Strategy Committee

NAME	ROLE	DUTIES
Dr. Pinkie G. Kebakile	Committee Chairperson & Board Member	The Committee is responsible for providing oversight duties with regards to the development and monitoring the implementation of the Botswana Unified Revenue Service (BURS) Strategy.
Mr. Mishingo H. Jeremia	Committee Member & Board Member	
Mr. Gerald Nthebolan	Committee Member & Board Member	
Ms. Jeanette C. Makgolo	Committee Member & Commissioner General	

Board Strategy Committee Meeting Attendance

NAME	Position	2/06/23	3/07/23 EO	10/08/23	8/11/23	12/02/24	AMOUNT
Dr. P. G. Kebakile	Chairperson	√√√	√√√	√√√	√√√	√√√	**P22, 500**
Mr. M. H. Jeremia	Member	√√√	√√√	√√√	√√√	√	**P 7, 200**
Mr. G. Nthebolan	Member	√√√	√√√	√√√	√√√	√√√	**P17, 200**
Ms. J. C. Makgolo	Commissioner General	√√√	√√√	√	√√√	√√√	**N/a**
Ms. S. Radibe-Michael	Acting Commissioner General	N/a	N/a	√√√	N/a	N/a	**N/a**
Ms. M. Mongati	Board Secretary & Director Legal Services	√√√	√√√	√√√	√	√√√	**N/a**

MESSAGE FROM THE CHAIRMAN

I am pleased to present the Botswana Unified Revenue Service (BURS) Integrated Report for the financial year ending March 31st, 2024. This report highlights the impressive growth in revenue collection, operational performance, and the continued enhancement of our services, underscoring the commitment of the BURS team and our stakeholders to drive Botswana's fiscal stability and economic progress.

Revenue Performance and Achievements

For the 2023/24 financial year, BURS recorded an outstanding increase in total revenue collection, rising from P49.825 billion in 2022/23 to P59.411 billion. This remarkable growth of 19% is a direct result of our consistent efforts to improve revenue mobilization, streamline tax administration, and enhance taxpayer engagement. These results reflect not only the effectiveness of our strategies but also the resilience of the BURS team and the ongoing support from the people of Botswana. As we continue to adapt to a dynamic economic environment, we remain committed to optimizing revenue collection and ensuring that our efforts align with the Government's fiscal goals.

Ongoing Strategic Projects

Throughout the year, BURS continued to focus on key projects aimed at improving operational efficiency, strengthening customer experience, and modernizing our systems. The following are some of the ongoing projects that have made significant progress:

Customer Centricity Transformation
This initiative is focused on improving the overall taxpayer experience by enhancing engagement, optimizing services, and ensuring efficient interactions at all touchpoints. Our goal is to make tax administration simpler, more accessible, and user-friendly.

Taxpayer Segmentation
This project continues to categorize taxpayers based on characteristics, behaviours, and risk profiles. By tailoring engagement and services to specific groups, we aim to improve compliance and collection efficiency.

Audit and Optimization of Tax Administration and ICT Systems
This initiative remains pivotal in ensuring that BURS's systems stay aligned with global best practices. By reviewing and optimizing our processes, we can further enhance our ability to address emerging challenges in tax collection.

Electronic Billing System (VAT) Introduction
The rollout of this system is designed to modernize the VAT collection process, improve transparency, and reduce compliance costs for businesses.

Refurbishment of Mamuno Border Post and One-Stop Border Facility at Pioneer Gate
These infrastructure projects are designed to streamline cross-border trade, improve customs efficiency, and enhance security at key entry points.

National Single Window and Fiscal Marking and Monitoring Solutions
These initiatives aim to simplify trade documentation processes and enhance the tracking and taxation of goods, ultimately contributing to better revenue collection and trade facilitation.

Completed Projects in 2023/24

This financial year also saw the successful completion of several major projects:

BURS Academy
The establishment of the BURS Academy marks a significant milestone in our efforts to invest in human capital and professional development. This academy will play a crucial role in strengthening the skills and capabilities of our workforce.

Employee Engagement Intervention
We implemented an employee engagement strategy aimed at improving morale, communication, and productivity within the organization.

Development of the 2024-2029 Strategic Plan
This plan provides a roadmap for BURS's future growth and strategic direction, ensuring that we remain adaptable and focused on our long-term goals.

ICT Network Infrastructure Upgrade
An upgrade of our ICT infrastructure was completed, enabling more secure, reliable, and efficient operations across BURS.

Fleet Management System and Mobile Tax Vehicle
These projects enhance our ability to deliver services more effectively and extend our reach to taxpayers in remote areas, improving compliance and service delivery.

Looking Ahead
As we reflect on the progress made in 2023/24, I want to express my gratitude to the entire BURS team, our stakeholders, and the people of Botswana for their continued support. Together, we have achieved significant milestones in revenue collection and operational improvement, which position BURS to support the Government's efforts toward sustainable development and economic growth.

The coming years will present new challenges and opportunities, and BURS remains committed to advancing our strategic initiatives, enhancing service delivery, and fostering a culture of transparency and accountability. With your continued support, we are confident in our ability to further strengthen Botswana's fiscal foundation and contribute to the nation's prosperity.

Acknowledgements
On behalf of the Board, I extend my sincere appreciation to all our stakeholders, including government ministries, international partners, and taxpayers. Your collaboration and engagement have been crucial to our success. We also thank the Honourable Minister of Finance for their unwavering leadership and guidance throughout the year. We look forward to working together in the years to come as we continue to drive positive change for Botswana.

Dr. Lesedi S. Senatla
Board Chairperson

ASSURANCE STATEMENT BY THE CHAIRPERSON OF THE AUDIT AND FINANCE COMMITTEE

As the chairperson of the Audit and Finance Committee, my focus is on upholding the highest levels of competence and independence in both our internal and external audit processes. Ensuring the integrity of BURS's financial reporting requires diligent oversight, which guarantees that our financial statements accurately represent our actual financial position. Our internal audit team is integral to this process, assessing the effectiveness of controls, identifying areas for improvement, and ensuring compliance with established policies. Additionally, we maintain a rigorous selection process for external auditors to ensure their independence and objectivity in evaluating our financial records.

We recognize that reliable and transparent financial reporting is crucial for maintaining the trust of our stakeholders, including the Ministry of Finance, employees, taxpayers, and the public. By adhering to stringent auditing practices and maintaining strong internal controls, we uphold the highest ethical standards, ensuring that our financial statements truthfully reflect BURS's performance. This commitment to rigorous governance and accountability strengthens the foundation of trust and reinforces our dedication to ethical conduct in all aspects of our operations.

Internal controls are a cornerstone of our governance framework, ensuring that operations are carried out efficiently and in line with BURS's strategic objectives. The Audit and Finance Committee is committed to the continuous evaluation and improvement of these controls, addressing emerging risks as they arise. This proactive approach helps safeguard assets, minimize operational risks, and protect BURS's reputation. In today's rapidly changing environment, the Committee is dedicated to refining our risk management and auditing practices to stay ahead of evolving challenges, enhancing stakeholder confidence and ensuring long-term success for BURS. As we move forward, our commitment to transparency, accountability, and continuous improvement will guide our efforts to maintain the highest standards of financial reporting and governance.

Dr. Lesedi S. Senatla
Audit and Finance Committee Chairperson

MESSAGE FROM THE COMMISSIONER GENERAL

The 2023/24 financial year marked a year of significant achievement for BURS, as we successfully increased total revenue collection from P49.825 billion in 2022/23 to P59.411 billion, reflecting a remarkable growth of 19%. This accomplishment is a testament to the continued success of our Revenue Mobilization Strategy (RMS) and the dedication of the entire BURS team in enhancing operational efficiency and improving tax compliance. The growth in revenue underscores our efforts to strengthen Botswana's fiscal stability and further align our tax administration with the country's economic goals.

Our progress is driven by a commitment to improving engagement with taxpayers, refining our processes, and identifying new opportunities for revenue generation. The RMS has played a pivotal role in achieving these outcomes, ensuring that we are better equipped to support Botswana's economic development and stability. This success would not have been possible without the unwavering dedication of the BURS team, who have worked diligently to improve our services and ensure that tax compliance remains a top priority.

I also want to extend my sincere gratitude to the people of Botswana for their ongoing support. Their voluntary compliance and commitment to timely tax payments are fundamental to our achievements. We deeply appreciate their contributions, which play an integral role in supporting the nation's growth. Furthermore, I acknowledge the critical role of our stakeholders, including government ministries, professional bodies, and international partners, whose collaboration and guidance continue to strengthen our operations. With the support of the Honourable Minister of Finance and the BURS Board, we look forward to continuing our efforts to optimize revenue collection, improve service delivery, and contribute to the long-term prosperity of Botswana. Thank you for your continued trust and support.

J.C. Makgolo
Commissioner General

Our Operations

BURS Operational Framework

Botswana's revenue collection system is designed to operate with high levels of efficiency, accountability, and strict compliance with national tax regulations. The Botswana Unified Revenue Service (BURS) functions as the principal authority responsible for administering and collecting various forms of taxes, including income tax, value-added tax (VAT), customs duties, and a range of other statutory charges.

Legal and Regulatory Structure:

BURS's operations are anchored in a robust legal foundation that ensures clarity, consistency, and enforcement across all tax categories. Key legislative instruments include:

* The Income Tax Act, which outlines taxation procedures for individuals and corporate entities.
* The VAT Act, which regulates the application and administration of VAT on goods and services.
* The Customs and Excise Duty Acts, which provide the legal basis for levies on international trade activities.

Together, these laws establish an integrated and comprehensive tax environment that facilitates compliance and contributes to national economic development.

Approaches to Strengthening Compliance and Operational Effectiveness:

BURS applies a multi-faceted approach to maximize tax compliance and streamline its operations:

Public Awareness and Education: Through targeted outreach and educational initiatives, BURS equips taxpayers with the knowledge needed to understand and fulfil their obligations.

Digital Transformation: The adoption of digital platforms, including online tax filing and electronic payment systems, has significantly enhanced service efficiency and user convenience.

Enforcement and Risk Management: To deter non-compliance, BURS employs strict enforcement mechanisms, including audits, surveillance technologies, and collaborative efforts with global partners. Tools such as scanners and detection units help ensure effective monitoring and enforcement.

Promoting Equity and Economic Progress:

BURS's operational model is designed to maintain a careful balance between regulatory enforcement and taxpayer support. The organization is committed to building a fair, transparent, and growth-oriented tax system that supports fiscal health and national development goals. By embracing innovation, enhancing compliance mechanisms, and fostering a service-oriented approach, BURS continues to evolve as a modern tax authority aligned with international best practices and contributing meaningfully to Botswana's economic advancement.

Our Strategy

Strategic planning serves as a foundational compass that defines priorities, sets measurable goals, and maps out the direction for achieving institutional objectives. At BURS, the 2019–2024 Strategic Plan has been instrumental in shaping our operations over the past five years. As this marks the final year of that strategic cycle, this report carries special significance—it offers a moment to reflect on our progress, evaluate the effectiveness of our initiatives, and identify lessons learned to inform the next phase of our development. The strategy has guided us through a dynamic and often challenging landscape, allowing us to adapt with purpose while remaining aligned with our core mandate and national fiscal goals.

Throughout this strategic period, BURS has remained committed to strengthening revenue collection while ensuring responsible spending and operational efficiency. Central to our efforts has been the modernization of tax administration through the adoption of digital technologies. These innovations have not only enhanced the quality and speed of our service delivery but have also empowered taxpayers through more accessible and user-friendly systems. A key component of this transformation is our shift toward a fully digital and paperless environment—an initiative that boosts internal efficiency, reduces operational costs, and significantly improves the taxpayer experience. Beyond operational improvements, our digital shift reflects a broader commitment to sustainability. By reducing reliance on paper and streamlining processes electronically, BURS is contributing to environmental preservation while reinforcing long-term institutional resilience. As we conclude the 2019–2024 strategy, we do so with a sense of achievement and readiness to build on this foundation. Our focus now turns to shaping a forward-looking strategy that will position BURS to thrive in an increasingly complex and digitized economic landscape.

BURS Value Creation Model

The Botswana Unified Revenue Service (BURS) adopts a holistic value creation model that integrates commercial, social, and environmental dimensions to generate sustainable and inclusive value. This comprehensive approach enables BURS to effectively fulfil its core mandate while contributing meaningfully to national development goals. It underscores BURS dedication to responsible governance and long-term sustainability, delivering enduring benefits to all stakeholders. Through this integrated model, BURS not only collects revenue but also acts as a catalyst for economic growth, social progress, and environmental stewardship in Botswana.

Commercial Value Creation

At the commercial level, BURS is focused on maximizing revenue collection to support the government's fiscal priorities and drive economic growth. Strategic initiatives, such as enhancing the tax-to-GDP ratio, lowering the cost of collection, and increasing voluntary compliance, are central to optimizing revenue generation efficiently.

BURS also facilitates trade by streamlining customs and border procedures, thereby strengthening Botswana's trade competitiveness and fostering a conducive environment for business. These efforts not only generate financial value but also support broader economic development and enable private sector growth.

Social Value Creation

BURS value creation extends well beyond fiscal responsibilities, making substantial contributions to social inclusion and community development. The organization offers targeted tax relief to priority sectors such as agriculture, health, and education, supporting their sustainability and growth.

In line with its commitment to inclusive economic participation, BURS promotes local procurement by prioritizing small and local enterprises in its supply chain. Through community outreach, tax education campaigns, and support for charitable initiatives, BURS builds public trust and strengthens its relationship with society. These efforts enhance quality of life, foster social cohesion, and contribute to a more inclusive economy.

Environmental Stewardship and Sustainability

BURS is actively embedding sustainability into its operations to reduce environmental impact and promote conservation. A major initiative in this regard is its digital transformation strategy, which reduces paper usage by encouraging online tax services, including e-filing and digital payments.

Energy-saving technologies such as sensor-based lighting and energy-efficient systems have been installed, particularly at the BURS headquarters, to lower electricity consumption. In addition, BURS collaborates with key partners such as the Department of Meteorological Services to monitor ozone-depleting substances in alignment with the Montreal Protocol.

BURS also plays a regulatory role in managing hazardous substances, collecting plastic levies, and overseeing the scrap metal industry in accordance with international environmental agreements, such as the Basel Convention. These initiatives contribute to the protection of Botswana's natural resources and the promotion of sustainable practices.

Future Initiatives and Environmental Impact Projects

Looking ahead, BURS is committed to deepening its environmental impact by expanding current initiatives and embracing innovative solutions. Planned projects include the adoption of renewable energy sources, such as solar power, across BURS facilities, and the enhancement of waste management practices to reduce landfill use and increase recycling rates.

Strengthening partnerships with government entities, civil society, and local communities will be a key focus, enabling collective action on environmental protection. By embedding environmental priorities into its value creation strategy, BURS ensures that economic progress is pursued alongside environmental responsibility—supporting a resilient and sustainable future for Botswana.

Our Commitment to Stakeholders

At BURS, our core mandate is clear: to enhance revenue collection and contribute meaningfully to national development. Yet, we recognize that our success hinges on the trust, collaboration, and support of our stakeholders. We are deeply committed to nurturing these vital relationships, guided by the belief that creating value for our stakeholders is both a priority and a responsibility. Our mission is driven by the pursuit of transparency, integrity, and mutual benefit in every interaction, consistently striving to exceed expectations.

Empowering Our Workforce for Stakeholder Success

In an ever-evolving environment, adaptability is key. To effectively serve our stakeholders, we prioritize investing in our greatest asset—our people. Through continuous professional development, access to modern tools, and skills enhancement, we ensure our workforce remains agile, informed, and equipped to meet emerging challenges.

We also foster a culture of inclusion and respect, where diversity is celebrated and collaboration is encouraged. This inclusive environment supports innovation and drives excellence, enabling us to better anticipate and meet the diverse needs of our stakeholders.

Ethical Engagement with Partners and Suppliers

Our relationships with partners and suppliers are built on the foundation of trust, fairness, and accountability. We hold ourselves—and those we work with—to the highest ethical standards, ensuring that all engagements reflect our core values. By partnering with suppliers who share our commitment to transparency and responsible business practices, we deliver solutions that create shared value and uphold public trust.

Investing in Communities and Environmental Stewardship.

We believe in making a lasting, positive impact on the communities we serve. Through educational outreach, sponsorships, and charitable initiatives, BURS contributes to social development and community well-being. Our approach to community engagement is rooted in partnership and respect, aiming to uplift and empower local populations.

Environmental responsibility is an integral part of our operations. As we embrace digital transformation and move towards a paperless model, we are not only enhancing efficiency but also reducing our environmental footprint. From sustainable resource management to energy-saving initiatives and responsible waste practices, we are committed to protecting the planet for future generations.

Transparency and Stakeholder Engagement

Transparency and accountability are central to our governance model. We understand that stakeholders expect openness in our actions and decisions. To this end, we have implemented strong policies and frameworks that ensure clarity and integrity across all our operations. We actively engage with our stakeholders through inclusive consultations, aligning our strategies and programs with their needs and expectations. This two-way dialogue helps ensure that our work reflects the values of those we serve and fosters mutual understanding and collaboration. Importantly, we view feedback as a cornerstone of continuous improvement. By listening to and acting on stakeholder input, we enhance our responsiveness, adapt to changing circumstances, and strengthen the value we deliver over time.

Commitment to Excellence and Sustainability

Our commitment to excellence is embedded in every aspect of our work. Beyond simply fulfilling our mandate, we strive to be a force for positive change—advancing Botswana's growth through ethical conduct, responsible leadership, and sustainable practices. By integrating commercial, social, and environmental priorities into our value creation strategy, we ensure that our efforts produce lasting impact. Our pursuit of ethical excellence and sustainability positions us not only as a trusted revenue authority but also as a proactive partner in shaping a thriving, inclusive, and resilient Botswana.

KEY STAKEHOLDER	STAKEHOLDER EXPECTATION FROM BURS	BURS EXPECTATION FROM THE STAKEHOLDER
Government-Ministry of Finance and Economic Development	• Efficient tax collection • Accurate reporting • Compliance with laws	• Support in policy-making • Adequate funding to carry out its functions effectively • Collaboration and feedback
Other Government Agencies	• Efficient Execution of Responsibilities • Accurate and Transparent Reporting• • Compliance with Legal and Regulatory Frameworks • Collaboration and Open Communication • Confidentiality and Security of Information • Proactive Problem-Solving and Support • Flexibility and Adaptability	• Timely Provision of Information • C lear Communication and Coordination• • Support for Compliance Initiatives compliance with relevant laws and regulations • Prompt Response to Queries and Requests • Collaborative Problem-Solving • Sharing of Resources and Expertise
Taxpayers	• Transparency • Fairness in tax assessment • Quality service	• Timely and accurate submission of tax returns • Adherence to tax regulations
Businesses/ Companies including Customs Clearing Agents and Tax Consultants	• Clear guidelines on tax and customs obligations • Assistance in compliance	• Compliance with tax and customs laws • Cooperation in audits
Employees	• Job security • Career development opportunities • Supportive work environment • Remuneration	• Commitment to service delivery • Adherence to organizational values
Civil Society/Non-Governmental Organizations	• Accountability and transparency in revenue collection and utilization	• Engagement in public education about tax responsibilities and collaboration on community projects
International Organizations	• Adherence to international standards in tax collection and reporting	• Technical assistance and best practices in tax administration
Suppliers of Products and Services	• Delivery on contract terms and conditions • Prompt settlement of financial terms • Ethical and transparent Operations • To be treated as genuine partners	• Delivery on contract terms and conditions • Ethical and transparent Operations • Quality Service and Products
Media	• Provision of timely, transparent, and comprehensive information	• Accurate promotion and publicity of BURS services and products

Material Issues

Navigating Economic Challenges to Sustain Value Creation

During the reporting period, the Botswana Unified Revenue Service (BURS) experienced heightened taxpayer non-compliance driven by weak mining sector performance and delays in government payments to suppliers and contractors. These economic challenges reduced business liquidity, undermined tax compliance, and contributed to increased outstanding liabilities and slower revenue collection. The ripple effects of the mining sector downturn constrained private sector cash flow and limited the capacity of many businesses to meet their tax obligations on time.

Non-compliance manifested through under-reporting by taxpayers, claiming of illegitimate refunds, and non- or late remittance of tax amounts due. In the customs environment, there was also a notable increase in smuggling, undervaluation, and misclassification of goods, all of which eroded government revenue and distorted fair competition in the domestic market. Smuggling—particularly of cigarettes and alcoholic beverages—intensified as traders exploited porous borders and price differentials with neighbouring countries. Undervaluation of imported vehicles and consumer goods became common, with importers declaring lower values to reduce customs duties and Value Added Tax (VAT) payments. Similarly, misclassification of goods such as vehicle parts, electronics, and general consumer products was used to obtain lower tariff rates and evade legitimate duty payments.

In response, BURS intensified enforcement through the expanded deployment of Field Audit and Surveillance Teams (FAST) to high-risk border posts and commercial centers. The Service enhanced risk-based compliance management systems, strengthened collaboration with law enforcement and regional partners, and implemented targeted compliance facilitation initiatives, including flexible payment arrangements for financially distressed taxpayers.

Despite these challenges, BURS remained steadfast in its mandate to safeguard national revenue and uphold fairness, transparency, and accountability. Through stronger enforcement, improved intelligence sharing, and adaptive policy measures, the Service continued to support Botswana's economic stability and contribute to national development priorities.

PERFORMANCE

Operating Context

Adapting to a Dynamic Operating Environment
BURS operates within a complex and rapidly evolving environment shaped by a wide range of political, economic, social, technological, legal, and customs-related factors. This dynamic landscape presents both challenges and opportunities that directly influence the Revenue Service's ability to deliver on its mandate effectively. In response, BURS remains committed to continuously refining its strategies to adapt to change, ensuring regulatory compliance while leveraging its institutional strengths to drive performance and impact.

Central to this adaptive approach is a strategic emphasis on digital transformation. BURS is harnessing the power of information technology to modernize tax and customs processes, improve service delivery, and simplify compliance for taxpayers, importers, and exporters. These digital innovations are not only increasing operational efficiency but also strengthening compliance and transparency across the board.

In the customs domain, BURS faces unique and persistent challenges driven by shifting trade patterns, evolving regional regulations, and the ongoing threat of smuggling. To address these complexities, BURS has adopted a dual focus: strengthening enforcement while facilitating legitimate trade. The deployment of advanced technologies—such as non-intrusive inspection scanners—and the operation of specialized enforcement units like the Field Audit and Surveillance Teams (FAST) are critical in deterring illegal activities, monitoring ports of entry, and upholding national policies that safeguard economic integrity and public welfare.

Staying effective in this ever-changing environment requires ongoing vigilance and a proactive mind-set. BURS continuously monitors emerging trends, regulatory changes, and global best practices in tax administration and customs enforcement. By fostering a culture of innovation and continuous improvement, the organization remains agile, responsive, and future-ready.

Through this integrated and forward-looking approach, BURS reinforces its resilience, enhances its ability to navigate uncertainty, and upholds its commitment to excellence in serving Botswana's economic development and national interests.

Operating Environment

Understanding and Navigating a Complex Operating Environment

BURS functions within a multifaceted and ever-evolving external environment shaped by a range of political, economic, social, technological, and legal forces. These external dynamics continuously influence the organization's strategic direction, operational decisions, and overall performance. As such, BURS must remain agile and responsive to effectively fulfill its mandate amidst ongoing change.

Key Dimensions of the Operating Environment:

Political Factors
Political stability and governance significantly influence the tax landscape. Shifts in government leadership or policy direction can result in changes to tax regulations, enforcement priorities, and the broader fiscal framework—requiring BURS to remain adaptable and aligned with national policy objectives.

Economic Conditions
Macroeconomic indicators such as GDP growth, inflation, and employment levels directly affect the tax base and revenue potential. Economic downturns may lead to reduced taxable income and lower compliance rates, while economic growth can expand revenue collection opportunities.

Social Factors
Public attitudes toward taxation, cultural norms, and demographic trends play a pivotal role in shaping tax compliance behaviour. Trust in government institutions and perceptions of tax fairness can significantly impact voluntary compliance and the effectiveness of tax administration.

Technological Advancements
The rapid pace of technological innovation is transforming tax administration. BURS is leveraging digital tools to enhance service delivery, streamline tax payment and processing systems, and utilize data analytics for more informed decision-making. These efforts contribute to greater efficiency, transparency, and user convenience.

Legal and Regulatory Frameworks
Tax laws and regulatory policies define the boundaries within which BURS operates. Amendments to legislation require timely adjustments to administrative processes, compliance mechanisms, and stakeholder engagement strategies.

Adapting Through Proactive Strategy
To navigate these diverse and shifting factors, BURS adopts proactive strategies centred on innovation and continuous improvement. A key focus is the integration of modern information technology to drive operational modernization and service excellence. This includes digitalization of tax services, enhanced taxpayer support systems, and improved data management capabilities.

By remaining responsive to external developments and fostering institutional agility, BURS reinforces its commitment to operational excellence and sustainable value creation. This strategic adaptability positions the Revenue Service to remain effective, resilient, and aligned with Botswana's broader socio-economic goals, even in the face of uncertainty and change.

Performance Overview: 2023/24 Financial Year

Performance Highlights and Comprehensive Analysis
At BURS, our operations are guided by clearly defined performance targets that serve as benchmarks for our strategic ambitions and transformative initiatives. These targets are not only a measure of progress but also a critical tool for evaluating the effectiveness of our strategies and informing future decisions.

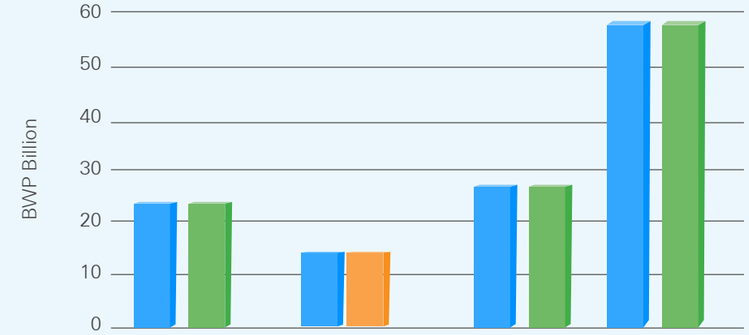
Regular performance assessments against these targets offer valuable insights that shape our planning and execution. Where performance has fallen short, we remain committed to identifying root causes and implementing corrective measures to realign with our strategic objectives. In instances where targets have been exceeded, we proactively develop strategies to sustain momentum and scale successful outcomes.

This disciplined and transparent approach fosters a culture of continuous improvement, strengthens organizational accountability, and underscores our commitment to operational excellence.

The following section presents a comprehensive evaluation of our performance for the 2023/24 financial year. It highlights key achievements, identifies challenges encountered, and reflects the resilience with which BURS navigated a complex operating environment. Despite notable obstacles, the Revenue Service delivered strong results across priority performance indicators, reinforcing our dedication to delivering value and advancing national development goals.

2023/24 Revenue Performance against Targets
The revenue performance for the period under review exceeded the overall target, with total collections reaching P59.411 billion against a target of P59.200 billion, representing a modest over-performance of 0.36%. This slight but positive variance reflects BURS continued efforts to enhance compliance and improve revenue administration despite a dynamic operating environment. Income Tax was a key contributor to the surplus, with actual collections of P23.586 billion surpassing the target of P23.267 billion by 1.37%, suggesting stable compliance levels and potentially stronger-than-anticipated income flows. On the other hand, VAT collections fell slightly short of expectations, recording P11.616 billion compared to the target of P12.003 billion, reflecting a 3.23% underperformance. This shortfall may be attributed to subdued consumer spending or delayed remittances. Customs Receipts showed a positive variance, coming in at P24.209 billion against a target of P23.930 billion, representing a 1.17% over-performance. This suggests improved customs administration and trade facilitation efforts. Despite VAT falling below target, the gains in Income Tax and Customs Receipts were sufficient to push the overall revenue above projections, highlighting BURS's resilience and strategic focus on revenue optimization during the 2023/24 financial year.

Figure 2: Revenue Collection Against Targets

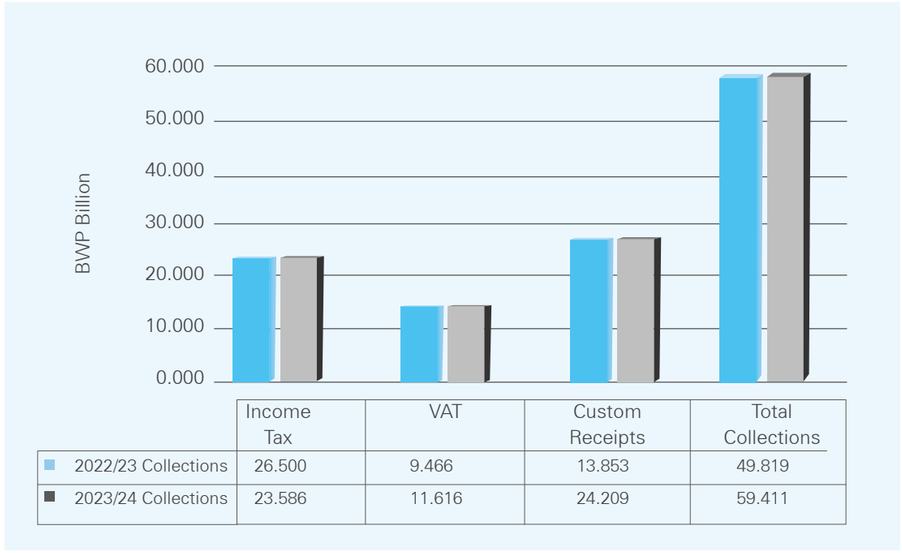


	Income Tax	VAT	Custom Receipts	Total
Targets	23.267	12.003	23.930	59.200
Actual	23.586	11.616	24.209	59.411

Year-on-Year Revenue Collection Comparison
The tax revenue collections for the financial year 2023/24 show a remarkable 19.27% increase compared to 2022/23, driven primarily by a significant rise in Customs Receipts and VAT, despite a decline in Income Tax. Customs Receipts experienced a 74.77% surge, increasing from P13.853 billion in 2022/23 to P24.209 billion in 2023/24. This remarkable growth may be attributed to higher import volumes, improved customs enforcement in the SACU region, and favourable trade conditions. Similarly, VAT collections rose by 22.74%, leaping from P9.466 billion to P11.616 billion, indicating stronger consumer spending and enhanced collection efficiency.

Conversely, Income Tax collections declined by 10.99%, dropping from P26.500 billion in 2022/23 to P23.586 billion in 2023/24. This reduction may be due to lower corporate tax payments, reduced taxable income, and economic factors affecting the mining sector. Overall, total revenue collections increased from P49.819 billion in 2022/23 to P59.411 billion in 2023/24, reflecting a P9.592 billion (19.27%) increase. The strong growth in Customs Receipts and VAT underscores the importance of trade and consumption-based taxes in driving overall revenue performance. However, the decline in Income Tax highlights potential economic challenges that could impact direct tax contributions in the future.

Figure 3: Year-on-Year Comparison



	Income Tax	VAT	Custom Receipts	Total Collections
2022/23 Collections	26.500	9.466	13.853	49.819
2023/24 Collections	23.586	11.616	24.209	59.411

Yearly Revenue Collections (2008/09 to 2023/24)

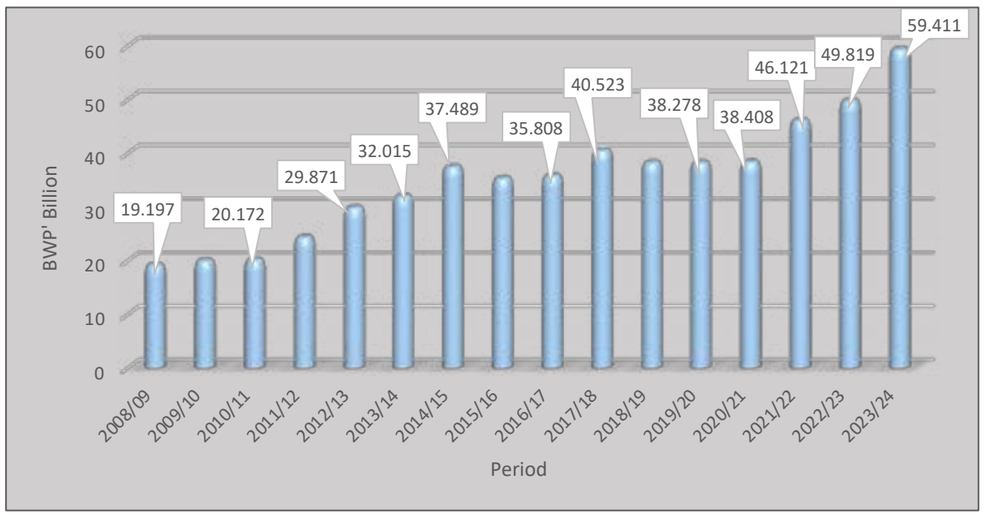
The revenue collection trend from 2008/09 to 2023/24 demonstrates consistent growth, with some fluctuations in certain years. Starting at P19.197 billion in 2008/09, collections steadily increased, surpassing P32 billion by 2013/14. The upward trend continued, reaching P37.489 billion in 2014/15, before a slight dip to P35.335 billion in 2015/16. Revenue remained relatively stable around P35-36 billion until a notable increase in 2017/18, when collections rose to P40.523 billion.

From 2018/19 to 2020/21, revenue collection hovered around P38 billion, with little growth. The COVID-19 pandemic (2019/20 and 2020/21) had a significant impact, leading to economic disruptions and slower revenue expansion. Despite these challenges, revenue collection remained resilient, showing a slight increase from P38.278 billion in 2019/20 to P38.408 billion in 2020/21.

A major recovery took place in 2021/22, when collections surged to P46.121 billion, marking a 20.1% increase from the previous year. This significant rise can be attributed to post-pandemic economic recovery, enhanced tax compliance, and policy changes such as the VAT rate increase from 12% to 14% in April 2021. Growth continued into 2022/23, with total collections reaching P49.819 billion, reflecting 7.98% growth from the previous year.

The most substantial growth occurred in 2023/24, with collections reaching P59.411 billion, representing a 19.3% increase from 2022/23. This surge suggests strong economic expansion, improved revenue collection strategies, and increased taxable activities. The overall trend highlights a positive revenue trajectory, driven by tax policy adjustments, economic recovery, and strengthened compliance efforts.

Figure 4: Tax Collection Revenue Trends



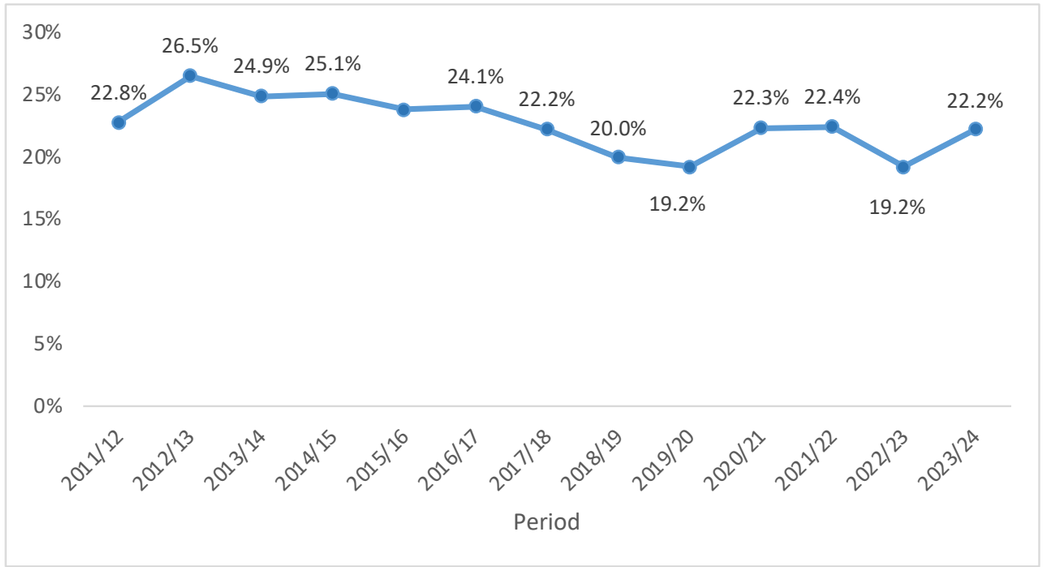
Tax collections as a percentage of nominal GDP

The Tax to GDP ratio from 2011/12 to 2023/24 highlights the relationship between tax revenue collection and economic growth in Botswana. The ratio started at 22.8% in 2011/12, peaking at 26.5% in 2012/13, indicating that tax revenue grew at a faster pace than the economy, possibly due to strong tax collection measures, policy changes, or economic expansion.

Following this peak, the ratio declined to 24.9% in 2013/14 and 25.1% in 2014/15, before continuing a downward trend to 23.8% in 2015/16 and 24.1% in 2016/17. By 2017/18, the ratio had dropped further to 22.2%, and the decline continued in subsequent years, reaching 20.0% in 2018/19 and a low of 19.2% in 2019/20. This suggests that economic growth outpaced tax revenue collection or that tax compliance and enforcement efforts faced challenges. The onset of the COVID-19 pandemic in 2019/20 contributed to economic disruptions that likely affected tax revenue, as seen in the 19.2% ratio that year. However, a recovery followed in 2020/21, with the ratio rising to 22.3%, and it remained relatively stable at 22.4% in 2021/22, indicating an alignment between economic recovery and tax revenue growth.

In 2022/23, the ratio declined again to 19.2%, signaling either a slower growth in tax revenues compared to the economy or structural changes in the tax system. However, in 2023/24, the ratio rebounded to 22.2%, suggesting improved tax collection efforts or stronger revenue performance relative to GDP growth.
Overall, the data illustrates fluctuations in tax performance, influenced by economic trends, tax policy adjustments, compliance efforts, and external shocks such as the pandemic. Strengthening revenue mobilization strategies and enhancing tax compliance will be essential for ensuring a more stable and sustainable Tax to GDP ratio in the future.

Figure 5: Tax to GDP Ratio Trends



Income Tax Revenue Collection

For the year under review, total net income tax collections amounted to P23.586 billion, reflecting a decline of P2.914 billion or 11.0% from the P26.500 billion collected in 2022/23. This decrease was primarily driven by a significant reduction in Assessed Tax and Withholding Tax, despite an increase in Deducted Tax (Pay As You Earn).

Assessed Tax recorded the largest decline, falling by P3.411 billion (26.9%) from P12.662 billion in 2022/23 to P9.252 billion in 2023/24. Withholding Tax also experienced a notable decrease of P794.2 million (15.6%), from P5.096 billion to P4.302 billion. Conversely, Deducted Tax (Pay As You Earn) registered strong growth, increasing by P1.184 billion (13.2%) from P8.955 billion to P10.139 billion, indicating higher payroll-based tax contributions. Additionally, Penalty collections saw a sharp increase from P1.029 million to P42.965 million, reflecting enhanced enforcement measures.

Other tax categories showed modest changes. Transfer Duty increased slightly by P4.0 million (4.3%) from P93.6 million to P97.6 million, while Capital Transfer Tax rose by P613,000 (19.5%) from P3.146 million to P3.759 million. Gross Income Tax Receipts declined by P2.974 billion (11.1%), from P26.811 billion in 2022/23 to P23.837 billion in 2023/24. Tax refunds also decreased by P60.6 million (19.5%), from P311.5 million to P250.9 million, providing a slight positive impact on net collections. The decline in overall Income Tax collections suggests potential challenges in corporate profitability and economic activity, as reflected in lower Assessed Tax and Withholding Tax. However, the increase in PAYE collections indicates stability in employment-based taxation, and the sharp rise in penalties points to improved tax enforcement.

Income Tax Collections by Source

Type of Tax	2022/23 Collections (P'000)	2023/24 Collections (P'000)
Withholding Tax	5,096,255	4,302,030
Deducted Tax (Pay As You Earn)	8,954,643	10,138,927
Assesesed Tax	12,662,457	9,251,817
Penality	1,029	42,965
Transfer Duty	93,611	97,615
Capital Transfer tax	3,146	3,759
Gross Income Tax Receipts	**26,811,141**	**23,837,113**
Refunds	(311,497)	(250,881)
Total Income Tax	**26,499,644**	**23,586,232**

Vat Collections by Source

For the 2023/24 financial year, net VAT collections amounted to P11.616 billion, marking an increase of P2.149 billion or 22.7% compared to the P9.466 billion collected in 2022/23 financial year. This growth was primarily driven by a significant rise in VAT Import and VAT Internal collections, coupled with a decline in VAT refunds. VAT Import collections increased by P1.010 billion (16.0%), from P6.299 billion in 2022/23 to P7.309 billion in 2023/24. Similarly, VAT Internal collections grew by P673.6 million (11.2%), from P6.021 billion to P6.694 billion. Fuel Levy collections registered a marginal increase of P4.8 million (0.3%), from P1.439 billion to P1.444 billion. A notable increase was observed in VAT Interest & Penalties, which surged by P125.8 million, from just P98,000 in 2022/23 to P125.9 million in 2023/24. This sharp rise suggests higher levels of non-compliance for the period under consideration.

Gross VAT receipts recorded strong growth, increasing by P1.815 billion (13.2%), from P13.759 billion in 2022/23 to P15.574 billion in 2023/24. This growth was further supported by a reduction in VAT refunds, which declined by P334.8 million (7.8%), from P4.292 billion to P3.958 billion. The overall increase in net VAT collections reflects improved economic activity and higher import volumes. The reduction in VAT refunds also contributed to the positive revenue performance, reinforcing the upward trend in tax collections.

Source	2022/23 Collections (P'000)	2023/24 Collections (P'000)
VAT Import	6,298.827	7,309,281
VAT Internal	6,020,767	6,694,335
VAT Intrest & Penalities	98	125,918
Fuel Levy	1,439,196	1,444.002
Gross Receipts	**13,758,888**	**15,573,536**
Refunds	(4,292,403)	(3,957,590)
Net VAT Receipts	**9,466,485**	**11,615,946**

Collection of Levies on Behalf of Government Department and Agencies

The levy collections for the financial year 2023/24 recorded a significant increase, rising from P1.198 billion in 2022/23 to P2.022 billion, reflecting an overall growth of P824.2 million (68.8%). This substantial increase was largely driven by the introduction of new levies, namely the Road Fund Levy (P496.9 million), National Petroleum Fund (P74.5 million), and Security of Supply Levy (P96.6 million), which collectively contributed P668 million to total collections. Among existing levies, the Alcohol Levy saw the most notable growth, increasing by P86.0 million (14.9%), from P577.6 million to P663.6 million. Additionally, Transport Permits experienced a substantial rise of P62.2 million (17.4%), from P357.3 million to P419.5 million. The Copyright Levy and Toll Fees also showed positive growth, increasing by P9.9 million (48.9%) and P9.7 million (15.4%), respectively.

Conversely, some levies recorded declines. The Sweet Beverages Levy dropped by P5.7 million (5.4%), while the Plastic Levy declined by P3.0 million (11.9%). The Tobacco Levy also registered a slight reduction of P424,000 (1.1%), potentially indicating shifts in consumption patterns or market dynamics. The COVID Levy virtually disappeared, plummeting from P3.7 million to P1,000 signalling the near-complete phase-out of pandemic-related measures. The overall increase in levy collections suggests enhanced revenue mobilization efforts and the successful implementation of new levies. However, the declines in certain areas, such as the Sweet Beverages and Plastic Levies, may require further analysis to determine whether they result from policy changes, market adjustments, behavioural shifts in consumption or low compliance.

	Gross Collections		Variance
Type of Levy	2022/23 (P'000)	2023/24 (P'000)	(P'000)
Copyright Levy	20,225	30,104	9,879
Tobacco Levy	37,603	37,179	(424)
Transports Permits	357,268	419,517	62,249
Road Safety Tokens	7,191	8,378	1,187
Road Fund Levy	-	496,911	496,911
National Petroleum Levy	-	74,537	74,537
Security of Supply Levy	-	96,622	96,622
Alcohol Levy	577,587	663,611	86,024
COVID Levy	3,748	1	(3,747)
Plastic Levy	25,258	22,244	(3,014)
Sweet Beverages Levy	106,018	100,302	(5,716)
Toll Fees	63,074	72,798	9,724
Total	**1,197,972**	**2,022,204**	**824,232**

OUR CAPITAL

Financial Capital as a Strategic Enabler

At the Botswana Unified Revenue Service (BURS), financial capital is a critical enabler of both operational efficiency and strategic advancement. It comprises the monetary resources and investments required to effectively fulfil BURS' core mandate—ranging from revenue collection and tax administration to compliance enforcement. Strategic deployment of financial capital supports innovation in technology, capacity building through workforce development, and the enhancement of infrastructure. These investments empower BURS to remain agile and forward-looking, ensuring the delivery of high-quality services to taxpayers and stakeholders while sustaining its commitment to excellence and national development.

Human Capital

At the heart of our continued success are our people. During the year under review, we made significant investments in developing, supporting, and empowering our workforce, recognizing that our human capital is our most valuable asset.

Workforce Growth and Diversity

Over the year, we increased our global headcount by 0.12%, expanding our talent base across key growth areas. We remain committed to fostering a diverse and inclusive workplace. Women now represent 62.8% of our total workforce, including 57% in executive management—reflecting steady progress toward our diversity goals.

Talent Development and Retention

We continued to provide learning and development programs focused on upskilling, leadership training, and digital literacy. Additionally, we promoted engagement initiatives aimed at reducing voluntary turnover.

Employee Wellbeing and Culture

We enhanced the employee experience by expanding wellness benefits and mental health support. In line with our commitment to building a supportive, inclusive, and high-performing workplace, we also conducted an Employee Engagement Survey. The survey sought to capture insights into employee experiences and engagement, highlight cultural strengths and areas for improvement, and provide leadership with actionable data to guide decisions that strengthen satisfaction, performance and collaboration across the organization.

In 2025/26, we will deepen our focus on career mobility, equity, and innovation in talent management. By fostering an agile, inclusive and growth-oriented workforce, we aim to build a resilient organization ready to meet the future.

Social Capital

BURS places great importance on nurturing strong networks—both internally among employees and externally with key stakeholders—as a foundation for effective collaboration and shared success. These relationships are vital in driving coordinated efforts, promoting teamwork, and achieving strategic goals. Our dedication to building social connections is evident through our support for initiatives such as the Makgethong Social Club, which

brings employees together through inter-parastatal sports events and participation in regional tax authority games. These activities not only encourage camaraderie but also strengthen our sense of community and collaboration across institutions.

We also actively pursue partnerships through the signing of Memorandums of Understanding (MOUs), which enable mutual cooperation, information sharing, and joint efforts across various entities. These collaborative frameworks enhance operational effectiveness, improve communication channels, and promote unified decision-making processes. Furthermore, BURS works closely with law enforcement and regulatory bodies to reinforce border compliance and streamline operations, thereby supporting a secure and efficient trading environment that benefits the national economy.

Intellectual Capital

Innovation is a key pillar of BURS's long-term strategy, and we are committed to cultivating a workplace culture that values forward-thinking and inventive solutions. We encourage our staff to think creatively and to contribute ideas that can enhance our operations and service delivery. By attracting and developing talent with a passion for innovation, and by acknowledging their contributions, we ensure the organization remains adaptable and well-prepared for evolving challenges in the tax administration landscape.

BURS also places strong emphasis on safeguarding the intellectual resources that drive its progress. For example, the organization is exploring mechanisms for protecting proprietary innovations such as the M-Tax App, which allows users to submit tax returns via mobile platforms. Securing intellectual property rights for such tools helps preserve their long-term value and gives BURS a competitive advantage in delivering modern, efficient taxpayer services.

BURS Commitment to Sustainable Development

At the Botswana Unified Revenue Service (BURS), we recognize our crucial role in contributing to national development by aligning our operations with the United Nations Sustainable Development Goals (SDGs). As the nation's primary revenue collection body, our work—spanning tax administration, customs enforcement, and trade facilitation—serves as a financial backbone for public investment in social equity, economic resilience, and environmental sustainability. Our efforts not only generate the resources needed for public service delivery but also support Botswana's long-term development agenda.

Driving Impact across the SDGs

SDG 1 – Eradicating Poverty: The revenue collected enables the government to fund social safety nets and targeted support for low-income populations, directly addressing poverty reduction.

SDG 2 – Ending Hunger: Tax revenues help finance agricultural development programs and food security measures aimed at reducing hunger and supporting rural livelihoods.

SDG 3 – Promoting Health: BURS plays a vital role in generating funds for building healthcare facilities, expanding public health initiatives, and ensuring access to essential medical services.

SDG 4 – Supporting Education: Through revenue mobilization, we help make investments in school infrastructure and educational programs possible, ensuring broader access to quality education.

SDG 9 – Enabling Infrastructure and Innovation: Our contributions enable the government to develop transport networks, energy systems, and digital infrastructure, promoting industrialization and technological advancement.

Enhancing Fairness and Social Inclusion

SDG 10 – Reducing Inequality: BURS help design and enforces equitable tax policies that support redistribution, reduce income disparities, and fund initiatives targeting underserved and disadvantaged communities.

Fueling Economic and Employment Growth

SDG 8 – Sustaining Economic Growth: Through improved compliance systems and streamlined border processes, we help foster a conducive environment for business, stimulate job creation, and promote cross-border trade and regional economic integration.

Strengthening Governance and Institutional Capacity

SDG 16 – Building Strong Institutions: BURS contributes to national stability and governance by enforcing tax and customs laws, deterring illicit trade, and aligning local practices with international standards—promoting trust, transparency, and institutional integrity.

Supporting Broader Community Development

Beyond our statutory mandate, BURS is actively involved in initiatives that uplift communities by investing in health, education, and capacity-building projects. These efforts further contribute to Botswana's sustainable development by improving the well-being of citizens and empowering communities through inclusive growth.

CONTROL ENVIRONMENT

Message from the Chairperson of the Audit and Finance Committee

As the Chairperson of the Audit and Finance Committee, I recognize that sound risk oversight is fundamental to preserving the sustainability and resilience of our organization. In an environment marked by constant change and uncertainty, we encounter a variety of financial, operational, and strategic risks that could hinder the achievement of our objectives. By anticipating these risks and taking preventive action, we ensure our capacity to adapt quickly while upholding the confidence of those we serve.

The Committee plays a critical oversight role in guiding the establishment and execution of a comprehensive risk management system. In partnership with the executive team, we actively monitor potential threats across the organization's operations and confirm that effective internal controls and mitigation strategies are in place. This collaborative approach reinforces the Board's assurance that risk is being managed in a structured, consistent manner, aligned with the organization's strategic direction.

Our ongoing efforts to strengthen risk governance reflect our commitment to accountability and forward-thinking leadership. We are constantly refining our frameworks to address emerging risks and evolving business demands. By embedding a risk-aware mind-set across all levels of the organization, we encourage smarter decision-making and support long-term organizational growth. A well-integrated risk management culture not only ensures compliance but also plays a vital role in enhancing value for shareholders and other key stakeholders.

Dr. Lesedi S. Senatla
Chairperson of Audit and Finance Committee

Risk Management and Compliance Overview:

At BURS, we have consistently placed a strong emphasis on effective risk management. Understanding that the risk environment is dynamic and ever-changing, and that managing these risks is crucial to achieving our strategic goals, we have proactively developed a robust risk policy alongside an Integrated Risk Management Framework. These measures are designed to guide our organization in identifying, assessing, and mitigating risks as we continue to navigate an evolving landscape.

BURS Risk Management Policy:
Our risk management policy outlines the foundational principles and procedures for recognizing, evaluating, addressing, and monitoring risks across all operational facets. It reinforces our dedication to responsible risk-taking while embedding risk management within our decision-making at every level of the organization.

BURS Risk Appetite and Tolerance:
The organization's risk appetite defines the extent of risk we are prepared to accept in pursuit of our strategic objectives. It demonstrates our readiness to take on calculated risks for growth, all while ensuring they are contained within established tolerance limits. Our risk tolerance thresholds help prevent excessive risk exposure, maintaining both financial integrity and operational stability.

BURS Integrated Risk Management Framework:

1. Risk Identification:
We take a methodical approach to identifying risks across all areas of the business, including operational, financial, regulatory, and strategic domains. Through regular assessments and scenario analyses, we capture both internal and external elements that may influence our organizational objectives.

2. Risk Assessment:
Following risk identification, we evaluate each risk based on its potential impact and the likelihood of it occurring. Using a combination of quantitative and qualitative methods, we prioritize risks based on their significance, enabling us to direct our resources towards managing the most pressing threats.

3. Risk Mitigation:
Our strategies for risk mitigation aim to decrease the likelihood and impact of potential negative events. We implement specific controls, procedures, and contingency plans designed to address risks while staying within our defined risk appetite and tolerance levels. Cross-departmental collaboration ensures a holistic approach to managing risks.

4. Risk Monitoring:
We continuously track key risk indicators, allowing us to detect any shifts in risk exposure and assess the effectiveness of our mitigation strategies. Ongoing reviews and updates to our risk assessments ensure that our management approach remains adaptable and responsive to new and emerging threats.

5. Compliance Management:
Alongside risk management, compliance with regulatory obligations and internal policies is vital to our operations. We maintain comprehensive compliance frameworks to ensure adherence to applicable laws, regulations, and industry standards, thereby minimizing legal and reputational risks.

6. Reporting and Communication:
Clear and open communication of risk-related information is essential for informed decision-making. Regular updates and reports to senior management and the board provide insights into current risk exposures, the status of mitigation efforts, and overall compliance, facilitating effective governance.

Regulatory Landscape

In 2024, Botswana Unified Revenue Service (BURS) remained committed to upholding a robust regulatory framework while adapting to evolving national and international compliance requirements. As the regulatory environment continues to shift, BURS has proactively enhanced its internal policies to align with key legislative mandates, including the Financial Intelligence Act (FIA) and other global tax transparency standards.

To further strengthen compliance, we have intensified internal control measures, reinforced cyber security strategies, and enhanced our risk management approach. These initiatives ensure that we mitigate regulatory risks while promoting an ethical and transparent tax administration system. Additionally, we have deepened our cooperation with regional and international regulatory bodies to ensure compliance with global best practices.
By maintaining a proactive stance in regulatory adherence, BURS continues to foster public confidence and reinforce its position as a leading tax authority dedicated to sustainable revenue collection and national development.

Internal Controls
As BURS continues to expand its role in revenue collection, we remain dedicated to strengthening our internal control mechanisms to safeguard financial integrity and operational efficiency. In 2024, our focus has been on refining tax collection processes, ensuring accuracy in financial records, and minimizing risks associated with revenue loss or tax non-compliance.

We have implemented rigorous reconciliation procedures, improved real-time monitoring of tax filings, and enhanced verification protocols in Customs operations to prevent revenue leakages. A risk-based approach has also been embedded into our audit and compliance processes, ensuring that potential risks are identified and mitigated early.

Furthermore, advancements in digital transformation have allowed us to streamline operations, reduce manual errors, and enhance data security. These efforts contribute to a more efficient and accountable revenue collection system, reinforcing BURS's commitment to good governance and operational excellence.

Stakeholder Relations

Recognizing the critical role of stakeholders in tax administration, BURS has remained committed to fostering collaborative and mutually beneficial relationships throughout 2024. Our engagement strategy has focused on promoting transparency, fairness, and open dialogue with various stakeholders, ensuring alignment with national economic objectives.

Key initiatives during the year included:

- Strengthening partnerships with key government ministries, including the Ministry of Health and the Ministry of Trade and Industry.
- Enhancing collaborations with regulatory bodies such as the Department of Roads Transport and Safety (DTRS) and the Motor Vehicle Accident (MVA) Fund.
- Expanding public engagement efforts to improve taxpayer education, compliance, and service delivery.

Through these initiatives, BURS continues to build long-term partnerships that reinforce trust, accountability, and the overall effectiveness of the revenue administration system.

Strategy Performance & Reporting

At BURS, we firmly believe that effective tax revenue collection requires a precise fusion of strategic planning, performance evaluation, and transparent reporting. Thus, we commence this meticulous process by crafting comprehensive strategic plans, forged through rigorous meetings and stakeholder deliberations. These plans meticulously outline objectives, methodologies, and timelines for revenue collection efforts, incorporating innovative approaches such as leveraging technology for data analytics and strengthening taxpayer compliance. Furthermore, our forward-looking approach anticipates and adapts to evolving economic landscapes and legislative changes, ensuring sustained revenue growth. Our regular reporting mechanisms, facilitated by E-OPSCO, meticulously track the progress of these strategies, highlighting achievements and identifying areas for improvement. By fostering transparency and accountability, these practices bolster public trust and facilitate informed decision-making in tax administration.

FINANCIALS

BOTSWANA UNIFIED REVENUE SERVICE ADMINISTERED GOVERNMENT ACCOUNTS GENERAL INFORMATION

31 MARCH 2024

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BOTSWANA UNIFIED REVENUE SERVICE ADMINISTERED GOVERNMENT ACCOUNTS GENERAL INFORMATION

31 MARCH 2024

BOARD OF DIRECTORS

Dr. Lesedi Says Senatla	: Chairperson - from 1st April 2022
Ms. Jeanette Chanda Makgolo	: Commissioner General - from 1st August 2021
Dr. Pinkie Gertrude Kebakile	: Non-executive Director- from 10th December 2020
Mr. Pono Walter Molatlhwe	: Non-executive Director from 8th April 2021
Mr. Gerald Nteme Nthebolan	: Non-executive Director from 8th April 2021
Mr. Benjamin Tobedza	: Non-executive Director from 8th April 2021
Mr. Mishingo Hadzani Jeremia	: Non-executive Director from 1st April 2022
Ms. Seabo Motlhatswi Keorapetse	: Non-executive Director from 1st November 2023

BOARD SECRETARY

Ms. Motsisi Mongati	:1st June 2022

NATURE OF BUSINESS

The Botswana Unified Revenue Service ("BURS") was established by the Botswana Unified Revenue Service Act, 2003. BURS is responsible for the assessment and collection of tax on behalf of the Government of Botswana.

ADDRESS

Plot 54379
CBD
Private Bag 0013
Gaborone

AUDITOR

Grant Thornton

BANKERS

Bank of Botswana
ABSA Bank Limited
First National Bank of Botswana Limited

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
GENERAL INFORMATION
31 MARCH 2024

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Directors are responsible for the preparation and fair presentation of the financial statements of Botswana Unified Revenue Service ("BURS"): Administered Government Revenue Accounts, comprising the statement of financial position as at 31 March 2024, the statements of financial performance, changes in net assets, and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, prepared on the modified cash basis of accounting as outlined in the "Basis of preparation" paragraph under significant account policies.

The Directors are required by the Botswana Unified Revenue Service Act, 2003 to maintain adequate accounting records and are responsible for the content and integrity of and related financial information included in this report, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error. The auditors are engaged to express an independent opinion on the financial statements and their report is presented on pages 44 to 48.

The financial statements are prepared in accordance with the modified cash basis and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements. The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by BURS and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout BURS and all employees are required to maintain the highest ethical standards in ensuring the Revenue Service's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in BURS is on identifying, assessing, managing and monitoring all known forms of risk across BURS. While operating risk cannot be fully eliminated, BURS endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors state that, for the year ended 31 March 2024, BURS has not complied with the following paragraphs of the Botswana Unified Revenue Service Act:

- Paragraph 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
- Paragraph 29 (1) which requires the Revenue Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

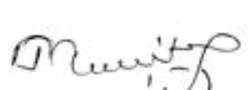
The Directors' have made an assessment of BURS's ability to continue as a going concern and there is no reason to believe the entity will not be a going concern in the year ahead.

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

DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 49 to 62, which have been prepared on the going concern basis, were approved by the Board on 22/11/ 2024 and were signed on its behalf by:

Board Chairperson



Commissioner General

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
INDEPENDENT AUDITORS REPORT
31 MARCH 2024

Grant Thornton

To the Board of Directors of Botswana Unified Revenue Service: Administered Government Revenue Accounts

Opinion
We have audited the annual financial statements of Botswana Unified Revenue Service: Administered Government Revenue Accounts (herein referred to as "BURS") set out on pages 49 to 62, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements give true and fair view of, the financial position of Botswana Unified Revenue Service: Administered Government Revenue Accounts as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with the modified cash basis of accounting as outlined in note 1 to the financial statements.

Basis for Opinion
We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Botswana Unified Revenue Service in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1,3 and 4A) {IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. 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 annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these audit matters.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
INDEPENDENT AUDITORS REPORT
31 MARCH 2024

Grant Thornton

We have determined the below as key audit matters to communicate in our report.

Key audit matter	How the matter was addressed
Recognition of tax revenues and other revenues collected on behalf of Government Departments The Revenue recognition criteria carry an inherent risk of being materially misstated due to management override of controls, and recorded revenues has been flagged as a significant risk, thus it has been identified as a key audit matter. The Revenue Service collects taxes such as income tax (including withholding taxes) and Value Added Tax (collectively 'Tax Revenue") and Customs Southern African Customs Union Pool Receipts ("SACU) Pool Receipts") on behalf of the Government of Botswana. It also collects amounts, such as copyright levy, tobacco levy, road safety tokens, transport permits, flour levy and alcohol levy on behalf of Departments and Ministries of the Government of Botswana ("Other Revenue"). Tax Revenues, SACU - Pool Receipts and Other Revenue are included in the Statement of Financial Performance as Revenue Collected on behalf of the Government of Botswana	The following procedures were carried out: • We evaluated the design and implementation and tested the operating effectiveness of controls relating to tax revenue origination; • Tested the information with respect to Tax revenue, waivers, penalties and tax refunds as well as other information maintained by the Revenue Service; • With the assistance of our Information Technology (IT} specialists, we assessed the design and implementation of the Information Technology General Controls (ITGCs) & Information Technology Application Controls (ITACs) for Lekgetho Live, CMS and ACCPAC platforms • Confirmed that the available Tax revenue data from production systems have been accurately captured in the reporting package (ACCPAC) • Evaluated the adequacy of the financial statement disclosures including key assumptions, judgements and sensitivities. We obtained electronic downloads of all Revenue Service for receipts of Tax Revenue, SACU - Pool Receipts and Other Revenue and, using our expertise in data analytics • Analysed Receipts and Other Revenue based on details of transactions recorded in the bank statements and reconciled these to values in recorded the Statement of Financial Performance, noting unexplained reconciling differences. • Analysed the receipts received per Lekgetho Live and Customs Management System ("CMS") in the current year of all tax types against revenue reported on the ACCPAC module as well reconciled to the bank accounts. • We obtained a written confirmation of Customs - SACU Pool Receipts paid to the Revenue Service during the financial year from the Secretariat of the Southern African Customs Union and agreed these amounts to receipts credited to the bank accounts maintained by the Revenue Service. • We tested a revenue collected on behalf of other Government entities based on the signed agreements as well as the underlying data of revenue collected, We noted no significant exceptions. • Based on the sample we tested Other Revenue transactions as recorded to underlying supporting records to assess whether these have been correctly classified as to underlying nature. We noted no significant exceptions.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
INDEPENDENT AUDITORS REPORT
31 MARCH 2024

Grant Thornton

Key audit matter	How the matter was addressed
Cash and cash equivalents Due to large volume of transactions and highly subject to misappropriation and fraud, cash and cash equivalents is identified as a significant audit matter.	**The following procedures were carried out:** We circulated negative confirmation process with all commercial banks in Botswana to ensure that there are no bank accounts operated in the Revenue Service's name, which had not been identified as such by the Revenue Service. We noted no exceptions. • We obtained electronic downloads of all bank statements operated by the Revenue Service for receipts of Tax Revenue, SACU - Pool Receipts and Other Revenue and, using our expertise in data analytics: • recomputed the balances on such bank accounts at 31March 2024 and transactions recorded in the bank statements and reconciled the recomputed balances to those recorded in the Statement of Financial Position with no exceptions.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
INDEPENDENT AUDITORS REPORT
31 MARCH 2024

Grant Thornton

Other information
The directors are responsible for the other information. The other information comprises the information included in the document titled BOTSWANA UNIFIED REVENUE SERVICE: ADMINISTERED GOVERNMENT REVENUE ACCOUNTS annual financial statements for the year ended 31 March 2024 which includes and the supplementary information as set out on pages 63 to 64. The other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter
The annual financial statements of BURS for the year ended 31 March 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 15 November 2023. Furthermore, the Revenue Service has prepared a separate set of financial statements for the year ended 31 March 2024 to present its own financial position, its financial performance and its cash flows in accordance with International Financial Reporting Standards on which we issued a separate auditor's report to the Minister of Finance and Economic Development dated 22 November 2024.

Responsibilities of the Directors for the Annual Financial Statements
The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with the modified cash basis of accounting in note 1 of the financial statements and the requirement of the Botswana Unified Revenue Service Act, 2003, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Directors are responsible for assessing BURS' 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 intends to liquidate BURS' or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Botswana Unified Revenue Service's financial reporting process.

Auditor's Responsibilities for the Audit of the Annual Financial Statements
Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
INDEPENDENT AUDITORS REPORT
31 MARCH 2024

Grant Thornton

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

- Identify and assess the risks of material misstatement of the annual 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 Botswana Unified Revenue Service's internal control.
- Evaluate the appropriateness of accounting policies used 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 BURS' 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 annual 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 BURS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual 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.

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current year 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.

GRANT THORNTON

Grant Thornton
Firm of Certified Auditors
Practising Member: Aswin Vaidynathan (CAP 0016 2024)

GRANT THORNTON CHARTERED ACCOUNTANTS GABORONE

06 DEC 2024
Gaborone

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 P'000	2023 P'000
Revenue Collected on behalf of the Government of Botswana			
Tax revenue and customs receipts			
Income Tax	2	23,586,332	26,499,644
Value added tax ("VAT")	3	11,615,946	9,466,485
Customs - SACU Pool Receipts	4	24,209,240	13,853,215
Total Tax revenue and customs receipts		**59,411,518**	**49,819,344**
Non tax revenue	5	19,569	5,329
Provision for doubtful debts	9	(887)	-
Total Tax revenue and customs receipts		**59,430,200**	**49,824,673**
Amount retained for BURS funding	6	(1,196,800)	(1,097,360)
Net Revenue collected on behalf of Government of Botswana		**58,233,400**	**48,727,313**
Revenue collected on behalf of Government Departments	7	2,022,204	1,197,972
Effects of currency gains/(losses) of Customs remittances	4	2,065	2,067
		60,257,669	**49,927,352**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2024

		2024 P'000	2023 P'000
ADMINISTERED ASSETS			
Current Assets			
Amount due from related parties	12	4,393	1,623
Amount due from Government remittances	12	170,806	175,815
Accounts receivable	8		6,732
Cash and Cash equivalents	9	23,971	36,813
Total Administered Assets		**199,170**	**220,983**
ADMINISTERED LIABILITIES			
Current Liabilities			
Amount due to related parties	12	129,265	108,293
Accounts payable	11	69,905	112,690
		199,170	**220,983**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 MARCH 2024

	2023 P'000
Amounts due to /(from) Government Remittance Account	
Balance at 1 April 2022	(209,136)
Total net revenue collected for the year	49,927,352
Net transfers to Government Remittance Account	(49,894,031)
Balance at 31 March 2023	**(175,815)**
Total Net collected for the year	60,257,669
Net transfer to Government Remittance Account	(60,252,660)
Balance at 31 March 2024	**(170,806)**

The amount due to the Government Remittance Account represents collections awaiting transfer to Government, this is the default and ideal net asset position .

The amount due from the Government Remittance Account represents collections transferred in excess to the Government as at year end.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 P'000	2023 P'000
Cash flows from operating activities:		
Total net revenue collected for the year	60,257,669	49,927,352
Total net transfers to Government Remittance Account	60,252,660)	(49,894,031)
Net Collections of transfers to Government Remittance Account	**5,009**	**33,321**
Movement in assets and liabilities		
(Increase)/decrease in administered assets	3,962	23,430
(Decrease)/increase in administered liabilities	(21,813)	(29,325)
Net Movement in assets and liabilities	**(17,851)**	**(5,895)**
Increase in cash and cash equivalents	(12,842)	27,426
Cash and cash equivalents at the beginning of year	36,813	9,387
Cash and cash equivalents at the end of year	**23,971**	**36,813**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of accounting policies

The reported activity - revenue collection accounts

These financial statements are reported as Administered Government Revenue Accounts. They cover transactions relating to the tax revenues collected on behalf of the Government and its related parties. The financial statements covering those operational revenues, such as funds received from the Government, which are managed by BURS and utilized in meeting the operational costs of BURS are reported in a different set of financial statements BURS Own Accounts. The purpose of the distinction between the two sets of financial statements is to facilitate, among other things, the assessment of the administrative efficiency of BURS in achieving its mandate.

The financial statements are presented in Botswana Pula and in thousands P`000 except for Annexure 1 – Schedule of movements in collections and payments to third parties and Annexure 2 - Detailed accounts payable listing, which are reported in units of Pula. These annexures do not form part of the audited financial statements. It is presented as additional information.

Basis of preparation

The financial statements are required in terms of Sections 28 and 29 of the Botswana Unified Revenue Service Act, 2003. The financial statements are prepared on the modified cash basis of accounting.

The cash basis of accounting recognizes transactions and events only when cash (including cash equivalents) is received or paid by the reporting entity. The modification to the cash basis is an attempt towards more relevant and faithful presentation of those events and/or transactions whose substance may be concealed by the cash basis. Modifications entail recognition of short term assets and liabilities. The recognition of assets and liabilities results in increasing or decreasing amounts due to or from the Government of Botswana compared to amounts that would otherwise, be reported if the cash accounting framework was solely used.

Whereas the cash basis remains the primary framework and the resultant financial statements would otherwise contain only a statement of financial performance "income and expenditure' and a reconciliation of opening cash and cash equivalents to closing cash and cash equivalents, the modifications result in a statement of financial position as supported by a statement of changes in net assets.

BURS is putting in place measures to prepare for future implementation of International Public Sector Accounting Standards ("IPSAS". BURS is engaging with the Ministry of Finance and Economic Development in order to develop detailed guidelines which will outline the procedures and timelines to be followed in Botswana for Government owned enterprises in converting to accruals basis of accounting. Consequently, BURS has prepared the financial statements on a modified cash basis in line with the accounting principles of the Government of Botswana.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

2. GENERAL ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents principally represents funds held by BURS pending transfer to the Government Remittance Account, settlement of related party payables and also constitute of tax payer deposits and unclaimed but approved tax refunds.

Tax revenue and modifications to payables/receivables

Tax revenue primarily constitutes of non-exchange gross receipts from tax payers in fulfilment of tax legislation applicable in Botswana. Tax revenue also includes penalties and interest charges in line with the relevant tax legislation. Where the tax payer has a statutory right to settlement of taxes on a net basis, the revenue is recognized on a net basis.

Tax revenue is recognized in the statement of financial performance when all the following conditions are satisfied;

- a receipt in the form of cash or cash equivalent is notified to the administrator and;
- the identity of the tax payer is known and the specific tax legislation from which the revenue is attributed is known and;
- the amount received or notified does not relate to temporary deposits, to the effect, that there is minimum likelihood of reimbursement of the amount.

The following modifications to the cash basis to tax revenue recognition apply

- a receivable is recorded separately from cash and cash equivalents where notifications of tax receipts remain unreported in the administered fund bank statements for a period of more than 120 days up to the reporting date. The lifetime of these receivables is deemed to be 2 years, subsequent to which, the balances are considered delinquent and included in the dishonoured cheques provision as impaired. Subsequent recovery of such funds is recorded in the year of recovery as a reversal of the allowance for doubtful debts and not as tax revenue for that period.
- a current liability is recognized for receipts that are not matched to a tax payer and relevant tax legislation. A reconciliation process is conducted from date of identification of such receipts in effort to match them to the relevant tax revenue or non tax revenue category. The amounts are refunded or reclassified to the statement of financial performance as tax revenues or unmatched revenue after due effort is exhausted and this is considered to be period of up to 2 years.
- tax refunds relating to previous and current periods are accounted for in the period in which the refund is approved for payment and paid. Unclaimed refunds are accounted for as a liability to tax payers.

Included in payables are temporary deposits whose likelihood of settlement is considered more probable than not, at the reporting date. These payables are non interest bearing and they expire at the earlier of redemption by the tax payer or the life determined by the relevant tax legislation and approval by the Commissioner General.

-inherent to the tax administration process is that assessments may be disputed, both in favour or unfavourable to the Government of Botswana, the degree of estimation uncertainty and confidentiality of pending favourable/unfavourable disputed tax assessments is considered too high, as such no disclosures are made in the financial statements.

-subsequent events may provide a conclusive and precise amount due to/from tax payers, materiality is considered for disclosure notes as contingent liabilities or contingent assets with no changes in actual amounts received or paid during the financial period.

<u>Other tax revenue</u>
Other tax revenue consists of cash received from tax payers in settlement of dishonoured cheques that had been previously considered as delinquent and impaired.

<u>Non tax revenue</u>
Non-tax revenue consists of license fees and customs fines. License fees are paid by companies and individuals registered with BURS to transact various types of customs businesses such as the operation of bonded warehouses and customs clearing agents. Customs fines are received

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

General Accounting Policies continued

in respect of detected non-compliance with the Revenue Laws, usually at border posts or other ports of entry.

Customs revenue, currency fluctuations and remittances

Customs – "SACU pool receipts" constitutes of non – exchange amounts received by the reporting entity by virtue of Botswana's membership with the Southern African Customs Union 'SACU'. The amounts are determined in line with relevant provisions of the SACU agreement. Customs revenue is recognized on a cash basis with due consideration for the business model underpinning the customs process, to the effect that; some modifications apply as follows;

The customs collections and remittances process entails translation of currency units of Pula and other currencies collected from tax payers at the average foreign currency exchange rates prevailing at time of collection which may differ from the spot rate at remittance date. Such realized exchange gains/losses are accounted for within administered funds and included in the statement of financial performance as they are inherent to the customs revenue attributable to the Government of Botswana.

Whereas all customs collections must be accurately and completely remitted to the SACU pool, as the Government of Botswana contribution, differences may arise between amounts collected and amounts remitted, the effect being over or under remittances. Such overpayment/under payments remittances are offset against SACU receipts in the year they arose. This is considered to be the legal and substance of the underlying guidelines underpinning the SACU Agreement's Customs sharing formulae per Annexure A, Clause 1(b) of the SACU Agreement.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

2. INCOME TAX

Income tax revenue collected during the year was derived from the following sources

	2024 P'000	2023 P'000
Withholding tax	4,302,030	5,096,255
Deduct tax (Pay As You Earn)	10,138,927	8,954,643
Assessed tax	9,251,817	12,662,457
Penalty	42,965	1,029
Transfer duty	97,615	93,611
Capital transfer tax	3,859	3,146
Gross income tax receipts	**23,837,213**	**26,811,141**
Refunds	(250,881)	(311,497)
Net income tax receipts	**23,586,332**	**26,499,644**

3. VALUE ADDED TAX ("VAT")

VAT is recognized in the statement of financial performance on a net basis. VAT is structured in such a manner that companies are also entitled to claim refunds; hence the breakdown of gross receipts and refunds is disclosed. VAT refunds arise when the input tax for any tax period is greater than the output tax for that period, or when tax paid is in excess of the amount properly charged to tax under the VAT Act. The refunds are paid from the VAT collections. VAT refunds reported in the statement of financial performance for the years ended 31 March 2024 and 31 March 2023 represent the actual cash paid out as VAT refunds. The net VAT revenue received during the year is analysed as follows:

VAT Import	7,309,281	6,298,827
VAT Internal	6,694,335	6,020,767
VAT interest and penalties	125,918	98
Fuel Levy	1,444,002	1,439,196
Gross receipts	**15,573,536**	**13,758,888**
Refunds	(3,957,590)	(4,292,403)
Net VAT receipts	**11,615,946**	**9,466,485**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

4. CUSTOMS RECEIPTS

The customs receipts represent monies received by the Government of Botswana by virtue of membership to the Southern African Customs Union ("SACU"). SACU member states collect customs and excise duties and deposit the revenue into the SACU Common Revenue Pool in accordance with the provisions of the SACU Agreement and its respective amendments that have been approved by member states.

The member states annually calculate and distribute the share due to each member state in accordance with a revenue sharing formula in accordance with provisions of the SACU Agreement. SACU pool customs cut-off transactions are accounted for in the statement of financial position to the Government Remittance Account whilst effects of foreign currency translation differences are recorded in the statement of financial performance.

	2024 P'000	2023 P'000
Customs - SACU pool receipts	24,209,240	13,853,215
SACU (over)/under payment adjustment		-
	24,209,240	13,853,215
Effects of currency gains/(losses) of Customs receipts	2,065	2,067

5. NON - TAX REVENUE

Non-tax revenue consists of license fees and customs fines. License fees are paid by companies and individuals registered with BURS to transact various types of customs businesses such as the operation of bonded warehouses and customs clearing agents. Customs fines are received in respect of detected non-compliance with the Revenue Laws, usually at border posts or other points of entry.

The amount reported as non-tax revenue in the statement of financial performance is made up of the following:

Licence Fees	31	23
Customs Fines	19,538	5,306
	19,569	5,329

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

6. AMOUNT RETAINED FOR BURS FUNDING

The Ministry of Finance has, through the Notice of Funds of the Revenue Service Order, 2012, issued in accordance with Section 26 (1) (d) of the Botswana Unified Revenue Service Act, 2003, authorized the Revenue Service to retain a maximum of 2 percent (2%) of the revenue collected per annum to use for recurrent budget and 1 percent (1%) of the total revenue collected to use for the development budget. The Revenue Service implemented such notice with effect from 1 April 2013.

BURS has complied with provisions of the retention guidelines and the amount transferred to BURS Own accounts from Administered Government Revenue Accounts during the financial year ended 31 March 2024 is as follows:

	2024 P'000	2023 P'000
Amount retained for BURS funding	1,196,800	1,097,360
Consisting of:		
Amount retained for use in recurrent expenditure (note 12)	919,402	783,938
Amount retained for use in development expenditure (note 12)	277,398	313,422
	1,196,800	**1,097,360**

The limits for the comparative years were as follows:

Recurrent expenditure - 2 percent of total revenue collected	1,188,604	996,493
Development Expenditure - 1 percent of total revenue collected	594,302	498,247
	1,782,906	**1,494,740**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

7. REVENUE COLLECTED ON BEHALF OF GOVERNMENT DEPARTMENTS

BURS collects revenue on behalf of Government departments. These include:

i. Road safety and permit fees (Ministry of Transport and Communications - Department of Road Transport and Safety);
ii. Flour levy and Alcohol levy (Ministry of Investment, Trade and Industry - Department of Trade and Consumer Affairs); and
iii. Copyright levy (Ministry of Investment, Trade and Industry - Registrar of Companies).

The amount reported as revenue collected on behalf of other Government departments includes the following

	2024 P'000	2023 P'000
Revenue collected		
Copyright levy	30,104	20,225
Tobacco levy	37,179	37,603
Road Safety tokens	8,378	7,191
Transport permit	419,517	357,268
Road Fund Levy	496,911	
National Petroleum Fund	74,537	-
Security of supply levy	96,622	
Flour levy	-	-
Alcohol levy	663,611	577,587
Covid levy	1	3,748
Plastic Levy	22,244	25,258
Sweet beverages Levy	100,302	106,018
Kazungula Bridge Toll Fees	72,798	63,074
	2,022,204	**1,197,972**

8. ACCOUNTS RECEIVABLE

Accounts receivable represents debtors in respect of cheques dishonoured by bank and payments due from BURS Own Account

	2024 P'000	2023 P'000
Other receivable		5,845
Dishonoured cheques	95,464	95,465
Provision for doubtful debts	(95,464)	(94,577)
Accounts receivables	**-**	**6,733**

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

8. ACCOUNTS RECEIVABLE (CONTI...)

The movements in the provision for doubtful debts is as follows

	2024 P'000	2023 P'000
Balance at the beginning of the year	(94,577)	(94,577)
Provision made for dishonoured cheques during the year	(887)	
Balance at end of the year	**(95,464)**	**(94,577)**

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are held in non interest bearing short term deposits representing cut off deposits yet to be transferred to the Government remittance accounts or third parties that are reported as payables.

	2024 P'000	2023 P'000
Cash at Bank	10,453	29,258
Cash in Hand	13,518	7,546
	23,971	36,804

10. ACCOUNTS PAYABLE

	2024 P'000	2023 P'000
Amount due to tax payers	31,097	59,291
Unallocated tax payer receipts	38,808	53,399
	69,905	**112,690**

Amounts due to tax payers
These constitute of receipts for temporary import taxes that are refundable upon export, convenience advance deposits by agencies for customs clearance and tax refunds that remain unclaimed by the tax payer whilst the refunds have been approved.

Unallocated tax payer receipts
These constitute of tax payer receipts that have no specific tax payer identity or identifiable tax legislation to which the receipt is attributed.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise BURS as reported in BURS Own Accounts and Government Entities whose statutory collections are executed by BURS. Transactions with related parties are in the normal course of business and on terms consistent with Memoranda of Agreements. Due to the nature of BURS's business, there are a large number of transactions, relating to tax collection income with Government departments and other Government entities, these are not included in these financial statements as related party transactions and balances.

The following are transactions and balances with related parties:

	2024 P'000	2023 P'000
BURS - As reported in Own Accounts		
Amount retained for BURS funding		
Recurrent Expenditure	919,402	783,938
Development expenditure	277,398	313,422
	1,196,800	**1,097,360**
Amount due from BURS		
Bank Charges	4,393	1,623
Amount due to Government Entities	**(129,265)**	**(108,293)**
Human Resources Development Council	(85,581)	(80,957)
Motor Vehicle Accident Fund	(9,577)	(8,353)
BURS Commission payable	(29,549)	(18,983)
Customs and Excise duties	(4,558)	-
Amount due from Government Remittance	**170,806**	**175,815**
Amount due to:		
Amount due from: Overpayment to Government remittance	168,741	173,748
Fluctuation in foreign currency	2,065	2,067
Net amount due from Government Remittance	**41,541**	**67,522**

The amount due from the Government Remittance Account represents collections transferred in excess to the Government as at year end and loss resulting from fluctuation in foreign currency exchange when remitting to SACU, whereas the amount due to the Government Remittance Account represents collections awaiting transfer to Government.

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

12. SUBSEQUENT EVENTS

This section outlines key subsequent events that may affect BURS financial risks and opportunities:

1. Changes in Tax Legislation: Recent amendments to existing tax laws could influence future tax revenues and compliance requirements, potentially affecting financial forecasts.

2. Revenue Collection Trends: There has been a notable decline in revenue collection compared to previous years, coupled with unexpected fluctuations influenced by diamond prices and demand.

3. Economic Events: Major economic events, such as a potential downturn and falling diamond prices are expected to affect tax revenues and the overall financial position of BURS.

4. Operational Changes: The ongoing re-alignment of BURS, along with significant new initiatives or changes in key personnel, may impact the organization's effectiveness and financial performance.

5. Legal Proceedings: Anticipated court cases due to realignment could significantly impact BURS's financial position or results. These anticipated cases should therefore be noted for their potential material effects.

6. Impact of External Factors: The ongoing Ukraine-Russia conflict continues to affect global trade and is expected to affect BURS's tax revenues.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
ANNEXURE 1 - SCHEDULE OF MOVEMENTS IN COLLECTIONS AND PAYMENTS TO THIRD PARTIES
FOR THE YEAR ENDED 31 MARCH 2024

This annexure does not form part of the audited financial statements. It is presented as additional information

	SACU Common Revenue Pool	Motor Vehicle Accident Fund	Human Resources Development Council	Total
	P	P	P	P
31 March 2024				
Balance at 1st April 2023	**(7,988,887)**	**8,352,528**	**80,956,560**	**81,320,201**
Collections	741,026,416	44,841,626	450,405,623	1,236,273,665
Payment to third parties	(728,480,067)	(42,553,977)	(423,276,809)	(1,194,310,854)
Payments - BURS Commission		(1,064,018)	(22,504,466)	(23,568,483)
Balance at 31 March 2024	**4,557,462**	**9,576,159**	**85,580,904**	**99,714,530**
31 March 2023				
Balance at 1st April 2022	**(2,081,834)**	**1,284,018**	**96,990,198**	**96,192,382**
Collections	737,248,319	19,359,536	418,039,994	1,174,647,848
Payment to third parties	(743,155,372)	(12,291,026)	(434,073,631)	(1,189,520,029)
Payments - BURS Commission	-			-
Balance at 31 March 2023	**(7,988,887)**	**8,352,528**	**80,956,560**	**81,320,202**

Collections to third parties represent funds that had not been transferred at year end from collections due from service level agreements. BURS have entered into service level agreements with parastatals to collect revenue on their behalf. The agreements are as follows:

* Motor Vehicle Accident Fund ("MVA Fund") for the collection of the fuel levy; and
* Human Resource Development Council ("HRDC") for the collection of the training levy.

BOTSWANA UNIFIED REVENUE SERVICE
ADMINISTERED GOVERNMENT ACCOUNTS
ANNEXURE 2 - DETAILED ACCOUNTS PAYABLE LISTING
FOR THE YEAR ENDED 31 MARCH 2024

ACCOUNTS PAYABLE	Other Payables	Unremitted Collections	Refundable Deposits	Total
	P'000	P'000	P'000	P'000
31 March 2024				
Temporary Deposit			31,097	31,097
Payable to BURS Own Accounts (note12)	29,549			29,549
Customs and Excise duties		4,558		4,558
Training Levy (HRDC)		85,581		85,581
Assurance Levy (Motor Vehicle Accident Fund)		9,577		9,577
Unallocated Electronic Funds Transfers (ËFT) transaction)		36,296		36,296
Various suspense account	2,512			2,512
	32,061	**136,012**	**31,097**	**199,170**
31 March 2023				
Temporary Deposit			37,637	37,637
Payable to BURS Own Accounts (note12)	18,983			18,983
Customs and Excise duties		-		-
Training Levy (HRDC)		80,957		80,957
Assurance Levy (Motor Vehicle Accident Fund)		8,353		8,353
Unallocated Electronic Funds Transfers (ËFT) transaction)		51,619		51,619
Unpresented cheques	49			49
Income Tax refund accounts	21,605			21,605
Cash gains and losses		-		-
Various suspense account	1,780			1,780
	42,417	**140,929**	**37,637**	**220,983**

FINANCIALS

BOTSWANA UNIFIED REVENUE SERVICE
OWN ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) GENERAL INFORMATION

31 MARCH 2024

BOARD OF DIRECTORS

Dr. Lesedi Says Senatla	: Chairperson - from 1st April 2022
Ms. Jeanette Chanda Makgolo	: Commissioner General - from 1st August 2021
Dr. Pinkie Gertrude Kebakile	: Non-executive Director- from 10th December 2020
Mr. Pono Walter Molatlhwe	: Non-executive Director from 8th April 2021
Mr. Gerald Nteme Nthebolan	: Non-executive Director from 8th April 2021
Mr. Benjamin Tobedza	: Non-executive Director from 8th April 2021
Mr. Mishingo Hadzani Jeremia	: Non-executive Director from 1st April 2022
Ms. Seabo Motlhatswi Keorapetse	: Non-executive Director from 1st November 2023

BOARD SECRETARY

Ms. Motsisi Mongati :1st June 2022

NATURE OF BUSINESS

The Botswana Unified Revenue Service ("BURS") was established by the Botswana Unified Revenue Service Act, 2003. BURS is responsible for the assessment and collection of tax on behalf of the Government of Botswana.

ADDRESS

Plot 54379
CBD
Private Bag 0013
Gaborone

AUDITOR

Grant Thornton

BANKERS

First National Bank of Botswana Limited

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
FOR THE YEAR ENDED 31 MARCH 2024

DIRECTORS' STATEMENT OF RESPONSIBILITY

The Directors are responsible for the preparation and fair presentation of the financial statements of Botswana Unified Revenue Service ("BURS"): Own Accounts, comprising the statement of financial position as at 31 March 2024, the statements of comprehensive income, changes in reserves, and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards ("IFRS)" and in manner required by the Botswana Unified Revenue Service Act (Chapter 53:03) .

The Directors are required by the Botswana Unified Revenue Service Act, 2003 to maintain adequate accounting records and are responsible for the content and integrity of and related financial information included in this report, and for such internal control as the Directors determine necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error. The auditors are engaged to express an independent opinion on the financial statements and their report is presented on pages 70 to 72.

The financial statements are prepared in accordance with IFRS and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by BURS and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout BURS and all employees are required to maintain the highest ethical standards in ensuring BURS's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in BURS is on identifying, assessing, managing and monitoring all known forms of risk across BURS. While operating risk cannot be fully eliminated, BURS endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors state that, for the year ended 31 March 2024, BURS has complied with the following paragraphs of the Botswana Unified Revenue Service Act:

* Paragraph 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
* Paragraph 29 (1) which requires the Revenue Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

The Directors' have made an assessment of BURS' ability to continue as a going concern and there is no reason to believe BURS will not be a going concern in the year ahead.

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

DIRECTORS' APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 73 to 105 which have been prepared on the going concern basis, were approved and authorised for issue by the Board of Directors on 22/11/2025 and were signed on its behalf by:

Board Chairperson

Commissioner General

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) INDEPENDENT AUDITORS REPORT

31 MARCH 2024

Grant Thornton

To the Board of Directors of Botswana Unified Revenue Service Report on the annual financial statements

Opinion

We have audited the annual financial statements of Botswana Unified Revenue Service set out on pages 72 to 104, which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of material accounting policy information.

In our opinion, the annual financial statements give a true and fair view of, the financial position of Botswana Unified Revenue Service as at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and requirements of Section 28(2) of the Botswana Unified Revenue Service Act of 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the Revenue Service in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1,3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. 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. We have no key audit matters to report.

Other Matter

The annual financial statements of Botswana Unified Revenue Service for the year ended 31 March 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 11 November 2023.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Unified Revenue Service annual financial statements for the year ended 31 March 2024", which includes Member's report and the detailed Income Statement, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor's report thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) INDEPENDENT AUDITORS REPORT

31 MARCH 2024

Grant Thornton

Responsibilities of the Directors for the Annual Financial Statements

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

In preparing the annual financial Statements, the Directors are responsible for assessing the Revenue Service'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 Revenue Service or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Revenue Service's financial reporting process.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 Revenue Service's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Revenue Service'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 annual 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 Revenue Service to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) INDEPENDENT AUDITORS REPORT

31 MARCH 2024

Grant Thornton

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.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all the relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on legislative requirements

As required under Section 28 and 29 of the Botswana Unified Revenue Service Act, 2004, we confirm that:

a) We have received all the information and explanation which, to the best of our knowledge and belief, were necessary for the performance of our duties as auditors.

b) The accounts and related records of the Revenue Service have been properly maintained.

c) The Revenue Service has not complied with section 29 (1) of the Botswana Unified Revenue Service Act, 2004 which required the Revenue Service to submit to the Minister, a comprehensive report on the operations of the Revenue Service during that financial.

GRANT THORNTON

Grant Thornton
Firm of Certified Auditors
Practising Member: Aswin Vaidynathan (CAP 0016 2024)

GRANT THORNTON CHARTERED ACCOUNTANTS GABORONE

06 DEC 2024
Gaborone

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 P'000	2023 P'000
Income			
Government funding for recurrent expenditure	6	993,142	879,852
Revenue from contracts with customers	7	143,387	112,976
Other income	8	119,497	104,943
Total income		1,256,026	1,097,771
Administrative expenses	9	(533,219)	(359,394)
Staff costs	10	(729,212)	(703,125)
Total expenses		(1,262,431)	(1,062,519)
Operating surplus / (deficit) for the year		**(6,405)**	**35,252**
Finance income	11	1,986	1,849
Finance cost	11	(377)	(439)
Total surplus / (deficit) for the year		**(4,796)**	**36,662**
Other comprehensive (loss)/income for the year		**-**	**-**
Total comprehensive (loss)/income		**(4,796)**	**36,662**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 P'000	2023 P'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	1,955,130	1,804,089
Right of use asset	22	6,355	8,025
Intangible assets	14	132,498	142,034
		2,093,983	1,954,148
Current assets			
Inventories	15	4,368	3,106
Trade and other receivables	16	240,377	87,958
Cash and cash equivalents	17	227,555	209,424
		472,300	300,488
Non current assets held for sale	12	1,164	1,997
Total assets		**2,567,447**	**2,256,633**
RESERVES AND LIABILITIES			
Reserves			
Accumulated deficit		(34,623)	(29,827)
		(34,623)	(29,827)
Non-current liabilities			
Capital grants	18	2,315,814	2,077,630
Lease liability	22	3,472	5,430
		2,319,286	2,083,060
Current liabilities			
Trade and other payables	19	278,838	199,748
Lease liability	22	3,946	3,652
		282,784	203,400
Total reserves and liabilities		**2,567,447**	**2,256,633**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Accumulated surplus P'000
Balance at 01 April 2022		-66,489
Surplus for the year		36,662
Balance at 31 March 2023		**(29,827)**
Balance at 01 April 2023		**(29,827)**
Surplus for the year		(4,796)
Balance at 31 March 2024		**(34,623)**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 P'000	2023 P'000
Cash flows from operating activities			
Surplus /(Deficit) for the year		(4,796)	36,662
Interest income	11	(1,986)	(1,849)
Adjustment for non-cash items	21	1,423	6,503
Operating deficit before working capital changes		**(5,359)**	**41,316**
Changes in working capital			
Decrease in inventories		(1,262)	309
Increase in trade and other receivables		(152,419)	(24,992)
Increase in trade and other payables		79,090	14,780
Net cash generated from movement in working capital		**(74,591)**	**(9,903)**
Cashflow from operating activities		**(79,950)**	**31,413**
Cash flows from investing activities			
Interest received	11	1,986	1,849
Purchase of property, plant and equipment	13	(242,946)	(187,533)
Purchase of intangible assets	14	(5,689)	(192)
Proceeds on disposal of property, plant and equipment		2,357	387
Net cash used in investing activities		**(244,292)**	**(185,489)**
Cash flows from financing activities			
Lease payments	22	(3,509)	(3,233)
Interest paid	11	(377)	(439)
Net development funding received from the Government of Botswana	18	346,259	234,605
Net cash generated from financing activities		**342,373**	**230,933**
Net increase in cash and cash equivalents		18,131	76,857
Cash and cash equivalents at beginning of year		209,424	132,567
Cash and cash equivalents at end of year	**17**	**227,555**	**209,424**

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS) NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2024

1. GENERAL INFORMATION

Botswana Unified Revenue Service ("BURS") is a body corporate established by an Act of Parliament (Botswana Unified Revenue Service Act, 2003) as part of the Government of Botswana's reform strategy for revenue administration. BURS is charged with the mandate of:

a) assessing and collecting tax on behalf of the Government; and

b) administering and enforcing the revenue laws, which include the Customs and Excise Act, Income Tax Act, the Capital Transfer Act and the Value Added Tax Act, respectively.

For financial reporting purposes, the financial statements of BURS are reported as: Administered Government Revenue Accounts and Own Accounts. The financial statements – Administered Government Revenue Accounts cover transactions relating to the revenue collected on behalf of the Government.

The financial statements – Own Accounts cover those operational transactions, such as funding received from Government, which are managed by BURS and utilised in running the organisation. The purpose of the distinction between the two sets of financial statements is to facilitate, among other things, the assessment of the administrative efficiency of BURS in achieving its mandate. The financial statements are reported in Botswana Pula and in thousands (P'000).

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these financial statements are set out below, these policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on board of directors' best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires the board of directors to exercise its judgment in the process of applying the BURS accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The following new standards, amendments and interpretations to existing standards are mandatory for BURS. These are not yet effective and BURS has not made early adoption, hence BURS has not conducted any impact assessments for these standards.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparatio (Cont)

Number	Effective date	Summary of amendments
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	"Annual periods beginning on or after 1 January 2023 (Published Jan 2020)"	"The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment. Further detailed information is available at the following link: In Brief 2020-3"
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	"Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)"	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

Standards Issued But Not Yet Effective

Standard / Interpretation	Effective date: Years beginning on or after	Expected Impact
Disclosure of Accounting Policies Amendment to IAS 1 and IFRS Practice Statement 2	01 January 2023	The impact on the amendments is not material
Definition of Accounting Estimates: Amendment to IAS 8	01 January 2023	The impact on the amendments is not material
Supplier Finance Arrangements Amendment to IAS 7 and IFRS 7	01 January 2024	The impact on the amendments is not material
Lease Liability in a Sale and Leaseback Amendment to IFRS 16)	01 January 2024	The impact on the amendments is not material
Classification of Liabilities as Current or Non-Current Amendment to IAS 1	01 January 2024	The impact on the amendments is not material
Amendment – Non-current Liabilities with Covenants Amendment to IAS 1	01 January 2024	The impact on the amendments is not material
Deferred tax related to assets and liabilities arising from a single transation -Amendments to IAS 12	01 January 2023	The impact on the amendments is not material
Presentation and Disclosure in Financial Statements: IFRS 18	01 January 2027	The impact on the amendments is not material

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparatio (Cont)

Disclosure of Accounting Policies - Amendment to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. As IFRS Practice Statements are non-mandatory guidance, no mandatory effective date has been specified for the amendments to IFRS Practice Statement 2.

The amendments are not expected to have a material impact on BURS. Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on BURS.
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides 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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

BURS is currently assessing the impact of the amendments to determine the impact they will have on the BURS's accounting policy disclosures.

New IFRS sustainability disclosure standards
On 26 June 2023 the International Sustainability Standards Board (ISSB) released its first two International Sustainability Disclosure

Standards IFRS S1 & IFRS S2 (IFRS SDS or the Standards) that become effective for periods beginning on or after 1 January 2024.

IFRS S1, 'General requirements for disclosure of sustainability-related financial information
The main objective of this Standard is to disclose all information about sustainability-related risks and

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

2 MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparatio (Cont)

opportunities that could reasonably be expected to affect a company's prospects.

IFRS S1 provides the basic requirements for sustainability disclosures, which should be used with IFRS S2 as well as the future Standards the ISSB releases. The Standard:

* requires disclosure of material information about sustainability-related risks and opportunities with the financial statements, to meet investor information needs.
* requires industry specific disclosures and refers to the industry-based SASB standards for guidance when identifying disclosures about sustainability-related risks or opportunities
* refers to sources to help companies identify sustainability-related risks and opportunities and information (for everything other than in the scope of IFRS S2).
* requires disclosures that enable investors to understand the connections between the sustainability-related risks and opportunities and the sustainability-related financial disclosures and financial statements.
* is GAAP agnostic.

IFRS S2: Climate-related Disclosures
The two Standards are designed to be applied together. However, IFRS S2 has been developed to capture climate-specific requirements which includes:

Strategy disclosures that distinguish between physical and transitional risks

Disclosure of their plans to respond to climate-related risks and opportunities, including how climate-related targets are set and any targets it is required to meet by law or regulation.

Companies should perform scenario analysis to explain how various climate-related events may impact the business in the future.

Climate-related metrics and target disclosures should include:
Cross-industry metrics that are relevant to all companies e.g. greenhouse gas emissions, refer to our publication on 'What are sustainability scope 1, 2 and 3 emissions?' for more information on greenhouse gas emissions.
Industry-based metrics relevant to companies within the related industries and Company specific metrics considered by the board or management when measuring progress towards set targets.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES

3.1 Property, plant and equipment

Land and buildings
Land and buildings held for administrative purposes, are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.
Motor vehicles, computer and office equipment, leasehold improvements, porta-camps and security dogs
Computers and office equipment, plant and machinery, office furniture, leasehold improvements and porta-camps, are stated at cost less accumulated depreciation and accumulated impairment losses. Cost consist of directly attributable costs to bringing the assets to present location and condition necessary for use.

Depreciation
Depreciation is charged, using the straight-line basis to write off the cost over their estimated useful lives and charged to the statement of comprehensive income.

The revised estimated useful economic lives used in the calculation of depreciation are set out below:

Category	Economic life (in years)
Buildings	10 - 50
Land - freehold	Infinity
Land - leasehold	50
Right of use asset	03 – 07
Motor vehicles (light vehicles)	06 – 12
Motor vehicles (vans and trucks)	08 – 15
Office furniture	10 – 15
Computer and office equipment	05 – 10
Porta-camps	10 - 15
Plant and machinery	06 – 15
Leasehold improvements	03 – 05
Security dogs	8
Intangibles	05 – 25

The estimated useful lives, residual values and depreciation methods are reviewed at end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of assets
The BURS carry impairment reviews yearly. Assets are considered impaired if they are any of the following: they have been physical damaged, they are obsolete, they are idle, they are held for sale or they have been abandoned. If the recoverable amount of an asset is below the carrying amount, the loss is written off to the income statement.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

Property, plant and equipment (Cont)

Repairs and maintenance
Repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Derecognition
Property , Plant and Equipment's carrying amount shall be derecognised on disposal and when no future economic benefits are expected from the use or disposal of such Property, Plant and Equipment. Gain or loss arising from derecognition shall be included in profit or loss.

Assets Held for Sale
Assets which management is committed to disposing within 12 months are transferred to assets held for sale and recorded at the lower of carrying amount and fair value less costs to sell and disclosed separately on the face of the balance sheet. Any impairment loses are recognised in the profit and loss.

Assets held for sale are derecognised upon disposal with proceeds recognised as cash and cash equivalent and any profit or loss on disposal recorded in the profit and loss.

3.2 Intangible assets

Computer software costs
Costs that are directly associated with the development of identifiable software products controlled by BURS, that will probably generate economic benefits beyond one year that can be measured reliably, are recognised as intangible assets. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as capital improvements and added to the original cost of the software. The intangible assets are amortised over 5 - 25 years using straight line method. Computer software has been acquired.

Computer software is capitalised at cost when its probable that the expected future economic benefits attributable will flow to the BURS and the costs can be reliably measured. These costs include employee costs incurred as a result of developing software and an appropriate proportion of relevant overheads. These costs are amortised over their estimated useful lives. Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses. An item of intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognised in profit or loss when the asset is derecognised. Amortisation and impairment charges are recognised in statement of comprehensive income.

Work in progress is not amortised until the asset is complete and ready for use.

Derecognition
Intangible asset shall be derecognised on disposal and when no future economic benefits are expected from the use or disposal of such Intengible asset. Gain or loss arising from derecognition shall be included in profit or loss.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

3.3 Revenue

Revenue recognition
The core principle of IFRS 15 "Revenue from Contracts with Customers" requires an entity to recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to in exchange for transferring those goods or services to the customer. Revenue is recognised when, or as, the performance obligations to the customer are satisfied. Consideration received in advance of recognising the associated revenue from the customer is recorded within contract liabilities (deferred income). Bad debt on bills raised in the year considered uncollectable based on historic experience, is excluded from IFRS 15 revenue to ensure revenue is recorded at the amount which BURS expects to receive, for providing its services to customers. The following services are recorded within "Revenue" in the Income Statement since they relate to BURS's obligation as a revenue services provider to provide these services to customers:

Government funding for recurrent expenditure
In terms of the Memorandum of Understanding signed between BURS and the Ministry of Finance and Economic Development ("MFED") in 2007, BURS should remit all revenue collected to the Government Remittance Account. However, subsequent to the signing of this Memorandum, the MFED has, through the Notice of Funds of the Revenue Service Order, 2012, authorised the Revenue Service to retain, not more than 2 percent (2%) of the revenue collected per annum to fund the recurrent budget and not more than 1 percent (1%) of the total revenue collected be used for the development budget and that annual ceilings should be approved, on an annual basis, by the MFED. The Revenue Service implemented such notice with effect from 1 April 2013.

Government funding relating to the recurrent expenditure of BURS, disbursed for the purpose of giving immediate financial support to BURS with no future related costs, is recognised in the Statement of Comprehensive Income in the period in which they become receivable.

Government grant accounting under IAS 20 permits grant income to be recognized when it is probable that the entity will receive the grant as they will likely fulfil the conditions thereof. IAS 20, therefore, results in recognition upon approval of BURS expenditure budget, supported by historical success in executing the mandate of the institution, as at this stage the probability test is achieved. On the contrary, IFRS 15 recognition is driven by fulfilment of performance obligations and not probability of fulfilment. Due to the timing of inflows or drawdown of the recurrent budget, there is less to no impact on the timing of recognition.

Commission/Agency fees
Agency commissions represent fees charged by BURS for collecting revenues on behalf of Government Departments and Parastatals. Whilst the obligations appear to be to collect and remit, the substance is that the agency role is to execute collection activities, and the agent fulfils this obligation by assigning resources and processes. The business model interpretation is that BURS fulfils its performance obligation during the collection process and remittance is not fundamental to the timing of recognition of revenue. Consequently, there is a single obligation and no split of collection and remittance as these are incidental to each other, the former being the lead obligation.

BURS recognises a receivable with corresponding revenue entry in the event of commission not being settled by the customer at the reporting date. Such receivable is scoped onto IFRS 9. Revenue is received quarterly in arrears.

Other Income
Other income constitutes ancillary services incidental to the conduct of revenue generating activities. The entity is entitled to the income as such collections are not scoped within the income attributable to the principal, being the Government of Botswana income heads. In the absence of amendments to the income heads, BURS considers the income as administrative income earned by the agency business model. Income is received quarterly in arrears.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

3.4 Government Capital Grants

Grants are recognised when there is reasonable expectation that the grant will be received and all attached conditions will be complied with. BURS may receive grants relating to capital projects in form of cash or physical assets and towards income expenditure. Grant income related to capital projects or in physical assets is initially recognised as deferred income in the statement of financial position with a corresponding asset recognised in property, plant and equipment or development expenditure, whichever is relevant. Subsequently, the deferred income is amortised to the statement of comprehensive income in a manner consistent with depreciation of the related asset.

3.5 Foreign currencies

The financial statements of BURS are prepared and presented in Botswana Pula, the currency of the primary economic environment in which BURS operates and the functional currency. Transactions in currencies other than Botswana Pula are recorded at functional currency rate ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. All differences are taken to the profit and loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3.6 Employee benefits

Short term employee benefits

All BURS employees are paid salaries and allowances monthly in arrears while the employee is in service.

When an employee has rendered service to the entity during a reporting period, the BURS recognises the amount of short-term employee benefits expected to be paid in exchange for that service after deducting any amount already paid. If the amount already paid exceeds the amount of the benefit, the BURS recognises that excess as a prepaid expense to the extent that the prepayment will lead to, for example, a reduction in future payments.

Retirement benefits

BURS operates a defined contribution pension fund for its entire pensionable and permanent citizen staff. The fund is registered under the Pension and Provident Funds Act (Chapter 27:03) of the Laws of Botswana. BURS contributes 15% of the pensionable earnings of the members to the fund while employees contribute an additional 5% of their pensionable earnings. BURS's contributions to the pension fund are recognised as an expense in the profit and loss when employees have rendered the service entitling them to the contributions.

Terminal gratuities

Employees on contract employment terms receive terminal gratuities in accordance with their contracts of employment. An accrual is made for the estimated liability towards such employees up to the end of the reporting period. For employees on daily rate terms, an accrual is made for the severance benefits.

Employee bonus plans

BURS has an approved bonus payment plan to pay a performance incentive to its employees who have met and exceeded agreed levels of performance and are entitled to the bonus payment in accordance with principles outlined in the performance management system. The expected cost of the bonus payment is recognised during the year which the agreed level of performance was exceeded.

3.7 Inventory

Inventories for BURS represent supplies to be consumed in the rendering of services and are measured at cost, determined on a First-in-First-out basis. Consumable stores are expensed to the statement of comprehensive income as they are utilised, unless they satisfy the recognition criteria as critical spares, which are capitalised as property, plant and equipment. Inventory losses are expensed in the statement of financial performance in the period in which the write-downs or losses occur.

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Finance Income and expense

Interest income or interest expense is recognised for all interest-bearing financial instruments on an accrual basis, using the effective interest rate method. Interest income or interest expense is recognised in profit or loss except for interest expense capitalised as part of the construction of a qualifying asset. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The 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.

3.9 FINANCIAL INSTRUMENTS

A financial instrument is defined as a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity.

BURS recognises financial assets and financial liabilities at the trade date when it becomes a party to the contractual provisions of the instrument.

Initial recognition

Financial assets and financial liabilities are initially measured at cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Financial assets and liabilities are subsequently measured at amortised cost.

FINANCIAL INSTRUMENTS: IFRS 9

Financial instruments held by BURS are classified in accordance with provisions of IFRS 9 Financial Instruments

Financial assets

All recognised financial assets that are within the scope of IFRS 9 are required to be measured initially at fair value and subsequently at amortised cost or fair value on the basis of BURS's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost. Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the financial assets, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI). All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at FVTPL.

At fair value through profit or loss (FVTPL)

BURS does not have assets measured at fair value through profit and loss

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Financial Instruments (Continued)

Financial Assets at Amortised Cost
Trade receivables, and other receivables are classified as Financial Assets at Amortised Cost. They are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Provision for expected credit losses of trade receivables
Trade receivables constitute of amounts due from related parties as a result of agency commissions not deducted from gross collections. The Simplified Expected Credit Loss (ECL) model is applicable to non-interest bearing financial assets, regardless of being due from related parties. Ordinarily these are settled within a month, as such the presumption of low credit risk is assumed and given historical pattern of recovery, no ECL is applied, in event of observable pattern in default on payment terms, a loss factor reflective of the short term government bond active at the time of reporting is applied.

Derecognition of financial assets
BURS derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If BURS neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, BURS recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If BURS retains substantially all the risks and rewards of ownership of a transferred financial asset, BURS continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments issued by BURS

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities
Financial liabilities are classified as financial liabilities at Amortised cost.

Recognition
Financial liabilities at fair value through profit and loss are recognised at fair value and subsequently at fair value Financial liabilities at amortised cost are recognised at fair value less cost and subsequently at amortised cost using effective rate method.

Derecognition of Financial Liability
Financial liability is derecognised only when, the liability is discharged or cancelled or expires, the result of which the terminated liability (or part of) should be presented in the income statement.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

3.9 Financial Instruments (Continued)

Financial liabilities at amortised cost
Financial liabilities are classified as measured at amortised cost using the effective interest method and comprise of trade and other payables.

3.10 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, business call, current account and development funds call account. cash and cash equivalents are initially recorded at fair value and subsequently recorded at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

3.11 Trade receivables

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

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

Recognition and measurement
Trade and other receivables are recognised when BURS becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. Subsequently, they are measured at amortised cost.

The amortised cost is the amount recognised on the receivables initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance. BURS trade receivables are internal, thus no loss allowance for expected credit losses are made.

3.12 Trade and other payables

Classification and recognition
Trade and other payables, excluding, amounts received in advance, are classified as financial liabilities and recognised at cost. Subsequently financial liabilities are recognised at amortised cost.

Recognition and Measurement
Trade and other payables are recognised when BURS becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. Trade and other payables are subsequently measured at amortised cost using the effective interest method. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.13 Provisions
A provision is recognised if BURS has a present obligation in which it is probable that there will be payment which can be measured reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3.14 Leases
BURS assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when BURS has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

BURS as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which BURS is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, BURS recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the asset consumed.

BURS applies a practical expedient which allows entities to account for a lease contract which contains both lease and non-lease components as a single lease contract.

Details of leasing arrangements where BURS is a lessee are presented in note 23.

The current lease payments included in the measurement of the lease liability comprise the fixed lease payments and not subject to any variable rents.

Lease liability
The lease liability is presented as a separate line item in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, using the effective interest method, and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

BOTSWANA UNIFIED REVENUE SERVICE INTEGRATED ANNUAL REPORT 2024

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Leases (Continued)

BURS remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	discounting the revised lease payments using the initial discount rate unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used;
Change in expected payment under a residual value guarantee.	discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets
Right-of-use assets are presented as a separate line item in the Statement of Financial Position.

The right-of-use assets are measured at the amount equal to the lease liability, adjusted for any prepaid or accrued lease payments. Rent security deposits are recognised as financial assets in accordance with IFRS 9 Financial Instruments.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when BURS incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter of useful life of an assets and lease term on a straight-line method.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Leases (Continued)

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

BURS as a lessor

The BURS provides accommodation to its employees and they sign a contract for monthly rentals to be deducted from payroll. These are accounted for as rental income from institutional houses.

The BURS provides accommodation as well as space in border posts to other government and private entities through memorandum of agreements. The amount paid is accounted for as rental income.

Rental income is straight lined over the lease period.

The houses are the BURS property hence maintained in the asset register and depreciated according to policy.

4. CRITICAL JUDGEMENT AREAS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual estimates can differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Determining incremental borrowing rate

BURS determines the incremental borrowing rate which is used in discounting future lease payments when determining lease liability by considering its financing model. BURS is fully funded by the Governmental of Botswana. In the event that it wishes to acquire or build its own office buildings, the acquisition or construction of such buildings will be financed through government grants. As such, BURS uses an incremental borrowing rate at which government would borrow, using government bonds, when determining lease liability.

Residual value and useful life of property, plant and equipment

BURS follows the guidance of IAS16 and determines the residual values and useful lives of property, plant and equipment at each statement of financial position date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the statement of financial position date and the practice adopted by similar companies in the industry.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

5 FINANCIAL RISK MANAGEMENT

Financial risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BURS's financial performance. The BURS does not have significant exposure to financial risks hence does not prepare sensitivity analysis to manage financial risks.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. BURS operations utilise various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. However, at year-end there were no significant foreign currency exposures. The risk is minimised by negotiating favourable exchange rates with the bank.

Interest rate risk

Financial instruments that are sensitive to interest rate risk are bank balances and cash. Interest rates earned on financial instruments compares favourably with those currently available in the market.

A 1% increase in interest rates would result in an increase for the year of P2,275,550 (2023: P2,094,240). There is no fair value risk associated with interest rates, the risk is only associated with income earned.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. BURS is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments as follows:

i Cash and cash equivalents - all deposits and cash balances are placed with reputable financial institutions.
ii Staff debts are recovered in terms of the applicable policy and procedures directly from the employees salary.
iii Trade receivable comprises of agency fees and other sundry income generated from BURS and are recovered quarterly through retention from revenue collected for respective agencies. There hasn't been any loss incurred for the year nor in previous years.
iv Other receivables comprises of software licences, staff membership subscriptions and are paid yearly in advance, these don't pose significant losses hence no provisions are made. Other advances are for construction companies and are secured through bonds they sign with their banks hence also there are no losses provided for.

	From 1 - 3 months	
	2024 P'000	2023 P'000
Cash and cash equivalents	227,555	209,424
Staff Debts	950	968
Trade Receivables	218,697	63,137
Other Receivables	3,947	3,109

There are no significant concentrations on credit risk as it is very minimal.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. BURS manages its liquidity risk to ensure it is able to meet expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash resources.

Since BURS is funded through a subvention from the Government, BURS does not regard there to be any significant liquidity risk. All of BURS liabilities are current and will be settled within three months of the year end with the exception of certain employee benefits which are linked with employment contracts. The BURS maanges this risk by ensuring that budgetory control procedures and processes are in place and adhered to.

Below are details of the BURS remaining contractual maturity for its financial liabilities. The information provided is based on the earliest date on which the BURS can be required to pay.

2024	Up to 1 year P'000	2 to 5years P'000	Total P'000
Trade and other payables	214,717	-	214,717
Right to use liability	3,946	3,472	7,418

2023	Up to 1 year P'000	2 to 5years P'000	Total P'000
Trade and other payables	199,748	-	199,748
Right to use liability	3,652	5,430	9,082

Capital risk management

There is no active capital risk management process in place primarily because BURS was established under the Botswana Unified Revenue Service Act, 2003. Under this Act, the Government of Botswana provides grants for both capital and operational expenditure based on detailed budgets submitted by the Board of Directors.

The capital of BURS comprises of the properties revaluation reserve, and accumulated funds as disclosed in the statement of changes in reserves.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 . FINANCIAL RISK MANAGEMENT (CONTINUED)

	2024 P'000	2023 P'000
Categories of financial instruments		
Financial assets at amortised cost		
Trade and other receivable	222,644	69,935
Cash and Cash equivalent	227,555	209,424
Financial liabilities at amortised		
Trade and other liabilities	278,838	199,748
Lease liability	7,419	9,082

6. GOVERNMENT FUNDING FOR RECURRENT EXPENDITURE

Funding for recurrent expenditure	919,401	849,954
Transfer from development expenditure (Note 18)	73,741	29,898
	993,142	879,852

7. REVENUE FROM CONTRACT WITH CUSTOMERS

Agency fees	143,387	112,976

Disaggregation of revenue

BURS derives some of its revenue from the transfer of services at time and at a point in time in the following service lines. In the following table, revenue is disaggregated by service lines and timing of revenue recognition.

2024

Revenue	Service transferred overtime	Service transferred at point in time	Total
Agency fees and commissions		143,387	**143,387**

2023

Revenue	Service transferred overtime	Service transferred at point in time	Total
Agency fees and commissions		112,976	112,976

Agency commissions represent fees charged by BURS for collecting revenues on behalf of the following respective Government Departments and Parastatals:

i. Road safety and permit fees (Ministry of Transport and Communications - Department of Road Transport and Safety)
ii. Flour levy and Alcohol levy (Ministry of Investment, Trade and Industry - Department of Trade and Consumer Affairs)
iii. Motor vehicle road insurance (Motor Vehicle Accident Fund)
iv. Training levy (Human Resource Development Council)
v. Copyright levy (Ministry of Investment, Trade and Industry - Registrar of Companies)

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

8 OTHER INCOME

	2024 P'000	2023 P'000
Amortisation of capital grants	102,753	89,930
Impairment of grants	-	4,326
Rental income	2,245	2,38
Profit on disposal of property, plant and equipment	839	-
Sundry income	13,660	8,306
	119,497	104,943

Sundry income represent income from other sources such as interest, commissions, tenders as well as administrative charges.

Rental Income
BURS has housing facilities at borders hence provide accommodation to its employees as well as other Government departments such as Botswana Police, Botswana Defence Force at an agreed fee.

9 ADMINISTRATIVE EXPENSES

	2024 P'000	2023 P'000
Auditor's remuneration - current year	2,218	1,792
Computer support	48,243	3,690
Recurrent Expenditure	48,243	43,690
Development expenditure	-	
Consultancy costs and legal costs	99,185	24,243
Impairment	3,804	7,162.00
Depreciation of property, plant and equipment (Note 13)	95,505	81,876
Depreciation - right of use asset	3,515	3,157
Amortisation of intangible assets (Note 14)	7,428	8,158
Electricity and water	21,248	17,944
Printing, stationery and office expenses	94,452	70,413
Operating lease rentals	5,254	889
Repairs and maintenance	29,609	19,732
Motor vehicle fuel	10,605	9,323
Seminars, workshops, travelling and other administrative expenses	77,211	50,097
Telephone and postage	17,086	15,369
Training expenses	17,856	5,549
	533,219	359,394

Operating lease rentals comprise of rent and rates. BURS has been paying rentals for occupying space where assessments of customs duty is performed; such as airports and post office hence the expense. These were short-term leases.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

10 STAFF COSTS

	2024 P'000	2023 P'000
Salaries and wages	632,522	580,068
Employee benefits:	81,252	109,648
- Performance Bonus	583	43,722
- Gratuity and severance	5,953	5,782
- Pension contribution	58,379	53,596
- Leave	16,337	6,548
Medical aid contribution	15,438	13,409
	729,212	703,125

11 FINANCE INCOME/COST

Finance Income		
Bank interest	1,986	1,849
Finance cost		
Interest on lease liabilities	377	439
	1,164	1,997

12 ASSETS HELD FOR SALE

Assets held for sale comprises of boarded vehicle awaiting disposal. There were no impairment losses as their fair values are more than the book values.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Land P'000	Buildings P'000	Leasehold Improvement P'000	Motor vehicles P'000	Office furniture P'000	Computers & office equipment P'000	Plant & machinery P'000	Porta camps P'000	Work-in-progress P'000	Security dogs P'000	Total P'000
Cost											
At 31 March 2023	51,768	1,105,034	14,480	69,485	84,608	194,711	272,996	4,658	418,549	203	2,256,492
Additions	3,366	5,524	78	-	2,749	38,463	481	1,744	190,541	-	242,946
Non cash additions						292					292
Disposals				(4,103)		(232)					(4,335)
Impairment		(5,270)									(5,270)
Adjustments											-
Transfers		21,993				5,028	10,368		(21,994)		15,395
Transfers to assets held for sale					(542)						(542)
At 31 March 2024	55,134	1,127,281	14,558	65,382	87,357	237,720	283,845	46,402	587,096	203	2,504,978
Accumulated depreciation											
At 31 March 2023	2,634	136,370	11,638	34,507	36,602	145,841	64,434	20,228	-	149	452,403
Current year charge	141	28,276	333	4,557	7,320	28,370	23,629	2,855	-	24	95,505
Disposals				(4,103)		(89)					(4,192)
Adjustments		(1,467)					7,599				6,132
At 31 March 2024	2,775	163,179	11,971	34,961	43,922	174,122	95,662	23,083	-	173	549,848
Carrying amount											
At 31 March 2024	52,359	964,102	2,587	30,421	43,435	63,598	188,183	3,319	587,096	30	1,955,130
Carrying amount											
At 31 March 2023	49,134	968,664	2,842	34,978	48,006	48,870	208,562	24,430	418,549	54	1,804,089

Work-in-progress is made up of the following:

Residential and office accommodation	587,096

The impairment was for the building that was demolised hence the amount written off was the carrying amount.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2024

14 INTANGIBLE ASSETS

	Computer software P'000	Work-in-progress P'000	Total P'000
Cost			
At 31 March 2022	216,978	9,361	226,339
Additions- current Year	192		192
Transfers			-
Adjustments for non-capital expenditure			
- Computer Maintenance (Note 9)	-		
At 31 March 2023	217,170	9,361	226,531
Additions- current Year		5,689	5,689
Transfer to plant and machinery	-10,368	-	-10,368
Transfer to computer and office equipment		-5,028	-5,028
At 31 March 2024	206,802	10,022	216,824
Accumulated amortisation			
At 31 March 2022	76,339	-	76,339
charge for the year	8,158	-	8,158
At 31 March 2023	84,497	-	84,497
charge for the year	7,428	-	7,428
Adjustment	(7,599)	-	(7,599)
At 31 March 2024	84,326	-	84,326
Carrying amount at 31 March 2023	132,673	9,361	142,034
Carrying amount at 31 March 2024	122,476	10,022	132,498

Intangible assets consists of Computer software (the Human Resources SAP module, e-Filing, e-Payment, Withholding Tax ("WHT"), Customs Management System ("CMS"), Lekgetho live and the Auto Capturing Scanner) which is a purchased asset. Amortisation is calculated using the straight-line method to allocate their cost net of their residual values, over their estimated useful lives. Work-in-progress consists of the IP Based cabling project. There are no intangible assets that have been pledged as security.

Work in progress is not depreciated until the asset is complete and ready for use.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

15 INVENTORIES

	2024 P'000	2023 P'000
Printing and stationery	2,982	2,058
Machinery	28	
Office supplies	1,358	1,048
	4,368	3,106
Inventories written off	97	-

Inventories represent unconsumed supplies held in store at year-end to be consumed in the rendering of services, pending issuance to different cost-centres. Inventories are stated at cost on a First-in-First-out basis.

16 TRADE AND OTHER RECEIVABLES

Financial Instruments		
Trade Receivables	218,697	63,137
Provision for doubtful debts	-	3,689
Staff receivables	2,058	1,721
Other receivables	1,889	1,388
	222,644	69,935
Nonfinancial Instruments		
Prepayments and advances	17,733	18,023
Trade receivables comprise of:		
Agency fees and receivable from Revenue	218,697	63,137
	218,697	63,137

17 CASH AND CASH EQUIVALENTS

Cash in hand	31	32
Business call and current account	35,796	40,005
Development funds call account	191,728	169,387
	227,555	209,424

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

18 CAPITAL GRANTS

	2024 P'000	2023 P'000
Balance at beginning of the year	2,077,630	1,937,722
Net development funding received from the Government of Botswana	346,259	234,605
- Transfer to recurrent expenditure (Note 6)	(73,741)	(29,898)
- Government funding for development expenditure (Note 20)	420,000	264,503
Non cash grants		-
Grants impairment		(4,326)
Gains on release of capital grants	(5,322)	(441)
Amortisation of capital grants for the year (Note 8)	(102,753)	(89,930)
Adjustments to capital grants	-	-
Balance at end of the year	2,315,814	2,077,630

Capital grants- Capital grant is made up of funds received from the Government of the Republic of Botswana to fund residence and office accommodation projects. The grants are amortised over the useful lives of the respective assets acquired to match with the depreciation costs for the constructed assets.

19 TRADE AND OTHER PAYABLES

Financial Instruments		
Trade payables	30,778	7,138
Accruals and other payables	136,474	94,442
Related party payables (Note 20)	4,393	1,473
Employee Benefit accruals	107,166	96,695
Rental accruals	27	-
	278,838	199,748

Accruals and payables include fixed asset creditors, provision for audit fees, unpaid payroll deductions,outstanding bank charges as well as unpaid insurance benefits.

Employee benefits accruals include provisions for leave pay, gratuity as well as for severance pay.

The fair value of payables is approximately equal to the carrying amount due to the short-term maturity nature.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

20 RELATED PARTY TRANSACTIONS

	2024 P'000	2023 P'000

The Botswana Government owns 100% of BURS

Related parties transactions comprise the following:

The Ministry of Finance has, through the Notice of Funds of the Revenue Service Order, 2012, Section 26 (1) (d) of the Botswana Unified Revenue Service Act, authorised the Revenue Service to retain 2 percent (2%) of the revenue collected per annum to fund the recurrent budget with the minimum being set and 1 percent (1%) of the total revenue collected be used for the development budget. The Revenue Service has with effect from 1 April 2013 implemented such notice. The amount transferred to BURS Own accounts from Revenue accounts during the financial year ended 31 March 2024 is as follows:

Amount transferred from Revenue Accounts to Own Accounts	1,339,401	1,114,457

Utilised as follows:

Recurrent expenditure (Note 6)	993,142	879,852
Development expenditure (Note 18)	346,259	234,605
	1,339,401	1,114,457
Net Bank charges payable to revenue accounts	4,393	1,473

Key Management personnel comprise of the BURS executive management and board of directors

Executive management personnel compensation

Executive management

Salaries and other short term employee benefits	20,775	18,659
Post employment benefits	3,411	3,356
Total executive management personnel compensation	24,186	22,015

Executive Management personnel compensation covers personal emoluments and post employment benefits. Post employment benefits include pension and gratuities.

Board members sitting allowances	874	447

Transactions with the Board members represent sitting allowances paid to the members for attending meetings of the Board and Board sub-committees.

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 MARCH 2024

20 RELATED PARTY TRANSACTIONS (CONTINUED

Government departments

BURS' related parties include Government departments for which BURS collects levies on the departments' behalf and earns agency fees and commissions in return. The commission rate is negotiated between the parties, minimum being 5%. The following business transactions were conducted with related parties:

	2024 P'000	2023 P'000
Agency fees and commissions:		
Ministry of Investment, Trade and Industry (alcohol levy, flour levy and copyright levy)	65,054	42,202
Ministry of Health (Covid 19 levy)		3,689
Ministry of Transport and Communications - Department of Road Transport and Safety (road.safety tokens and permits)	51,347	43,735
Human Resource Development Council (training levy)	22,505	21,404
Motor Vehicle Accident Fund (motor vehicle road insurance)	4,483	1,946
	143,389	112,976
Income - Revenue accounts	6,444	6,533

The receivables balance are in accordance with terms and conditions in the memorandum of agreement.

Balances receivable from/(payable to) related parties		
Agency fees receivable from Department of Road Transport and Safety	13,448	11,057
Commissions and other receivables from Revenue Accounts	205,249	52,080
Total receivable from related parties	218,697	63,137
Net bank charges payable to Revenue Accounts (Note 20)	(4,393)	(1,473)
Net due from related parties	214,304	61,664

Bank charges are paid as and when there is a request for payment.

Bank Charges Revenue	41,805	31,967

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

21 ADJUSTMENT FOR NON-CASH ITEMS

	2024 P'000	2023 P'000
(Profit) / loss on disposal of property, plant and equipment (Note 8)	(839)	55
Depreciation of property, plant and equipment (Note 13)	95,505	81,876
Depreciation- Right to use asset	3,515	3,157
Impairment	3,804	7,162
Non cash donation	(292)	
Adjustments for non-capital expenditure (Note 13, 14)	-	353
Amortisation of intangible assets (Note 14)	7,428	8,158
Impairment of grants	-	(4,326)
lease finance costs	377	439
Gains on release of capital grants	(5,322)	(441)
Amortisation of grants (Note 20)	(102,753)	(89,930)
	1,423	6,503

22 RIGHT OF USE ASSETS

Opening cost	17,869	17,139
Current year additions	1,845	730
Cost as at year end	19,714	17,869
Opening Accumulated Depreciation	9,844	6,687
Current year charge	3,515	3,157
Closing Accumulated Depreciation	13,359	9,844
Opening Carrying amount	8,025	10,452
Closing carrying amount	6,355	8,025
Depreciation charge of right-of-use assets		
Buildings	3,515	3,157
Interest on finance leases	377	439
Lease Liability		
Opening balance	9,082	11,583
Interest on finance leases	377	439
Interest on finance leases paid	(377)	(439)
Amount paid	(3,509)	(3,233)
Additions	1,845	732
Closing balance	7,418	9,082

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

22 RIGHT OF USE ASSETS (CONTINUED)

Lease Liability (CONTINUED)

	2024 P'000	2023 P'000
At the end of the year, BURS had outstanding commitments for future minimum lease payments under non-cancellable leases , which fall due as detailed below:		
Current	3,946	3,652
Non-current	3,472	5,430
	7,418	9,082
Expenses relating to short term leases included in administrative expenses were	5,254	889

Total outflow for leases in 2024 was P9,140million (2023 - P 4,561million)

The carrying value of the lease liability approximate fair value due to short term maturity of the liability

Right of use assets relate to properties with lease terms between 2 and 5 years with an average yearly rental escalation of 10%.

BURS does not have an option to purchase the properties at the expiry of the lease periods. The right of use asset consists of buildings only.

23 PROVISIONS

The BURS had court cases which the legal experts evaluated and concluded that management has to make provision as the BURS has a potential loss in the future.

	2024 P'000	2023 P'000
William Lee and Another		10,348
ASA Enterprises Proprietary Limited	68,478	4,357
	68,478	14,705

The amount is included in trade payable and other payables under other provisions

BOTSWANA UNIFIED REVENUE SERVICE (OWN ACCOUNTS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 2024

24 CAPITAL COMMITMENTS

	2024 P'000	2023 P'000
Commitments for the acquisition of property, plant and equipment	420,000	420,000

Capital expenditure approved at the statement of financial position date but not recognised in the financial statements is as follows:

Approved and contracted for	302,000	100,000
Approved but not yet contracted for	118,000	320,000

The commitments are expected to be financed from internally generated funds and funding from the Government of the Republic of Botswana.

25 EVENTS AFTER THE REPORTING PERIOD

Management evaluated events and circumstances that arose since the reporting date to the date of authorisation of the financial statements. The matters were evaluated for whether they require an adjustment to the amounts recognised in the financial statements or disclosure in line with guidance in IAS 10 "Events after the reporting date", there were no such events.

26 GOING CONCERN ASSESSMENT

The BURS management have assessed going concern status and the Management is confident that the BURS will continue its operations in the foreseeable future. The Ministry of Finance provided a letter committing to funding and supporting BURS to execute its mandate.

27 STATUTORY COMPLIANCE

For the year ended 31 March 2023, BURS has not complied with the following paragraphs of the Botswana Unified Revenue Service Act:

- Paragraph 28 (2) which requires the Revenue Service to submit its books of accounts and statement of accounts to an auditor appointed by the Board within 60 days of the year-end and requires that the accounts be audited no later than 3 months after the year-end; and
- Paragraph 29 (1) which requires the Revenue Service to submit, to the Minister, a comprehensive report on the operations of the Revenue Service during that financial year, within 6 months of the end of that year.

NOTES