

LESOTHO  
COMMUNICATIONS  
AUTHORITY

# ANNUAL **2024** **REPORT** 2025

# CONTENTS

<b>ABOUT US</b>	3	Postal & Courier Sector Performance	32
<b>LIST OF ABBREVIATIONS</b>	5	Broadcasting Sector Performance	32
<b>DEFINITION OF TERMS</b>	6	Monitoring in the Broadcasting sub-sector	33
<b>CHAIRPERSON'S STATEMENT</b>	10	Broadcast licensee inspections	34
<b>UPHOLDING GOOD CORPORATE GOVERNANCE</b>	11	Broadcasting Regulation	34
The Board of the Authority	11	Protection and empowerment of Consumers of	
Commitment to Good Corporate Governance	11	Communication Services	35
<b>THE BOARD COMPOSITION</b>	12	<b>COMPETITION MANAGEMENT AND TARIFF</b>	
Board Committees	13	<b>REGULATION</b>	37
Conflicts of Interest	13	Managing Tariffs and Pricing	37
Summary of Board Activities	13	Promoting Competition	38
Executive Management	14	Monitoring sector development	38
Statutory Committees	15	Telephone subscriptions	39
The Universal Service Fund	15	Voice Penetration Rate	39
Broadcasting Disputes and Resolution		Broadband Penetration Rate	40
Panel (BDRP)	15	<b>TECHNICAL SERVICES</b>	41
<b>CHIEF EXECUTIVE OFFICER'S STATEMENT</b>	17	Management of Finite Resources	41
<b>OUR STRATEGIC FOCUS</b>	19	Access to infrastructure and services	41
Organisational structure	21	Numbering Resources	42
Performance Overview	22	Allocation of radio-frequency spectrum	43
<b>CORPORATE SERVICES (OFFICE OF THE CEO)</b>	23	FM Broadcasting Report	43
Human Resources Management	23	Electromagnetic Field (EMF) Safety	
Audit Management	24	measurements	44
Risk Management	24	Type approval of Equipment	44
Public Affairs & Corporate Social Investment	25	Ensure efficient operation of the national internet	
Financial Performance for the Year		critical infrastructure	45
Ended 31 March 2025	26	Conclusion	45
Manage IT support services	26	<b>APPENDIX 1: LCA ORGANOGRAM</b>	47
<b>REGULATORY AFFAIRS</b>	27		
Compliance & Quality Assurance	27		
Licensing Management	27		
Licence Renewals and Applications Figure	27		
Market Segmentation and Trends	28		
Development and review of legal and regulatory			
instruments	29		
SIM Card Registration	29		
Review of Administrative Rules	30		
Amendment of Licensing Classification and			
Fees Rules	30		
<b>REGULATORY COMPLIANCE</b>	31		
Telecommunications Sector compliance	31		

# ABOUT US

## CORPORATE MANDATE

Lesotho Communications Authority (LCA) is established to regulate the communications sector comprising telecommunications, postal & courier and broadcasting services in Lesotho.

## VISION

Lesotho Communications Authority shall be a transformational and diverse regulatory body.

## MISSION

Our mission is to contribute meaningful universal by making communications infrastructure accessible; broadband affordable; narrowing the digital divide and creating a safe cyberspace for all.

## MOTTO

Fairness to all and allegiance to none

## OUR CORPORATE CULTURAL VALUES



## ORGANISATIONAL INFORMATION:

Official name: **Lesotho Communications Authority**

Physical address: 30 Princess Margaret Road · Old Europa · Maseru · Lesotho  
Postal address: P.O. Box 15896 · Maseru 100 · Lesotho · Southern Africa

Telephone numbers: Main switchboard: +266 222 4300 · 5222 1300

Consumer Complaints Free Line: 101 ·

Customer complaints WhatsApp number: 6200 2021 / 5944 2766

Email addresses: [info@lca.org.ls](mailto:info@lca.org.ls) · [admin@lca.org.ls](mailto:admin@lca.org.ls) · [registrar@lca.org.ls](mailto:registrar@lca.org.ls) · [licensing@lca.org.ls](mailto:licensing@lca.org.ls) · [lca@lca.org.ls](mailto:lca@lca.org.ls) · [complaints@lca.org.ls](mailto:complaints@lca.org.ls) Website address: [www.lca.org.ls](http://www.lca.org.ls)

External auditors: Auditor-General of Lesotho

Bankers: Nedbank Lesotho



# LIST OF ABBREVIATIONS

**3G:** Third generation mobile networks.

**4G:** Fourth generation mobile networks.

**5G:** Fifth generation mobile networks.

**ATU:** African Telecommunications Union.

**AGM:** Annual General Meeting.

**BTS:** Base transceiver station.

**BDRP:** Broadcasting Disputes Resolution Panel.

**BOCRA:** Botswana Communications Regulatory Authority

**ccTLD:** Country Code Top Level Domain.

**CA:** Coherent actions.

**CDMA:** Code-division multiple access.

**CEO:** Chief Executive Officer.

**CSI:** Corporate Social Investment.

**COP:** Child Online Protection

**DHL:** Dalsey, Hillblom and Lynn.

**DSL:** Digital Subscriber Line.

**EDGE:** Enhanced Data rates for GSM Evolution.

**EMF:** Electromagnetic field.

**ETL:** Econet Telecom Lesotho (Pty) Ltd.

**ETS:** European Telecommunications Standards Institute.

**FOC:** Fibre Optic Communications.

**FM:** Frequency Modulation.

**GSM:** Global Systems for Mobile communications.

**ICASA:** Independent Communications Authority of South Africa.

**ICT:** Information and Communication Technologies.

**IFRS:** International Financial Reporting Standards.

**IMT:** International Mobile Telecommunications.

**IP:** Internet Protocol.

**ISP:** Internet Service Providers

**ITU:** International Telecommunication Union.

**LCA:** Lesotho Communications Authority.

**LECC:** LEC Communications (Pty) Ltd.

**LIXP:** Lesotho Internet Exchange Point.

**LNBS:** Lesotho National Broadcasting Service.

**LTE:** Long Term Evolution.

**M:** Maloti. (Singular: Loti)

**MHz:** Megahertz.

**MNO:** Mobile Network Operator.

**MVNO:** Mobile Virtual Network Operator.

**NSDP:** National Strategic Development Plan.

**NUL:** National University of Lesotho.

**OPGW:** Optical Ground Wire.

**OTT:** Over-the-top.

**PRMS:** Premium Rated Messaging Service.

**PSTN:** Public Switched Telephone Network.

**QoS:** Quality of Service.

**SADC:** Southern African Development Community.

**SIM:** Subscriber Identity Module.

**SDG:** Sustainable Development Goals.

**SOB:** Strategic Objectives.

**SOC:** Security Operations Centre.

**SOU:** Strategic Outcomes.

**TCP:** Transmission Control Protocol.

**TV:** Television.

**UMTS:** Universal Mobile Telecommunications System.

**USF:** Universal Service Fund.

**USFC:** Universal Service Fund Committee.

**WHO:** World Health Organisation.

**Wi-Fi:** Wireless Fidelity.

# DEFINITION OF TERMS

**3G:** Generic name for third-generation networks or services under the IMT-2000 banner, for example W-CDMA and CDMA2000 1x.

**4G:** A collection of fourth generation cellular data technologies. It succeeds the 3G and is also called "IMT-Advanced," or "International Mobile Telecommunications Advanced."

**5G:** A term used to describe the fifth generation of mobile networks beyond the 4G LTE mobile networks.

**Act:** Means the Communications Act No. 4 of 2012.

**Active subscriber:** A subscriber who can make outgoing calls and/or receive incoming calls.

**Analogue:** Transmission of voice and images using electrical signals.

**Authority:** Lesotho Communications Authority.

**Bandwidth:** A range of frequencies available to be occupied by signals. In analogue systems, it is measured in Hertz (Hz), and in digital systems in bit/s per second (bit/s). The higher the bandwidth, the greater the amount of information that can be transmitted at each time. High bandwidth channels are referred to as broadband, which typically means 1.5/2.0 Mbit/s or higher.

**Base station:** The common name for all the radio equipment located at one and the same place used for serving one or several cells. Also referred to as a Base Transceiver Station.

**Broadband:** Having instantaneous bandwidths greater than around 1 MHz and supporting data rates greater than 1.5 Mb/s.

**Broadcasting:** Any unidirectional electronic communications intended for reception by the public or any part thereof, conveyed by means of radio frequency spectrum or any electronic communications system or any combination thereof.

of such a transmission medium for a set tariff.

**ccTLD:** A country code top-level domain name on the internet that is reserved for a country or territory, such as .ls for Lesotho.



**Cell:** The geographic area that is covered by a single base station in a cellular network.

**Cellular:** A mobile telephone service provided by a network of base stations, each of which covers one geographic cell within the total cellular system service area.

**Competition:** A situation in a market in which firms or sellers independently strive for the patronage of buyers to achieve a particular business objective e.g., profits, sales and or market share.

**Converged regulation:** A trend in regulation that seeks to define a single regulatory structure for telecommunications, broadcasting, information technology and /or postal services.

**Cost-based pricing:** The general principle of charging for services in relation to the cost of providing the services.

**Coverage:** The range of a mobile cellular network, measured in terms of geographic coverage (the percentage of the territorial area covered by mobile cellular) or population coverage (the percentage of the population within range of a mobile cellular network).

**Digital:** Representation of voice or other information using digits 0 and 1. The digits are transmitted as a series of pulses. Digital networks allow for higher capacity, greater functionality, and improved quality.

**Fixed-broadband subscriptions:** Fixed subscriptions to high-speed access to public Internet (a TCP/IP connection), at downstream speeds equal to, or greater than, 256 kilobits per second (Kbps). This includes DSL, fibre-to-the-home and any other fixed wired-broadband subscriptions and other fixed wireless technologies. It includes both residential subscriptions and subscriptions for businesses or organizations. This includes cable modem, satellite broadband and terrestrial fixed wireless broadband, where available.

**Fixed line:** A physical line connecting the subscriber to the telephone exchange. Typically, a fixed line network is sometimes referred to as PSTN to distinguish it from mobile networks.

**Fixed-telephone subscriptions:** The sum of active numbers of analogue fixed-telephone lines, voice-over-IP (VoIP) subscriptions, fixed wireless local loop (WLL) subscriptions, ISDN voice-channel equivalents and fixed public payphones.

**FM:** A method of generating sounds from simple wave forms or Frequency Modulation.

**Frequency:** The rate at which an electrical current alternate, usually measured in Hertz (Hz). It is also used to refer to a location on the radio frequency spectrum, such as 800, 900 or 1800 MHz.

**Fund:** Means the Universal Service Fund as established under the Communications Act, 2012.

**Global Systems for Mobile Communications:** A European-developed digital mobile cellular standard.

**Information and Communication Technologies:** The hardware, software, networks and media for the collection, storage, processing, transmission, and presentation of information (voice, data, text, images), as well as related services.

**Interconnection:** The physical connection of telephone networks owned by two different operators. Network operators typically charge a-per-minute fee for use of their network by other network operators (referred to as an “interconnect payment” or “access charge”).

**International Telecommunication Union:** is the United Nations’ specialized agency for Information and Communication Technologies.

**Internet:** A global system of interconnected computer networks that use the standard Internet protocol suite (TCP/IP) to link several billion devices worldwide.

**Leased line:** A telecommunications channel leased between two or more points at a flat monthly rate. Also called a dedicated or private line.

**Licensed System:** A sound or television broadcasting, telecommunication or postal system licensed to operate in Lesotho.

**Long-Term Evolution:** A standard for high-speed wireless communication for mobile phones and data terminals, based on the GSM/EDGE and UMTS/HSPA technologies. It increases the capacity and speed using a different radio interface together with core network improvements.

**Mobile:** Refers to mobile cellular systems.

**Mobile-broadband subscriptions:** The sum of active handset-based and computer-based (USB/dongles) mobile-broadband subscriptions to the public internet. It covers actual subscribers, not potential subscribers, even though the latter may have broadband-enabled handsets. Subscriptions must include a recurring subscription fee or pass a usage requirement – users must have accessed the internet in the last three months. It includes subscriptions to mobile-broadband networks that provide download speeds of at least 256 Kbps.

**Mobile-cellular telephone subscriptions:** The number of subscriptions to public mobile-telephone service. The indicator includes (and is split into) the number of post-paid subscriptions and the number of active prepaid accounts (i.e., that have been used during the last three months). The indicator applies to all mobile-cellular subscriptions that offer voice communications. It excludes subscriptions via data cards or USB modems, subscriptions to public mobile data services, private trunked mobile radio, telepoint, radio paging and telemetry services.

**Network:** A set of nodes and links that provides connections between two or more defined points to facilitate telecommunication between them.

**Network operator:** An entity that provides and operates a telecommunication network for the purpose of transporting bearers of telecommunication services.

**Number:** A string of decimal digits that uniquely indicates the public network termination point. The number contains the information necessary to route the call to this termination point. A number can be in a format determined nationally or in an international format. The international format is known as the international public telecommunication number and includes the country code and subsequent digits, but not the international prefix.

**Penetration:** A measurement of access to telecommunications, normally calculated by dividing the number of subscribers to a particular service by the population and multiplying by 100. Also referred to as tele-density.

**Postpaid:** An account paid after the service with prior arrangement with a mobile network operator.

**Public Switched Telephone Network:** A public telephone network that delivers fixed telephone service.

**Quality of Service:** Totality of characteristics of a telecommunications service that bears on its ability to satisfy stated and implied needs of the user of the service.

**Roaming:** The ability of a user to access wireless telecommunication services in networks other than the one(s) to which the user is subscribed.

**Server:** A host computer on a network that sends stored information in response to requests or queries.

**Signal:** The combination of waves that travel along a transmission channel and act on the receiving unit.

**Subscriber:** A person or other entity that has a contractual relationship with a service provider on behalf of one or more users. (A subscriber is responsible for the payment of charges due to the service provider).

**SMS:** Short Message Service means a service available on digital networks, typically enabling messages with up to 160 characters to be sent or received via the message centre of a network operator to a subscriber's mobile phone.

**Spectrum:** The radio frequency spectrum of Hertzian waves used as a transmission medium for cellular radio, radio-paging, satellite communication, over-the-air broadcasting and other services.

**Spectrum Management:** The planning, coordinating, and managing joint use of the electromagnetic spectrum through operational, engineering, and administrative procedures. The objective of spectrum management is to enable electronic systems to perform their functions in the intended environment without causing or suffering unacceptable interference.

**Spillage:** It is also referred to as signal spill-over. At borders, signals from the mobile stations belonging to one operator spill over into the adjacent nation-state.

**Technical Sub-committee:** A technical committee formed under the LCA-ICASA Memorandum of Understanding.

**Telecommunications:** It is a suite of technologies, devices, equipment, facilities, networks, and applications that support communication at a distance.

**Tele-density:** Number of main telephone lines per 100 inhabitants within a geographical area. Effective tele-density reports fixed line tele-density or mobile density, whichever is higher, in a particular geographical region.

**Type-approval:** A certificate of conformity granted to a product that meets a minimum set of regulatory, technical and safety requirements. Generally, type approval is required before a product is allowed to be sold in a particular country.


**Universal Service:** The availability and widespread affordability of ICTs services. The level of universal services is statistically measured as the percentage of households with ICTs.

**Universal Postal Union:** is a United Nations specialized agency and the postal sector's primary forum for international cooperation.

**Waiting list:** The unmet applications for connections held due to a lack of technical facilities and or administrative procedures/bureaucracies. This would be a period of more than two weeks that occurred during the reporting period. A waiting applicant has paid for the application and connection fees.

**Wireless:** The generic term for mobile communication services, which do not use fixed-line networks for direct access to the subscriber.

## CHAIRPERSON'S STATEMENT



On behalf of the Board of Directors, I am honoured to endorse my maiden Lesotho Communications Authority's Annual Performance Report which is for the 2024/25 financial year.

The year under review has been both formative and instructive, providing an opportunity to deepen my understanding of the Authority's mandate, operations and strategic direction. I have been encouraged by the resilience, professionalism and institutional discipline demonstrated by the organisation as it continued to execute its mandate within a rapidly evolving communications and digital environment.

The achievements outlined in this report, including the successful implementation of 97% of the 2024/25 Operational Plan, strengthened compliance frameworks and sound financial outcomes reflect the commitment of management and staff to effective execution, accountability and service excellence. These results provide assurance to the Board that the Authority remains well positioned to deliver on its responsibilities.

**DR. LERATO LERATO**  
**CHAIRPERSON**

As Chairperson, my leadership approach is anchored in collective responsibility, principled oversight and respect for institutional governance processes. I am committed to fostering a Board culture that is constructive, inquisitive and supportive of management, while remaining firmly grounded in transparency, accountability and ethical leadership. This balance is essential to ensuring that the communications sector continues to support inclusive growth and national development.

In alignment with Government's priorities on youth employment and skills development, the Authority has continued to place deliberate emphasis on youth development and empowerment. During the year, focus was directed towards apprenticeship and internship programmes that provide practical workplace exposure, as well as targeted sponsorships for tertiary students to participate in youth programmes and international competitions. These initiatives contribute meaningfully to the development of future professionals within the communications and ICT sector.

Looking ahead, the Board remains committed to providing strategic leadership and effective oversight to ensure that the Authority continues to operate with integrity, adaptability and foresight. Our focus will remain on strengthening governance, supporting innovation and ensuring that regulatory interventions deliver sustainable value to stakeholders and the nation.

I wish to express my sincere appreciation to my fellow Board Members, the Chief Executive Officer, management and staff for the professionalism and dedication, and to all stakeholders for their continued engagement and support. Together, we will continue to strengthen a communications sector that supports economic growth and improves the lives of Basotho.



**Dr. Lerato Lerato**  
**Board Chairperson**  
**Lesotho Communications Authority**

# UPHOLDING GOOD CORPORATE GOVERNANCE

## THE BOARD OF THE AUTHORITY

The Authority is governed by a two-tier Board of Directors, entrusted with the powers and oversight necessary to execute the Authority's mandate. In accordance with Section 6 of the Communications Act, 2012, the Minister of Information, Communications, Science, Technology and Innovation, appoints six (6) members to the Board.

The Board comprises a Chairperson and five (5) non-executive directors, with the Chief Executive Officer serving as an ex-officio member. Together, the Board brings a breadth of professional skills, sector knowledge and diverse perspectives critical to the effective regulation and communications sector development.

In performing its duties, the Board provides strategic direction and supervisory oversight over regulatory development, strategic and business planning, policy formulation, budgeting and the appointment of the Authority's Executive Management Committee. During the reporting period, the Board transitioned: the term of the prior Board concluded in August 2024, and a new Board was appointed in November 2024.

### **Commitment to Good Corporate Governance**

In executing its mandate, the Board and its committees adhere to the Government of Lesotho's applicable policies, the Communications Act, the Board Charter, Committee Charters, and the Authority's Rules and Policies. In addition, governance practices are informed by the principles espoused in Mohlomi Code of Corporate Governance, King IV Code and the requirements and guidelines in the International Financial Reporting Standards (IFRS).

An extract from the Board Charter captures the core principles and obligations of the Board:

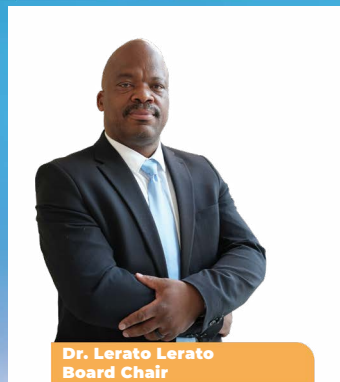
- The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Authority and shall in so doing effectively safeguard and promote the interests of the Authority and the communications sector;
- The Board, in addition, has a responsibility to the broader stakeholders which include its licensees, consumers, employees and the policy makers to achieve continuing prosperity for the Authority;
- The Board members shall exercise leadership, enterprise, integrity and judgement in directing the Board to achieve continuing prosperity and to act in the best interests of the Authority while respecting the principles of transparency and accountability;
- The Board shall formulate, monitor and review corporate strategy, major plans of action, governance policies, appropriate procurement and provisioning systems, annual budgets and business plans;
- The Board shall ensure that technology and systems used in the Authority are adequate to run the business properly for it to operate through the efficient use of its assets, processes and human resources;
- The Board shall ensure that the Authority's strategic objectives are achieved and that the same can be measured in terms of its performance;
- The Board shall serve the legitimate interests of the Authority's stakeholders and provide full accountability;
- The Board shall establish the scope and delegation of authority and shall ensure that it reserves specific powers and authority for itself. The delegated authority must be in writing and be evaluated regularly;
- The Board shall manage conflicts of interest between Management, Board members and the Policy Maker; and
- The Board is the guardian of the values and ethics of the LCA.

# BOARD COMPOSITION

## Until August 2024 the Board was constituted as follows:

1. Ms. Puleng Lebitsa – *Chairperson (term ended 30 June 2024)*
2. Mr. Mats'ela Mats'ela – *Director (term ended 7 October 2024)*
3. Mr. Lesekele Makara – *Director*
4. Ms. 'Mafelile Molala – *Director (term ended 7 October 2024)*
5. Mr. Realeboha Makamane – *Director*
6. Ms. Keneuoe Mohale – *Director (term ended 7 October 2024)*
7. Mr. Nizam Goolam – *Chief Executive Officer (ex-officio)*

## From November 2024 the Board's composition



**Dr. Lerato Lerato**  
Board Chair



**Mr. Lesekele Makara**  
Director

**Mr. Realeboha Makamane**  
Director

**Dr. Lehlohonolo Mohasi**  
Director



**Mr. Teboho Nthejane**  
Director

**Mrs. Marethabile Rapapa**  
Director

**Mr. Nizam Goolam**  
Chief Executive Officer (ex-officio)

## Board Committees

To strengthen governance and sharpen oversight, the Board delegates specific responsibilities to its committees. Each committee operates under approved terms of reference and reports recommendations to the full Board, thereby enhancing the Board's effectiveness and accountability.

Pursuant to Section 11 (6) of the Communications Act, 2012, the following committees were active during the reporting period:

### Human Resources and Remuneration Committee (HRRC)

Mr. Realeboha Makamane - *Chairperson*

Mr. Lesekelo Makara - *Member*

Ms. Keneuoe Mohale - *Member*

Ms. Liphho Motanyane – *Expert (term ended 5 August, 2024)*

Ms. Limakatso Mosese – *Expert (term ended 5 August, 2024)*

Mr. Nizam Goolam - *CEO (ex-officio)*

The HRRC advises the Board on strategic human resource matters, ensuring the Authority adopts policies to attract, develop and retain high-calibre staff, fostering organizational performance aligned with best practices.

### Finance, Risk and Audit Committee (FRAC)

Ms. Keneuoe Mohale - *Chairperson*

Mr. Matšela Matšela - *Member*

Ms. Mafelile Molala - *Member*

Mr. Joseph Rakauoane – *Expert (term ended 5 August, 2024)*

Ms. Makatleho Morake – *Expert (term ended 5 August, 2024)*

Mr. Nizam Goolam – *CEO (ex-officio)*

The FRAC supports the Board's oversight on financial integrity, risk management, regulatory compliance, and audit functions. It ensures the transparency and reliability of financial reporting and that risk systems and controls are sound.

## Directors Affairs and Governance Committee (DAGC)

Mr. Matšela Matšela – *Chairperson*

Mr. Lesekelo Makara - *Member*

Ms. Mafelile Molala – *Member*

The DAGC focuses on Board governance matters, director development, performance reviews, and ensuring the Board operates effectively and in alignment with its fiduciary duties.

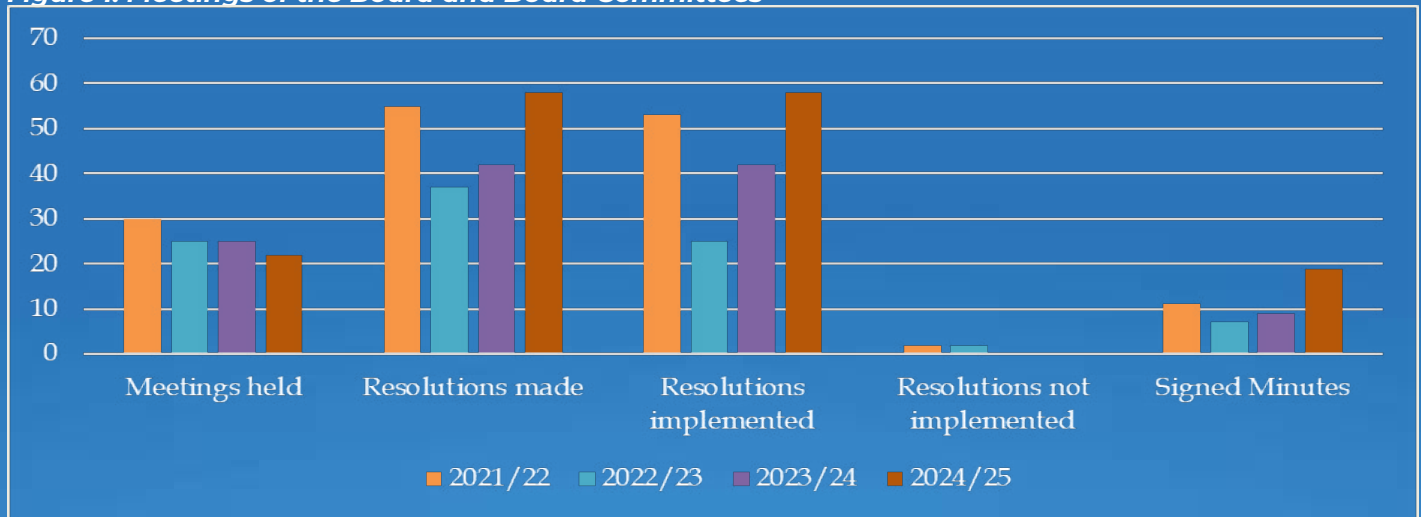
## Conflicts of Interest

The Board manages conflicts of interest in strict compliance with Section 11 (5) of the Communications Act, 2012 which prohibits a member from participating in any discussion or decision in which they or their immediate relative hold a direct or substantial interest. Non-compliance with this provision may lead to a fine of M50,000.00 or imprisonment of up to five (5) years or both. Members are required to disclose any conflict in advance, and such disclosures are recorded in the Board's registry.

## Summary of Board Activities

During the reporting period, the Board and its committees convened a total of twenty-two (22) meetings resulting in fifty-eight (58) resolutions, all of which were fully implemented, achieving 100% implementation rate. This continues a trend of rigorous follow-through, replicated in the previous 2023/24 period. The activities of the Board and its committees are summarized in Figure 1.

**Figure 1: Meetings of the Board and Board Committees**



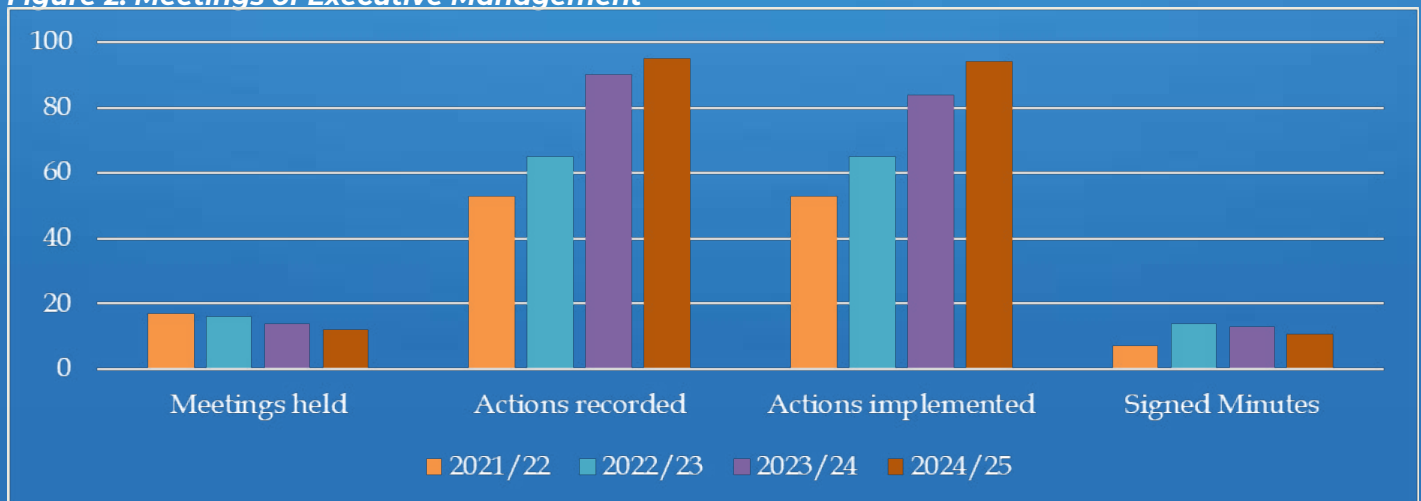
Amongst the major decisions made by the Board included the following:

- Approval of the Authority’s budget and annual report.
- Approval of the alignment of the organisational structure to strategy.
- Appointment of the Chief Information and Technology Officer.
- Alignment of the LCA policies to the new national labour laws.
- Renewal of licences (Skynet, RCJ, Fill the Gap, Tabernacle FM, KEL media).
- Approval of new licences (Lekope Media (Pty), Maketa Media (Pty) Ltd, Seventh Day Adventist Church).
- Revocation of the operating licence of Maha Group (Pty) Ltd t/a MXXL FM.
- Suspension of the operating licences of Molisa ea Molemo FM and Onyx 357 FM.
- Amendment of the Board Charter and Board Committees Charter.
- Membership to the Institute of Directors Lesotho and ascribed to Mohlomi Code of Corporate Governance.
- Establishment of a Cybersecurity Section that acts as LCA security operations centre (SOC) and communications sector cybersecurity incident response team (CSIRT).

### Executive Management

Aligned with the Authority’s Strategic Plan, Executive Management executed its mandate in accordance with established performance-standards guidelines. Over the reporting period, Executive Management attained an implementation rate of 98.9%. Figure 2 presents a comparative view of performance this year versus the prior reporting periods.

**Figure 2: Meetings of Executive Management**



Among the key initiatives and actions undertaken by Executive Management during the year were:

- Addressing operational issues such as staff allocation, resource deployment and refinement of performance instruments.
- Negotiating and entering into cooperation agreements with external partners.
- Formulating operational and procedural policies.
- Overseeing regulatory matters across the telecommunications, postal and broadcasting sectors.
- Reviewing and acting on periodic performance reports.

These efforts collectively reflect Executive Management's commitment to operational excellence, institutional stability and regulatory responsiveness.

### **Statutory Committees**

Pursuant to the Communications Act, 2012, the Authority benefits from two statutory committees that play pivotal roles in governance and sector regulation: the Universal Service Fund Committee (USFC) and the Broadcasting Disputes and Resolution Panel (BDRP).

### **The Universal Service Fund**

In terms of Section 33 of the Communication Act, 2012, the Universal Service Fund (USF) was established to promote equitable access to communication services, particularly in underserved and unserved areas of the country. The Act also mandates a committee, the USFC to oversee fund operations and administration. The composition of the USFC is prescribed to include:

- A representative of the Ministry responsible for Communications - Chairperson,
- A representative of the Lesotho Communications Authority - Deputy Chairperson,
- Representatives from the Ministries of Local Government and Finance, and
- A representative from the Lesotho Electricity Company.

During the reporting year, transitional arrangements between the Authority and the Fund were concluded and a Memorandum of Understanding was signed, thereby formalizing Section 5(1)(t) of the Act. As a result, going forward, the performance for the USF will be captured in a distinct Universal Service Fund Annual Report.

### **Broadcasting Disputes and Resolution Panel (BDRP)**

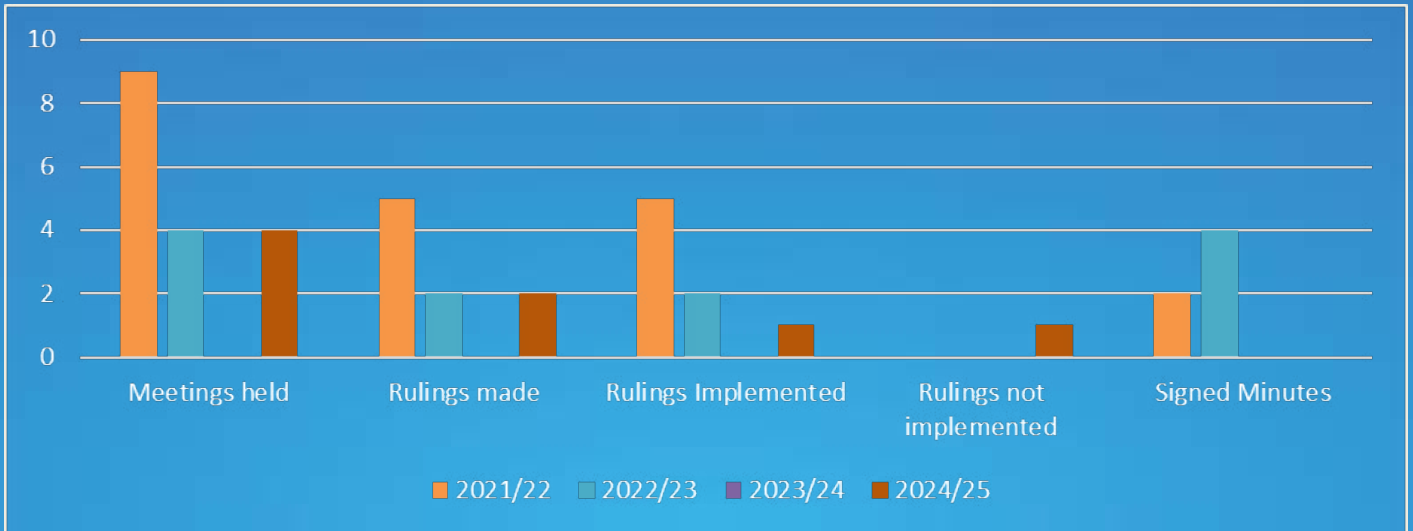
Section 39(1) of the Communications Act, 2012, mandates the establishment of the BDRP, vested with the authority to:

- Develop and prepare a broadcasting code,
- Resolve disputes related to broadcasting content, and
- Refer unresolved disputes to the Authority with appropriate recommendations.

The Panel is composed of a Chairperson and four (4) additional members, appointed by the Minister of Communications through a transparent nomination and vetting process.

During the reporting period, the tenure of the prior BDRP members had lapsed and new appointments were effected on the 6th February 2025. For the remainder of the reporting period, that is February to March, the Panel convened four (4) meetings, delivered two (2) rulings, and attained a 50% implementation rate for those rulings. (refer to Figure 3 for details)

**Figure 3: BDRP Performance**



## CHIEF EXECUTIVE OFFICER'S STATEMENT



**MR. NIZAM GOOLAM**  
**CEO**

It is with gratitude and a deep sense of responsibility that I present the Lesotho Communications Authority (LCA)'s Annual Performance Report for the financial year ending 31 March, 2025.

The period under review required decisive leadership, clarity of purpose and institutional resilience. As the communications landscape continues to evolve at an unprecedented pace, we remained steadfast in executing our mandate while adapting to regulatory, technological complexities. I am humbled that, through the collective effort of our Board, management and staff, we achieved a 97% completion rate across strategic and routine initiatives and increased the number of licensees to 260. These outcomes affirm the effectiveness of our strategic direction and the discipline with which we are implementing it.

My focus during the year was centred on strengthening the Authority's regulatory credibility, institutional capability and long-term relevance. The successful implementation of a new organisational structure was a critical step in positioning us to respond more effectively to emerging sector demands. We recorded improved compliance across the sector and continued to advance initiatives aimed at improving market efficiency while also protecting consumers.

Recognising that digital growth must be underpinned by trust and security, I placed particular attention on building cybersecurity resilience within the communications sector. Through strategic partnerships and capacity-building initiatives, we took deliberate steps to strengthen and empower the sector to build resilience of the communications networks and services. These efforts are foundational to protecting consumers and supporting digital innovation.

I am particularly proud that, during the year, the Authority successfully hosted the 1st African Preparatory meeting for the World Radiocommunication Conference 2027 (WRC-27).

This milestone underscored our commitment to actively shaping Africa's common positions on spectrum management and emerging technologies. This conference which attracted more than three hundred delegates from the region, also attracted the much needed boost to the country's economy.

Sound governance and prudent financial management remain non-negotiable pillars of my leadership. Continued improvements in risk management, internal controls and consumer protection reflect our resolve to build an Authority that leads with integrity, transparency and accountability. As we look ahead to the last year of implementation of the 2023-2026 strategic plan, my focus is in strengthening cybersecurity preparedness, promoting fair competition and innovation and contributing to the National Digital Transformation Agenda. The Authority will continue to adopt a forward looking regulatory approach – one that anticipates change, supports investment and ensures that the benefits of digital transformation are inclusive and sustainable.

I wish to express my sincere gratitude to the Honourable Minister of Information, Communications, Science, Technology and Innovation, the Board of Directors under the leadership of my Chairperson Dr. Lerato Lerato and to management and staff of the Authority for their professionalism and dedication. I also thank our stakeholders for their continued engagement and trust. Together, we



**Mr. Nizam Goolam**  
**Chief Executive Officer**  
**Lesotho Communications Authority**

## OUR STRATEGIC FOCUS

The 2024/25 reporting year marked the second year of executing the 2023-2026 Strategic Plan of the Authority. This strategy seeks to harmonise regulatory certainty, innovation, competition, and consumer protection. It also emphasizes ensuring safety, security, and public confidence within the ICT ecosystem, while positioning the Authority to remain agile amid evolving technological, market and social dynamics.

The Plan identifies the Authority's core responsibilities, as prescribed by the Communications Act, 2012, and aligns activities accordingly (see Figure 4). These duties include but are not limited to:

**Figure 4: Mandate and duties of the Authority**

**Grant licences to Operators**



**Promote fair competition**



**Approve tariffs**



**Manage radio frequency spectrum**



**Empower and protect consumers.**



**Type approval terminal**



The strategic focus underpinned the Authority's operational priorities throughout the year, steering resource allocation, regulatory initiatives, stakeholder engagement and performance measurement. In designing and executing the strategy, the Authority also recognized that value is created across multiple capitals, including human, intellectual, social and relationship capitals, manufactured as well as financial capital (see Figure 5).



**Figure 5: Our sources of capital**

To drive effective execution, the Strategic plan 2023-2026 is framed around: five strategic outcomes (5-SOUs), seven strategic objectives (7-SOBs) and 19 coherent Actions (19-CAs). For ease of understanding, Table 1 (below) presents a high-level visual summary of the strategy, outlining how the strategic outcomes and strategic objectives interrelate.

**Table 1: Turning targets in Actions**

STRATEGIC OUTCOMES	STRATEGIC OBJECTIVES	COHERENT ACTIONS
SOB 1 Efficient Regulator	SOB 1.1 Accelerate digital transformation in the Authority	CA 1.1.1 Mould LCA into an employer of choice
		CA 1.1.2 Modernize business operations
	SOB 1.2 Build financial sustainability	CA 1.2.1 Mobilize financial resources
SOU 2 Positive consumer experience	SOB 1.3 Cultivate organisational resilience	CA 1.3.1 Embed risk management in LCA
		CA 2.1.1 Promote consumer education and awareness
	SOB 2.1 Safeguard consumer rights	CA 2.1.2 Facilitate the protection of private data
SOU 3 Healthy LCA brand	SOB 3.1 Reinforce collaborative regulation	CA 3.1.1 Improve cyber security posture
		CA 3.1.2 Promote child online protection
		CA 3.1.3 Foster transnational cooperation
		CA 3.1.4. Professionalize broadcasting and postal industries
SOU 4 Trusted regulatory system	SOB 4.1 Create an enabling regulatory environment	CA 4.1.1 Develop and review legal and regulatory instruments
		CA 4.1.2 Create market competitiveness
		CA 4.1.3 Enhance licensee compliance
		CA 4.1.4 Reform the postal and courier sector

SOU 5 Available, accessible and affordable communication services	SOB 5.1 Advance digital inclusion	CA 5.1.1 Expand network coverage to the unserved and underserved areas
		CA 5.1.2 Expand digital literacy
		CA 5.1.3 Improve affordability of ICT services in Lesotho
		CA 5.1.4 Promote local content in ICT
		CA 5.1.5 Improve network performance

## Organisational structure

As part of our ongoing strategic realignment, a new organizational structure was approved and took effect on 1 October 2024. This restructured framework is built to bolster operational efficiency, sharpen regulatory oversight, and ensure that the Authority is optimally organized to fulfil its mandate amid a dynamic communications environment.

### The new structure comprises five (5) divisions:

1. Chief Executive Officer's Division (CEO's Division)
2. Economic Affairs Division (EAD)
3. Information and Technology Division (ITD)
4. Licensing and Compliance Division (LCD)
5. Finance and Administration Division (FD)

This configuration clarifies lines of accountability, enhances cross-functional collaboration, and positions the Authority to respond to challenges within the sector.

### CEO'S Division

The CEO's Division provides overarching strategic leadership and oversight of the Authority. In addition to executive management responsibilities, it houses five (5) specialized offices:

- **Human Resources Office** – responsible for talent management, staff development, and implementation of policies that enhance productivity and engagement.
- **Public Affairs Office** – manages stakeholder engagement, public communication and reputation through strategic outreach and partnerships.
- **Risk office** – Ensures governance integrity through oversight of internal controls,
- **Internal Audit Office** – Provides independent, objective assurance on internal controls and advisory services that add value and improve the Authority's operations.
- **Strategy and Research Office** – leads long-term strategic planning and sectoral research to inform evidence-based policy and regulatory choices.
- **Legal and Corporate Affairs Office** – provides legal counsel, ensures compliance, and oversees corporate governance matters.

### Divisional Roles

- **Economic Affairs Division (EAD):** Focuses on regulatory economics, market analysis, tariff and pricing frameworks, and promoting fair competition in the communications sector. The division ensures that regulatory intervention supports innovation while maintaining market stability and protecting consumer interests.

- Information and Technology Division (ITD): Oversees technical regulation, spectrum management, quality of service standards, cybersecurity and national internet critical infrastructure, internal ICT systems while driving digital transformation and supports the adoption of emerging technologies. This division plays a pivotal role in enabling technological innovation while maintaining regulatory oversight and ensuring service excellence.
- Licensing and Compliance Division (LCD): Administers the licensing regime, monitors compliance, handles consumer complaints and enforces regulatory obligations on operators and service providers. The division ensures that the regulatory framework is effectively implemented, fostering accountability, trust and fair competition in the communications sector.
- Finance and Administration Division (FD): Manages financial strategy, budgeting and procurement and ensures the effective administration of the Authority's resources. This division plays a vital role in maintaining operational effectiveness and financial integrity, enabling the Authority to achieve its mandate efficiently.

This realigned structure marks a significant step in positioning the Authority to deliver on its mandate with greater impact, enhancing operational excellence, reinforcing governance, and advancing sectoral growth in alignment with National Strategic Development Plan-II (as extended) priorities.



**Figure 6: Operating organisational structure**

### Performance Overview

In April 2023, the Board approved the Authority's 2023 to 2026 Strategic Plan, along with the corresponding annual Operational Plans. Across that horizon, thirty-five (35) strategic initiatives were slated for completion during the reporting period.

Throughout the 2024/25 reporting period, the Authority demonstrated commendable performance on both operational and strategic fronts:

- All routine initiatives under the Operational Plan were executed at 100%, reflecting strong operational discipline and effectiveness in fulfilling the Authority's mandate.
- Strategic initiatives achieved a 94% performance rate, underlining significant progress toward the Authority's long-term goals.
- Over the first two years of the Strategic Plan, the Authority has cumulatively completed 97%

of its strategic initiatives, reinforcing its consistent commitment to delivering on its vision and priorities.

The sections that follow provide a detailed division-by-division performance review, highlighting how each contributed to operational efficiency, regulatory excellence and sectoral development.

## **CORPORATE SERVICES (OFFICE OF THE CEO)**

The office of the CEO continued to provide strategic leadership and oversight across key corporate support functions. Below is a summary of the main achievements and trends by sub-function:

### **Human Resources Management**

As part of the strategic re-alignment, a new organizational structure was approved and came into effect on 1 October, 2024. This restructuring introduced thirteen (13) new positions, increasing the total staff establishment from 42 to 55 positions. Significant progress was made toward full capacity by the end of the financial year (March 2025), with 10 of these new positions filled and only three remaining vacant.

In parallel, the Authority advanced staff development and welfare initiatives notably the staff wellness day and employee engagement events such as inter-regulatory games which were hosted by the Botswana Communications Regulatory Authority (BOCRA) and the end-of-year staff function.

The Authority prioritized targeted capacity building and staff members underwent short-term training and development programs. The collaboration with the SPIDER programme in partnership with the University of Stockholm, continued enhancing staff development avenues and international exposure.

To enhance performance monitoring, the Authority started the process of procuring an automated performance management and reporting tool although a foundational performance management system is already in operation.



## **Audit Management**

During the 2024/25 financial year Board approved Internal Audit annual plan which comprised of 4 audits to be undertaken, which are:

- Audit of procurement (Tendering Process) 2023/24;
- Audit of salaries and terminal benefits;
- Revenue Audit 2023/24; and
- Audit of Broadcasting Monitoring
- Audit of Systems applications

All audits were executed and findings reported to the Finance, Risk and Audit Committee (FRAC) and 85% of the findings raised were rectified by Management.

## **Risk Management**

During the period, the key risk governance activities included:

- Updating the Corporate Risk Register; and
- Review of the controls, processes, policies.

### Public Affairs & Corporate Social Investment

The Authority actively engaged with key stakeholders through radio, television, social media, website updates, and public events, undertaking seventeen (17) public relations initiatives during the reporting period. Highlights included:

- Media interviews on SIM registration completion;



## Public Affairs & Corporate Social Investment

The Authority actively engaged with key stakeholders through radio, television, social media, website updates, and public events, undertaking seventeen (17) public relations initiatives during the reporting period. Highlights included:

- Media interviews on SIM registration completion;
- Presentations on the Authority's role and achievements;
- Awareness campaigns for ATU's 1st African preparatory meeting for WRC-27;
- Information dissemination on internet access in high schools;
- Sponsorships for students from tertiary institutions attending international cybersecurity and IT competitions and forums;
- Responses to media inquiries including licensing matters related to Starlink;
- Graduation ceremony for the first cohort of broadcasters trained under the LCA-Limkokwing partnership; and
- Launch of the communications sector CSIRT and Child Online Protection guidelines.

The Authority also implemented corporate social investment initiatives, including:

- Construction of the second phase of toilets for St Bernadette Primary School;
- Donation of second-hand laptops to the police and the refurbishment of Abia Police Station, including three-year WiFi provision; and
- Distribution of fifty (50) grocery hampers to elderly, destitute, and vulnerable households at Matsoku in Thaba Tseka.

Furthermore, to complement these initiatives the Authority conducted awareness campaigns

on cybersecurity, child online protection, EMF safety, and data privacy, reinforcing its mandate to safeguard the communications environment.

### **Financial Performance for the Year Ended 31 March 2025**

The Authority continued to demonstrate prudent financial management and operational efficiency during the 2024/25 financial year. The Authority recorded a surplus of M8.5 million, the highest in the four-year period underscoring sustained fiscal discipline. The Authority realised a revenue increase of 7% this year as compared to the financial year 2023/24. This marks the second time in four years that revenue increased, reflecting notable improvement in revenue collection efficiency.

There has been an increase of 16% on the expenditure as compared to the financial year 2023/24. This increase is attributable to inflationary adjustments and continuous engagement of youth apprenticeships and internships.

The Authority's Liquidity Ratio averaged 1.18 during the year, reaffirming its steady capacity to meet short-term obligations using available current assets. This performance highlights the Authority's resilience and sound financial position.

In compliance with statutory requirements, the Office of the Auditor-General of Lesotho serves as the Authority's independent external auditor. The Auditor-General audits the Authority's financial statements annually and provides a report covering the audit opinion, financial position, statement of profit or loss, other comprehensive income, cash flows, and changes in equity. The Auditor-General's Report for the year under review is appended to this Annual Report.

### **Manage IT support services**

The enterprise information technology forms the backbone of the Authority's business operations. Some IT facilities are deployed for efficient running of the business administration operations and others are used for core regulatory functions. In its strategic plan, the Authority undertook to modernize its business operations by employing largely automated systems across all operations. As the regulator of the communications sector, the Authority recognizes the interests of consumers and the role of innovation both in regulatory and service environments. The Authority is confident that digital transformation is essential within and across the ICT sector and could generate efficiencies and improve consumer experiences.

## REGULATORY AFFAIRS

The Authority serves as the regulator of Lesotho's communications sector, overseeing telecommunications, broadcasting and postal and courier services. Its regulatory mandate covers access, distribution, content, pricing and coordination of sectoral oversight. Effective regulation depends on a robust legal and policy framework that fosters public confidence, promotes stability, transparency, competition, innovation, investment and sustainable sector growth.

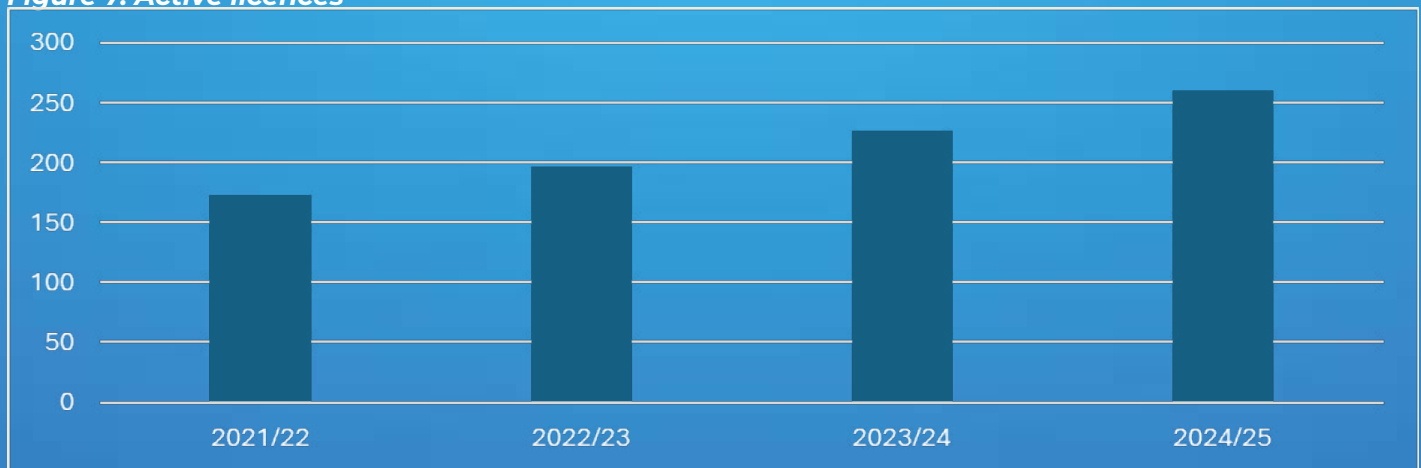
### Compliance & Quality Assurance

In pursuit of its mandate, the Authority monitors licensees to ensure adherence to regulatory requirements, with the dual goals of enforcing service quality standards and protecting consumers while nurturing a fair and competitive market environment. For each subsector, minimum quality-of-service standards have been established, and licensees are subject to continuous monitoring against these benchmarks.

### Licensing Management

Regulated service provision in Lesotho requires licensing or formal authorization from the Authority. Over recent years, the number of active licences has grown steadily, reflecting both sector expansion and regulatory responsiveness. As at 31 March 2025, there were 260 active licences, representing a 15% increase from the past year (see Figure 7).

**Figure 7: Active licences**

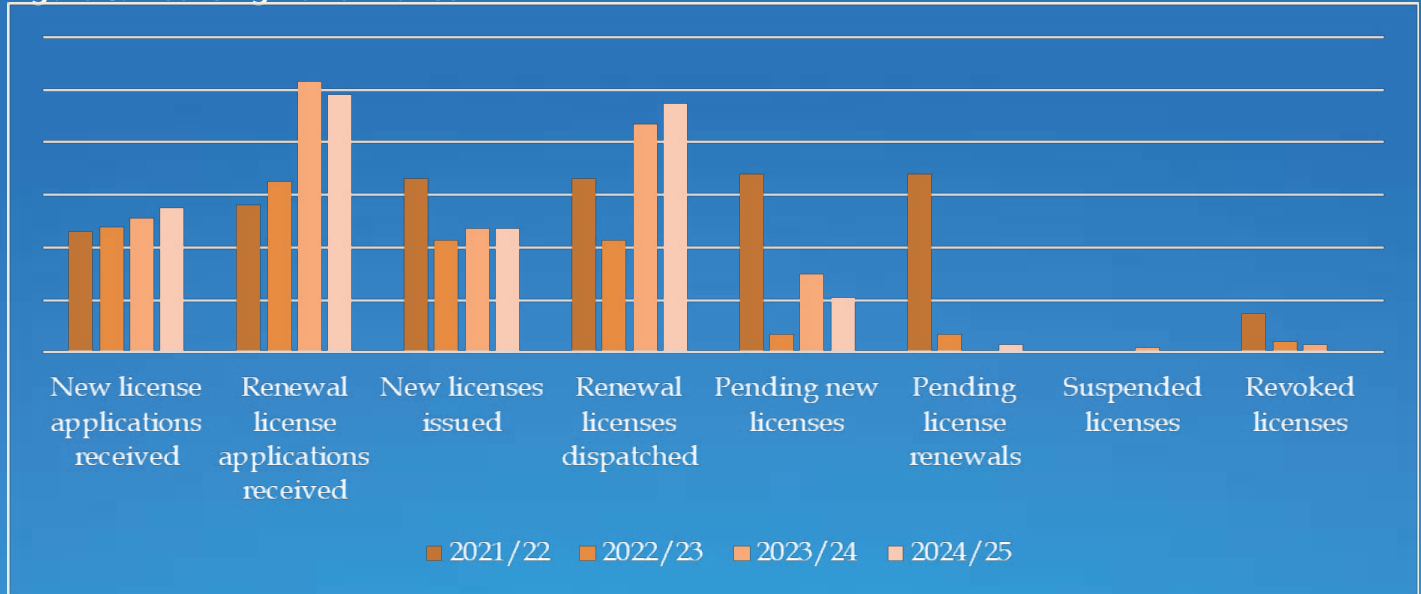


### Licence Renewals and Applications Figure

The licence renewal rate remained high during the reporting period, with 98 renewal applications received and 95 licences dispatched, translating to a 97% renewal rate. A total of 55 new licence applications were received, of which 47 licences were issued, yielding an 85.5% issuance rate. Pending applications significantly declined, with new licence backlogs dropping from 30 in 2023/24 to 21 in 2024/25. Revoked licences decreased from three (3) in 2023/24 to one (1) in 2024/25, while suspended licences remained minimal at one (1) case.

These results reflect heightened process efficiency, responsiveness and regulatory agility (See Figure 8).

**Figure 8: Licensing Performance**



## Market Segmentation and Trends

The Numbering Resources category (covering Premium Rate Messaging Services and Toll-Free Numbers) remained the largest segment, with 123 licensees, nearly doubling over the past four years. This was followed by Two-Way Radios (55 licensees) and Sound Broadcasting (29 licensees).

Other categories such as Unified Licences, Network Services, Network Infrastructure, and Commercial Postal Services maintained relative stability. Conversely, Aeronautical Services Radio Determination declined to zero, while Registration of Terminal Equipment gained three (3) new licensees in 2024/25.

In the telecommunications space, Vodacom Lesotho and Econet Telecom Lesotho, both holders of Unified Licences, continue to dominate the market. LEC Communications Company (LECC) also plays a critical role under a network infrastructure license, providing wholesale network capacity on a non-exclusive basis.

In broadcasting, the landscape reflects global trends: a mix of state-owned, private, commercial, and community broadcasters, consistent with the Windhoek Declaration. While several broadcasting subsectors are still maturing (particularly television), private and commercial players play an increasingly prominent role (see Table 2 for license distribution).

**Table 2: Communications Licence Categories**

Licence Category	2023/2024	2024/25
Unified Licence	2	2
Network Services (Data service & MVNO)	3	3
Network Infrastructure	1	1
Commercial Postal Services	5	5
Numbering Resources (Premium rate, Messaging)	99	123
Radio alarms	2	2
Television broadcasting	1	1
Sound broadcasting	26	29
Two-way Radios	51	55
Radio Amateurs	21	21
Telemetry Stations	3	3
Radio Pagers	1	1
Vehicle Tracking	2	2
Landing Rights	1	1
Aircraft Stations	7	8
Aeronautical Services Radio Determination	1	0
Registration of terminal equipment	1	3
<b>TOTAL</b>	<b>227</b>	<b>260</b>

### Development and review of legal and regulatory instruments

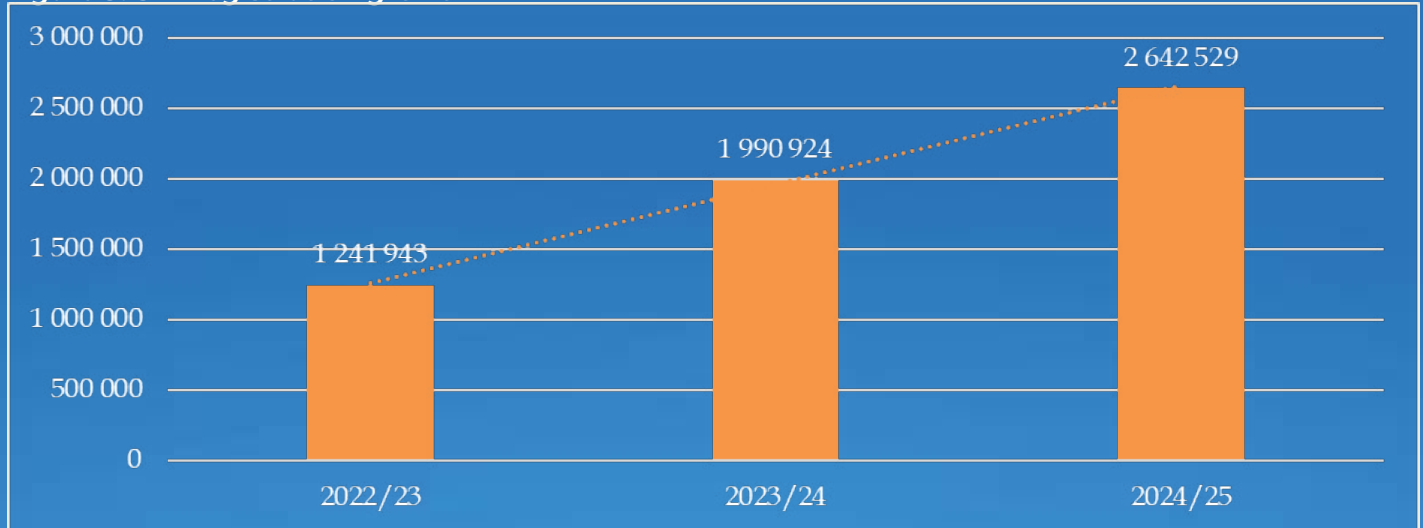
To maintain an effective and up to date regulatory regime, the Authority advanced three key legal and operational reforms during the reporting period.

#### SIM Card Registration

Pursuant to the Communications (Subscriber Identity Module Registration) Regulations No. 141 of 2021, the Authority set 30 April, 2024 as the deadline for existing subscribers to register, thereafter, unregistered SIM cards were deactivated. This initiative represents a landmark step toward enhancing network security, mitigating fraud, and promoting accountability in subscriber data.

By March 2025, the total registered SIM cards had more than doubled reaching 2,496,269 compared to 1,241,943 in March 2023. This surge underscores both successful regulation and improved enforcement of registration compliance (see Figure 9).

**Figure 9: SIM registration growth**



### **Review of Administrative Rules**

During the reporting period, the Authority undertook a review of the Lesotho Communications Authority (Administrative) Rules of 2016 to ensure alignment with contemporary regulatory needs and sector dynamics. Following this review, the revised Rules were approved by the Board, enabling commencement of the promulgation process. This step is pivotal in ensuring that governance instruments remain responsive, current and effective to align with evolving regulatory and sectoral needs.

### **Amendment of Licensing Classification and Fees Rules**

During the reporting period, the Authority embarked on the amendment of the Lesotho Communications Authority (Licensing Classification and Fees) Rules No. 33 of 2023 to incorporate the omissions, correct errors and to facilitate licensing of emerging and evolving technologies in the communications market. Crucially, the amendment introduced three new sub-categories of the Internet Service Providers (ISP) licences namely; Terrestrial Networks, Satellite Networks and Hybrid Networks. In addition, the amendment introduced a new requirement for landing rights authorization specifically for the provision of broadband connectivity utilizing Non-Geostationary Satellite Orbit (NGSO) systems in Lesotho. These amendments ensure that the licensing rules remain robust and technologically adaptive to support growth in Lesotho's communications sector.

# REGULATORY COMPLIANCE

The Authority continuously monitors licensees to ensure strict adherence to license conditions and the applicable regulatory framework. This safeguards consumer interests whilst also ensuring that consumers get value for their money. In the reporting period, the Authority assessed compliance across multiple quality and service standards in the communications sector.

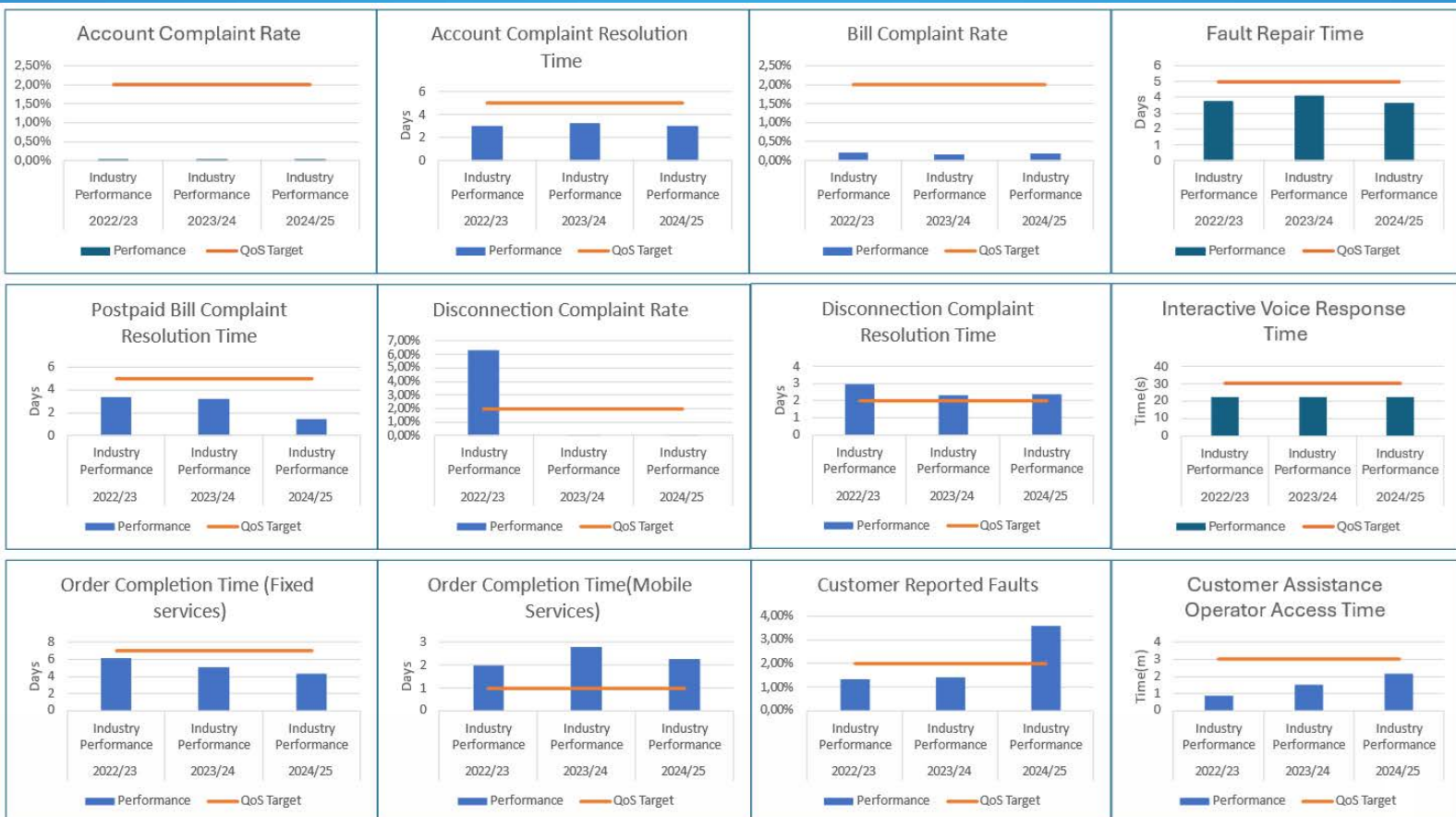
## Telecommunications Sector compliance

Under the Lesotho Communications Authority (Quality of Service) Rules, No. 41 of 2023 the Authority establishes and monitors key indicators for quality of service from the two network operators, which are Vodacom Lesotho and Econet Telecom Lesotho.

During the 2024/25 reporting period, the industry achieved an overall compliance rate of 75% across twelve (12) general Quality of Service (QoS) parameters. While nine (9) of these targets were successfully met, performance fell short in two (2) specific areas:

- Disconnection Complaint Resolution Time: Time taken to resolve a disconnection complaint; measured from when the complaint is received by an operator to when the complaint has been resolved.
- Order Completion Time (Mobile Services): Time taken to provide a mobile service in locations where the service is offered.

**Figure 10: Industry Performance of the General Quality of Service Parameters**



## Postal & Courier Sector Performance

The status of the postal & courier sub-sector remained unchanged with 5 licensees which are Lesotho Post, DHL Lesotho, Kayhil Freight, SKYNET Worldwide Express, and RCJ Express. The Lesotho Post is the designated national postal operator and has 46 post offices throughout the country. Out of the 46 post offices, 16 had internet access and three provided internet services to the public. The other four licensees are commercial operators.

In the reporting period, the Authority inspected 5 postal and courier licensees on six parameters. The inspections were carried out in Quarters 2 and 4 respectively. Three (3) of the five (5) had contraventions, resulting in 40% inspection compliance rate of postal and courier licensees. It is noted that the same postal and courier licensees that were not compliant in Quarter 2 were also not compliant in Quarter 4.

Of the 6 parameters inspected, 4 of them were contravened by licensees, resulting in 33.3% compliance rate of the inspected parameters. The Parameters inspected include: record of employees, customer information/services, consumer protection system (complaints register), quality of service, security and safety measures, connectivity-eCommerce capability/digitisation.

## Broadcasting Sector Performance

The broadcasting subsector had twenty-eight (28) licensees in radio broadcasting which were classified into: one (1) public; nine (9) commercial; thirteen (13) private, and five (5) community stations as at 31 March 2025. There was also one (1) licensed television station, the Lesotho Television, which is also a public broadcaster. The full list of licensed broadcasting entities is tabulated in Table 3 below.

**Table 3: Broadcasting Licensees in Lesotho**

	Name of broadcaster	Date of first issue	Current license period	Category
1	Radio Lesotho	2002	2022-2037	Public
2	MoAfrika FM	2002	2022-2037	Private
3	Radio Maria	2002	2022-2037	Private
4	Harvest FM	2002	2022-2027	Private
5	Jesu ke Karabo FM	2004	2024-2039	Private
6	KEL Radio	2004	2024-2039	Private
7	Ts'enolo FM	2012	2022-2037	Private
8	Molisa ea Molemo FM	2014	2024-2039	Private
9	Tabernacle FM	2014	2024-2039	Private
10	Prophetic Voice	2014	2015-2025	Private
11	Anglican Church of Lesotho Radio	2019	2019-2034	Private
12	Thato Ea Hau	2019	2019-2034	Private
13	People on the Move Radio	2019	2019-2034	Private
14	Ultimate FM	2006	2016-2031	Commercial

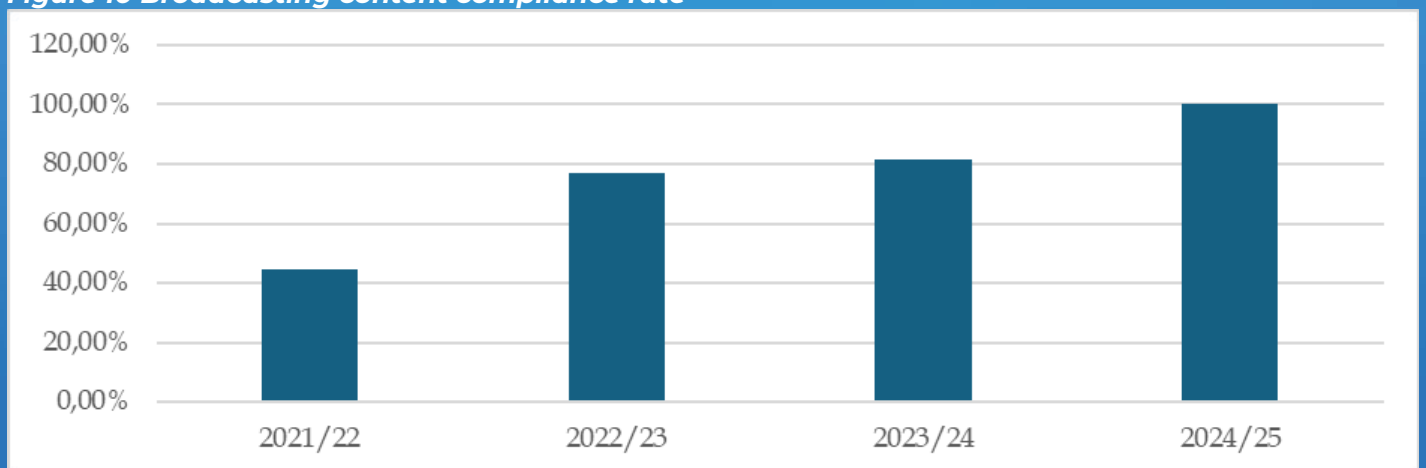
15	Bokamoso FM	2014	2016-2026	Commercial
16	People's Choice FM	2002	2022-2037	Commercial
17	357 FM	2004	2014-2024	Commercial
18	Info Hub	2015	2015-2025	Commercial
19	Mohale FM	2019	2019-2034	Commercial
20	Radio Souru	2019	2019-2034	Community
21	Pheshakoe Qhili	2019	2019-2034	Community
22	Moeling FM	2013	2023-2038	Community
23	Mafeteng Community Radio	2011	2021-2036	Community
24	DOPE FM	2002	2022-2037	Community
25	Boiketlo FM	2023	2023-2038	Commercial
26	Maketa Media	2024	2025-2040	Commercial
27	Seventh Day Adventist Church	2024	2024-2039	Private
28	Lekope FM	2024	2024-2039	Commercial
29	Lesotho TV	2002	2023-2042	Public

### Monitoring in the Broadcasting sub-sector

To protect consumers of broadcasting services, the Authority monitors the broadcasting sub-sector on the following parameters: language; balanced reporting; hate speech; opportunity to reply or "right to reply", protection of privacy, explicit sexual content; audience advisories; protection of children; distortion, exaggeration or misinterpretation. The monitoring of radio stations on broadcasting content is done in line with the requirements of the Broadcasting Code, 2022.

In the reporting period, monitoring was conducted on 5 radio stations: Harvest FM, MoAfrika, Molisa Ea Molemo, PC FM and Ts'enolo FM where 32 programmes were monitored. There was no contravention therefore, the content compliance rate achieved was 100% (See Figure 10).

**Figure 10 Broadcasting content compliance rate**

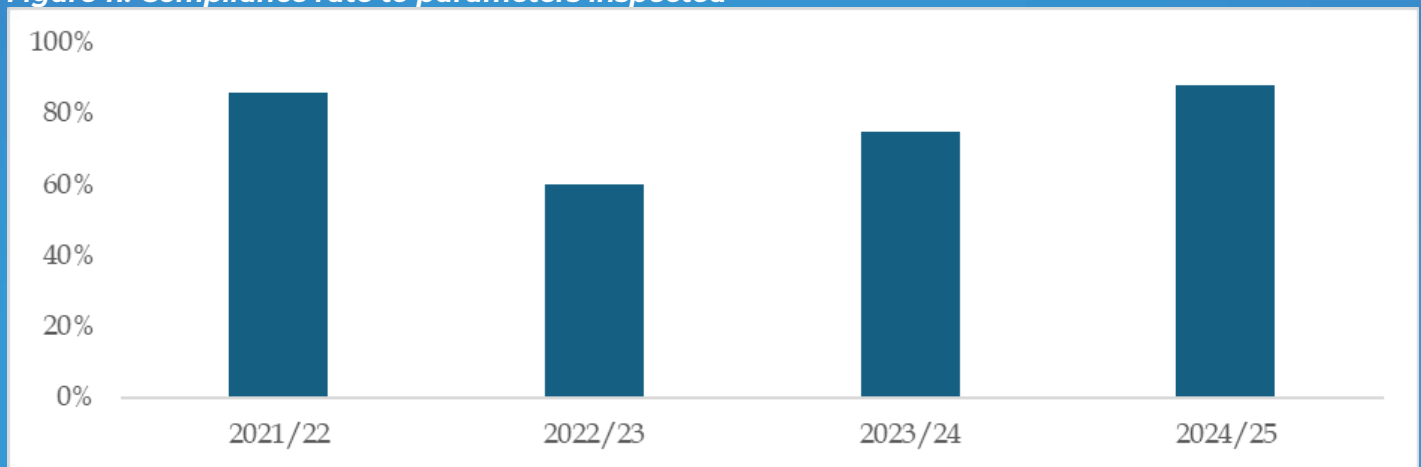


## Broadcast licensee inspections

During the reporting period, the Authority conducted compliance Inspections at eleven (11) radio stations: Boiketlo, Bokamoso, Harvest, Info Hub, KEL, Jesu ke Karabo, MoAfrika, Molisa Ea Molemo, Tabernacle, Thato Ea Hao and Ts'enolo FM.. These stations were assessed against the following parameters: documents of incorporation; shareholders agreements and amendments; three months program recordings; programme schedules; Advert rates: Advert logs; complaints file and resolutions/minutes.

Of these eleven (11) inspected radio stations, three (3) contraventions were identified, primarily due to failure to retain three (3) months program recordings. Importantly, compliance rates among the inspected licensees have shown a consistent upward trend. Figure 11 presents compliance performance over time.

**Figure 11: Compliance rate to parameters inspected**



## Broadcasting Regulation

Freedom of expression is enshrined in the Constitution of Lesotho. However, this rights is not absolute especially and is exercised within the limits prescribed by the Constitution, the Broadcasting Code and other applicable laws, particularly where it intersects with the protection of other rights and prevailing community standards.

The Broadcasting Disputes and Resolution Panel (BDRP) is established to adjudicate broadcasting-related disputes that are not resolved through broadcasters' internal complaints-handling mechanisms. During the reporting period, the BDRP heard one dispute outlined in Table 4 below.

**Table 4: Broadcasting Disputes**

Case	Nature of Complaint	Contravention	BDRP Ruling/order
Lesotho Congress for Democracy (LCD) vs Ts'enolo FM	Unfair commentary and Right to reply	<p>The Broadcasting Code, 2022 Reg 6(a)</p> <p>The Broadcasting Code, 2022 Reg 8 (1)(a),</p> <p>The Broadcasting Code, 2022 Reg 8 (1)(b)</p> <p>The Broadcasting Code, 2022 Reg8(2)</p> <p>The Broadcasting Code, 2022 Reg8(4)</p> <p>The Broadcasting Code, 2022 Reg17 1(a)</p>	<p>The Respondent is directed to withdraw statements made against the Complainant within 3 days of delivery of this judgement.</p> <p>The Respondent is directed to make a public apology during Lititimi programme for a month. The apology should be aired twice, during the commencement and conclusion of the programme for four (4) consecutive weeks.</p> <p>The fine of M20,000 is imposed on the Respondent and is suspended provided the Respondent commits no similar transgression for a period of 12 months.</p> <p>The Respondent is ordered to report to the Authority on the implementation of the above orders within 30 days of receipt hereof. The report should include the Lititimi programme recordings</p>

### Protection and empowerment of Consumers of Communication Services

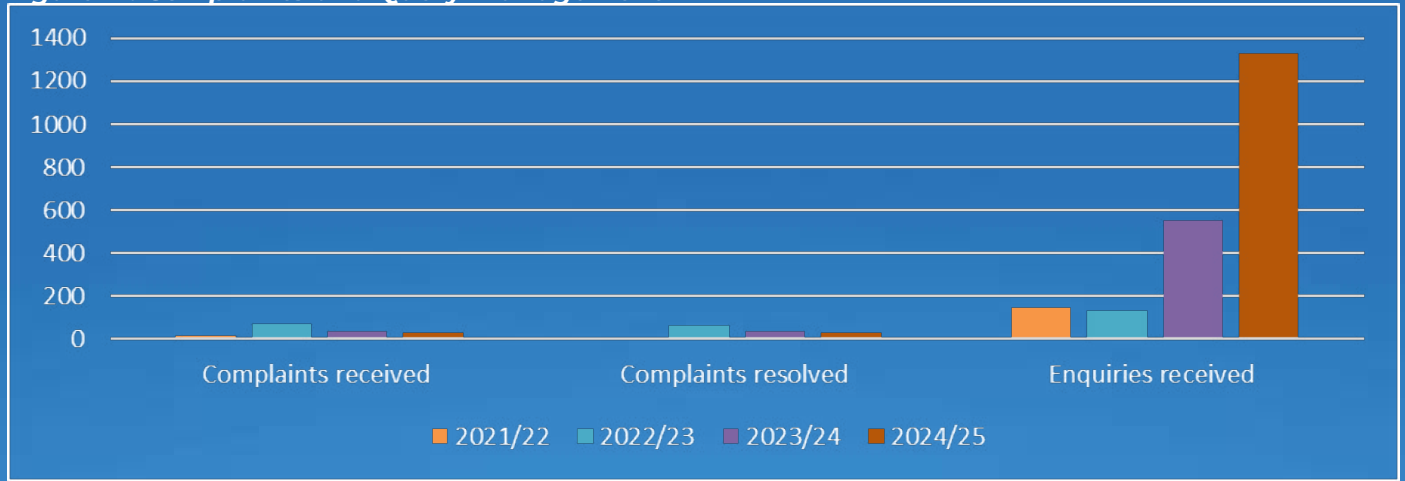
Protecting and empowering communications consumers is one of the key strategic objectives in the Authority's current strategic plan. The Authority compels licensees to maintain robust complaint handling systems, ensuring that end users have accessible, transparent and fair mechanisms to voice grievances.

Under the Consumer Protection Guidelines (2023), MNO's and other service providers are obligated to conduct proactive consumer awareness education and education campaigns. These must cover the full range of products and services they offer, as well as related topics such as billing, service quality, data privacy and contract terms.

Beyond requiring licensees to manage complaints, the Authority also provides its own consumer redress mechanisms. These are intended to serve as an escalated channel, ensuring that unresolved or systemic complaints receive regulatory attention and resolution.

The Complaints received, resolved and enquiries received during the reporting period are summarised in Figure 12, illustrating the volume, turnaround and performance of our complaint management system.

**Figure 12: Complaints and Query management**



In the reporting period, the Authority received 1328 enquiries and thirty (30) of them were complaints.. Out of the 30 complaints, 25 were resolved in favour of the complainants, thereby achieving 83% resolution rate. The complaints are summarised in Table 5 below.

The Authority has three platforms through which complaints are lodged. They are:



**Table 5: Complaints Summary**

TYPE OF COMPLAINT	TOTAL
Airtime missing	1
Billing	3
Customer Service	1
Data bundles	1
Mobile money (Ecocash, Mpesa)	2
Contract challenges	4
Quality of Service	1
EcoSure	1
Disconnection	1
Bundle purchase	3
Deactivated sim card	1
Suspension of service	1
Expiry of bundles	1
Blacklisting in credit bureau	1
Unsolicited subscription	4
Mobile device malfunction	1
Data contract	1
Airtime conversion	1
Sim registration	1
<b>Grand Total</b>	<b>30</b>

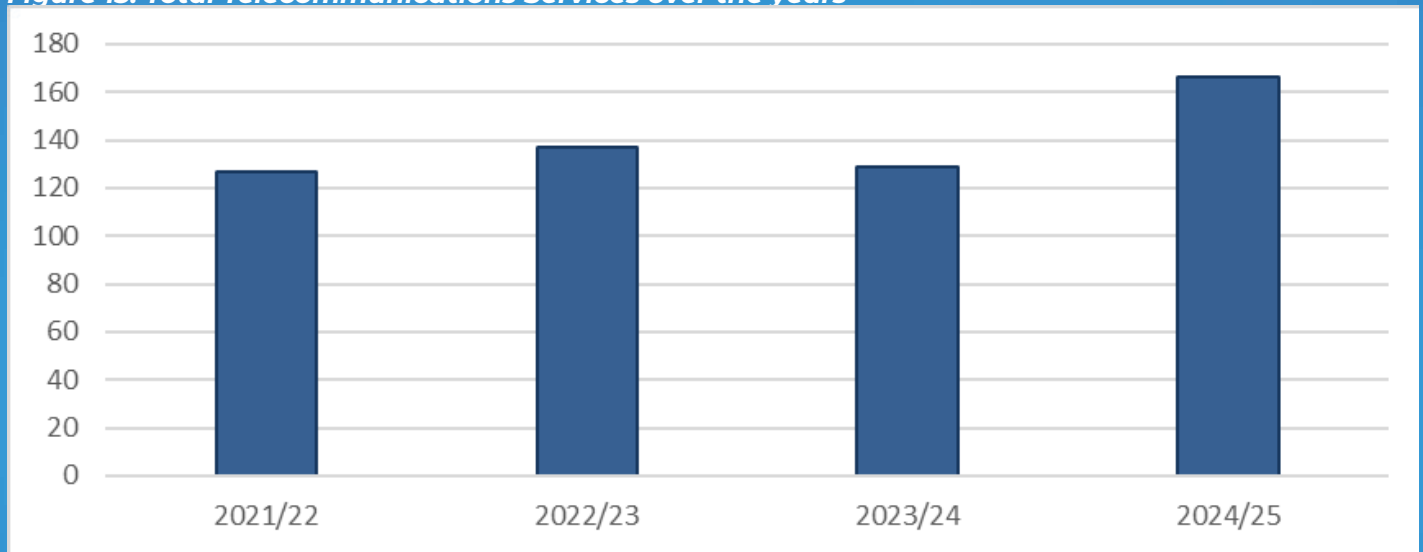
# COMPETITION MANAGEMENT AND TARIFF REGULATION

## Managing Tariffs and Pricing

The Authority is empowered by law to review, approve or reject tariff filings submitted by licensees for services provided either to other licensees or end-users.

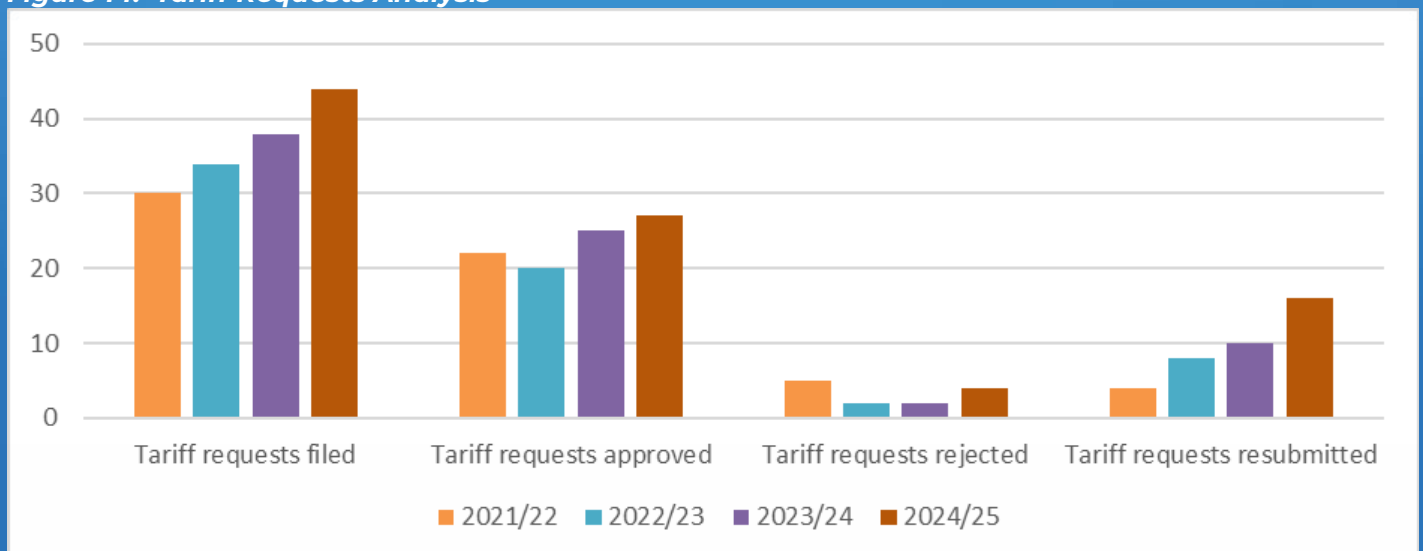
As at 31 March, 2025 there were 166 services in the telecommunications market: 105 offered by VCL and 61 by Econet. This represents approximately 28.7% growth in service offerings over the previous year. This reporting period saw the highest number of services introduced or maintained in one year, signalling renewed market dynamism following a slight slowdown in 2023/24 (see Figure 13 below).

**Figure 13: Total Telecommunications Services over the years**



During the reporting period, the Authority received a total of seventy-one (71) submissions from both operators, broken down as follows: Forty-four (44) were tariff filings, twenty-three (23) promotion requests and four (4) were campaigns. The graphic analysis of these submissions is shown in Figure 14.

**Figure 14: Tariff Requests Analysis**



Over the four year period from 2021/22 to 2024/25, there has been a consistent increase in tariff requests filed, that is, from thirty (30) in 2021/22 to forty-four (44) in 2024/25, reflecting a growth of 47%. Of the 44 tariff requests filed in 2024/25, twenty-seven (27) were approved, resulting in an annual approval rate of 61%, slightly higher than the 59% approval rate recorded in 2022/23 when twenty (20) out of thirty-four (34) requests were approved. However, the number of rejected requests also rose to four (4) in 2024/25, up from two (2) in each of the previous two years.

## **Promoting Competition**

The Authority has a mandate to promote and preserve competition across the broadcasting, postal/courier services and the telecommunications sectors. Healthy competition delivers benefits to consumers in the form of lower prices, greater choice, improved service quality and broad connectivity.

By the end of the reporting period, the broadcasting sector had the highest number of players at twenty-nine (29), up from 27 in 2023/24. Telecommunications recorded a slight increase from five (5) to six (6), while Postal and Courier Services remained unchanged at five (5) licensees.

In line with these developments, the Authority is conducting a competition market study, the results of which are expected to offer deeper insights into market structure, competition dynamics, barriers to entry and consumer welfare.

## **Monitoring sector development**

As enshrined in the National Strategic Development Plan II (as extended), the Government of Lesotho recognizes that enhancing ICT access and usage is key to driving economic growth, providing citizens with digital resources, and closing the digital divide. The aim is to transform Lesotho into a knowledge-based and information-based economy. To accurately measure the benefits of this evolving digital economy, the Authority is responsible for collecting, compiling, analysing, and disseminating comprehensive sector statistics to facilitate fact-based market research that supports evidence-based policy intervention and formulation.

The data is used to track both the supply-side and demand-side, focusing on indicators that include internet access, usage, digital skills, and the digital divide (e.g., gender and urban-rural settlement). These indicators are also vital for monitoring progress towards achieving the set targets for regional and international goals, such as Southern African Development Community (SADC)'s targets and the United Nations Sustainable Development Goals (SDGs). This work directly supports the Authority's regulatory mandate and enables policymakers to develop targeted strategies and interventions.

The Authority undertook the third nationwide survey to assess the demand-side statistics on Access and Use of ICTs by Households and Individuals. The survey results are now available on the LCA website: <https://lca.org.ls/>.

Some of the key supply-side ICT indicators are presented below:

## Telephone subscriptions

The telephone market shows two contrasting trends: a small but stable growth in the fixed telephone line segment, and a larger, more volatile trajectory in the mobile telephone segment, which has a direct impact on the total subscriptions. The mobile market experienced a significant loss of subscriptions in 2022/23 but has since successfully reversed that trend, though it has not yet recovered the peak volumes seen with the initial figure of 2021/22.

**Table 6: Year on year telephone subscriptions**

	2021/22	2022/23	2023/24	2024/25
Fixed Telephone Subscriptions	7 964	7 497	7 467	8 087
Mobile Telephone Subscriptions	1 756 747	1 546 966	1 612 917	1 663 022
Total Telephone Subscriptions	1 764 711	1 554 463	1 620 384	1 671 109

## Broadband subscriptions

The number of fixed broadband subscriptions has been steadily increasing over time. There was an increase of 9.8% in the fixed broadband subscriptions from 2021/22 to 2024/25. Both total and mobile broadband subscriptions had an increase of 0.4% between 2021/22 and 2024/25.

The fixed broadband subscriptions show a clear and positive growth trend over the entire four-year period. Subscriptions began at 8,413 in 2021/22 and grew each subsequent year, reaching 9,237 by 2024/25. The growth was most significant between the first two years (2021/22 to 2022/23), with stable, but slow, increases maintained through 2023/24 and 2024/25.

Since the fixed broadband subscriptions consist of a tiny fraction of the total broadband subscription, this trend is overwhelmingly driven by mobile broadband subscriptions. Total subscriptions peaked in 2022/23 at 1,547,461, marking a significant increase from the previous year. However, this was immediately followed by a sharp contraction in 2023/24, falling to 1,421,162. The market demonstrated strong resilience by growing again in 2024/25, increasing to 1,481,461.

**Table 7: Year on year broadband subscriptions**

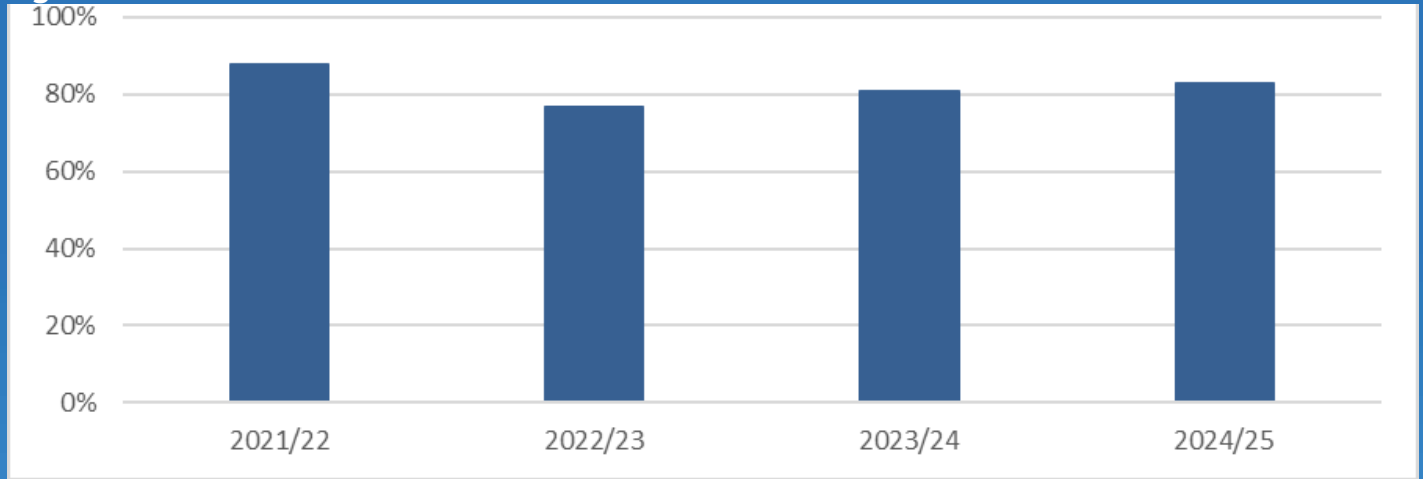
	2021/22	2022/23	2023/24	2024/25
Fixed Broadband Subscriptions	8 413	9 188	9 178	9 237
Mobile Broadband Subscriptions	1 466 624	1 538 273	1 411 984	1 472 224
Total Broadband Subscriptions	1 475 037	1 547 461	1 421 162	1 481 461

## Voice Penetration Rate

Voice penetration rate is the number of active fixed and mobile telephone users per 100 people in a country. It is calculated by dividing the number of fixed and mobile telephone subscriptions by the total population and multiplied by 100.

At the end of the financial year 2024/25, the voice penetration rate increased slightly by two percentage points, recovering from the marginal decline observed in 2023/24. Despite this modest improvement, the current rate remains five (5) percentage points lower than the 2021/22 peak (88%) signalling a gradual decline in voice service adoption over the four-year period. This is shown in Figure 15

**Figure 15: Voice Penetration Rates**

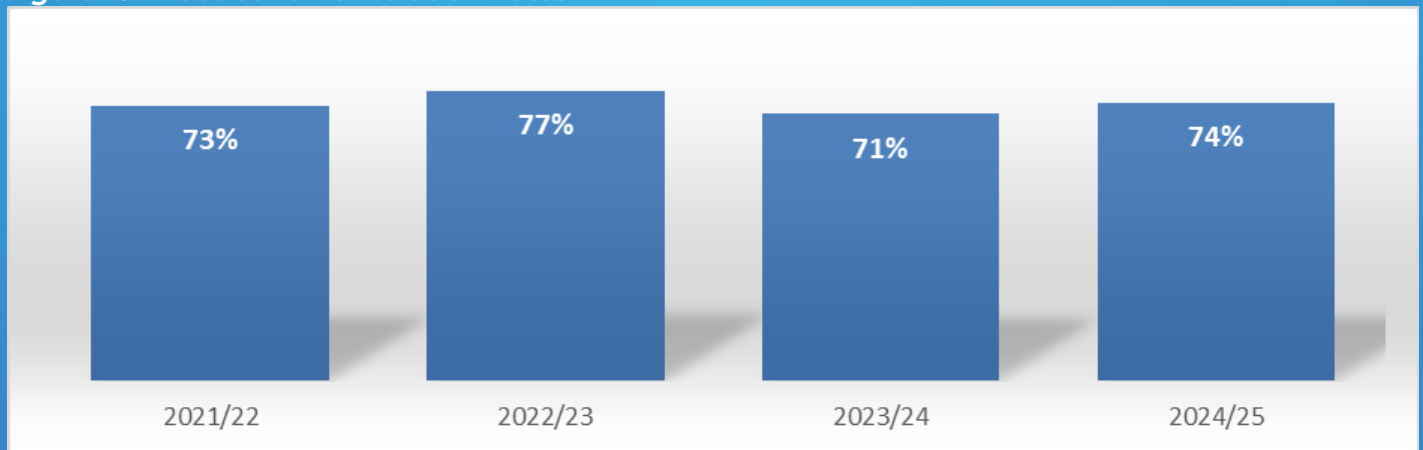


### **Broadband Penetration Rate**

Broadband penetration rate is defined as the number of active broadband users per 100 people in a country. The penetration rate is calculated by dividing the number of fixed and mobile broadband subscriptions divided by the population in a given country and this amount is multiplied by 100.

In 2024/2025, the broadband penetration rate increased by three percentage points from the 2022/23 peak which was 72%. This means that for every 100 people in Lesotho, 75 uses broadband internet.

**Figure 16: Broadband Penetration Rates**



# TECHNICAL SERVICES

## **Management of Finite Resources**

The Authority facilitates provision of communications services through the management of finite resources such as the radio frequency spectrum and numbering resources. Provision of all radio services, systems and applications, including fixed and mobile broadband, satellite systems, sound and television broadcasting, aeronautics, meteorological services, space research and amateur radio services are made possible by proper management of finite resources.

In the reporting period, the Authority assigned spectrum and numbering resources, carried out monitoring of how they were used and provided corrective measures where required. It provided associated services such as type-approval of communications equipment and management of internet domain resources.

## **Access to infrastructure and services**

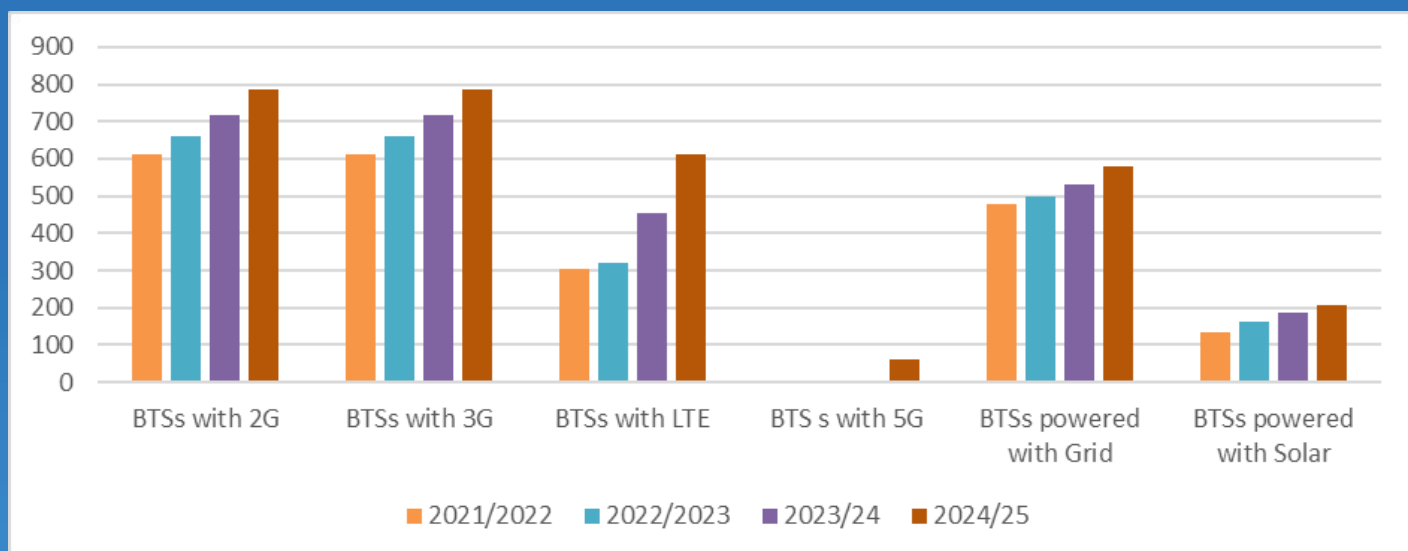
The Authority tracks the development of communications infrastructure in the country in terms of base tower stations, technologies deployed, and type of electricity power used. This data provides a picture in terms of reach and quality of access to communications services as well as the sector's compliance on green energy targets.

The number of base tower stations (BTSs) has been steadily increasing over the years, which is great news for improving communication access. As of the end of 2024/25, there were 786 stations, which is an increase from the previous year's 719. In the last 4 years, there was a total of 173 BTS's constructed.

In terms of technology, there has also been a steady increase in the number of BTS's with LTE technology, they account for 77.6% of all the BTSs. This is great news for faster and more reliable communication.

It is worth mentioning that 74% of the BTSs are powered by the grid, while 26% use solar power. This shows a commitment to using clean energy sources and reducing carbon emissions (see Figure 17).

**Figure 17: Telecommunications Infrastructure BTS**



### Numbering Resources

Numbering resources are essential to fixed and mobile interpersonal communications services, as well as to non-interpersonal machine-to-machine communications and Internet of Things connectivity services. Effective management of these limited resources is vital in order to respond to ever-growing demand from the communications sector and other communities.

In the reporting period, the Authority received 91 numbering applications comprising 21 PRMS, 46 toll-free and 24 USSD numbers. The current usage of numbers is as reflected in Table 7.

**Table 7: Usage of Numbers**

	Available Numbers (Capacity)	Utilised Blocks	Active Connections	Usage (%)
Emergencies	Currently the 2 MNOs are responsible for its assignment. The Authority is in the process of recouping it.	ETL has made a provision of 4 numbers: 112 (Police), 115 (Fire Brigade), 116 (Child help line) and 113 (Health)	112, 116 & 113	-
Fixed Services (ETL)	10 million	21	25,162	0.25
Premium Rate Message Service	10,000	Individual	79	0.79
Premium Rate Voice Services	10,000	Individual	0	0
Mobile Services (Vodacom)	10 million		1,695,927	17
Mobile Services (ETL)	10 million	62	757,021	7.57
Toll Free	10,000	Individual	72	0.72

There has been a steady usage increase of toll-free numbers from 0.48% in 2021/22 to 0.72% in 2024/25.

There is also a significant increase in usage of numbers from ETL mobile services from 5.9% in 2021/22 to 7.57% in 2024/25 whereas VCL mobile services usage declined from 28.6% in 2021/22 to 17.0% in 2024/25 resulting in a decrease of 11.6 percentage points.

There is also a notable increase of usage for ETL fixed services, from 0.19% in 2021/22 to 0.25% in 2024/25. Usage of premium rate message service has been decreasing overtime and usage of premium rate voice service has been at 0% for the past 3 years.

### Allocation of radio-frequency spectrum

The radio frequency spectrum is assigned by the Authority to the sector operators for the provision of a variety of communications services. The assignments are done in line with the Communications Act and the Spectrum Policy; on first-com- first-served basis. Covering fixed and mobile radio services, satellite systems, radio and television broadcasting, radionavigation, meteorological monitoring, space research and earth exploration, as well as amateur radio, spectrum management is of critical importance.

### FM Broadcasting Report

During the reporting period, FM sound broadcasting spectrum usage and compliance of broadcasters to the technical and licensing conditions tests were conducted. These measurements take into consideration all FM frequencies licensed in Lesotho and South African broadcasting sites located in the coordination zone. The results of the tests are summarised in tables 12a, 12b, and 12c below.

**Table 12a: Radio stations not within emission mask**

Radio Stations	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Molisa ea Molemo	YES	YES	NO	NO
Moafrika FM		NO	YES	NO

**Table 12b: Radio stations transmitting with no audio**

Quarter 1	Quarter 2	Quarter 3	Quarrter 4
Radio Lesotho (Semonkong, Popa)	Radio Lesotho (Semonkong)	Mohale FM (Berea Plateau)	Radio Lesotho (Likhoele)
Moafrika (Semonkong, Popa)	Radio Lesotho ( Mokhele - Mohaleshoek)	Moafrika (Berea Plateau)	Moafrika0 (Likhoele)
Motjoli FM (Thaba Tseka)	Motjoli FM ( Thaba Tseka)	Radio Lesotho (Hlotse)	PC FM (Likhoele)
Radio Maria (Mats'oana)	Ultimate (Mats'oana)		TK FM (Likhoele)
ACL (Mats'oana)			Jesu ke Karabo (Likhoele)
			Radio Maria (Likhoele)
			Ultimate (Likhoele)

**Table 12c : Assigned frequencies with no activity**

Quarter 1	Quarter 2	Quarter 3	Quarter 4
30 Frequencies	31 Frequencies	30 Frequencies	53 Frequencies

### **Electromagnetic Field (EMF) Safety measurements**

The Authority monitors the levels of electromagnetic field radiation by measuring cumulative radio frequency exposure levels in the vicinity of transmitting antennas on periodic basis around the country.

The purpose of the exercise is to measure the electromagnetic exposure levels emitted by base stations and to assess whether the levels of emissions are within the guidelines issued by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). The ICNIRP Guidelines on Limiting Exposure to Electromagnetic Fields aim to protect humans and the environment including climate change against adverse effects of non-ionizing radiation (NIR).

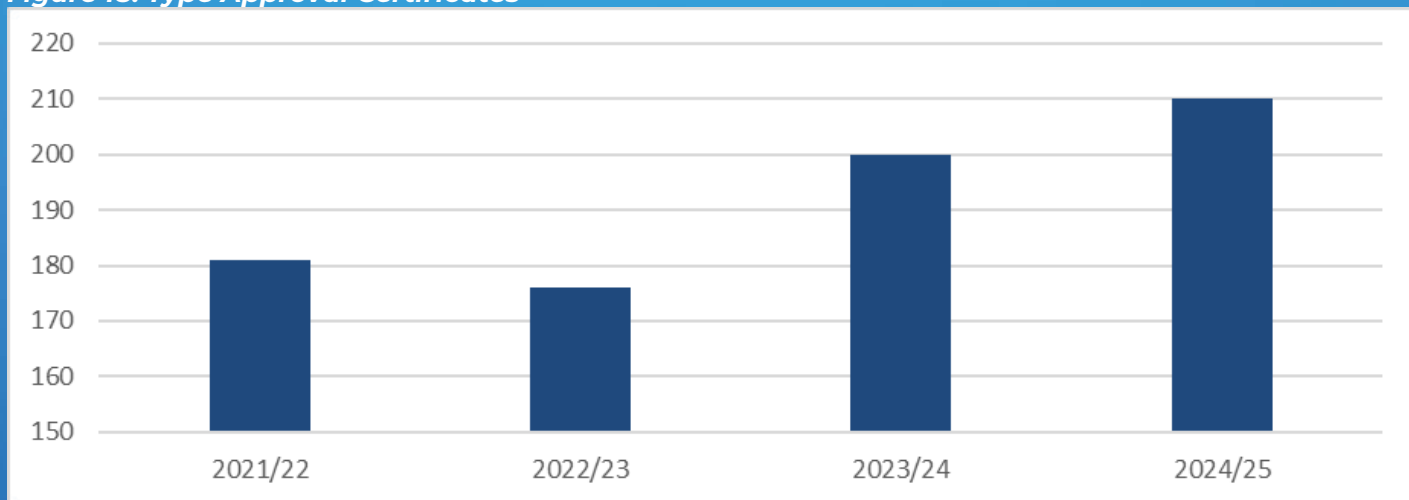
In the reporting period, electromagnetic measurements were performed in 60 base stations and all sites were found to be within the acceptable levels for the general public.

### **Type approval of Equipment**

The Authority received 210 applications for type approval of communications equipment from vendors around the world and all were registered. The number of type approval applications has been increasing over years, which signifies regulatory compliance.

The trend of Type approval certificates is shown in Figure 18.

**Figure 18: Type Approval Certificates**



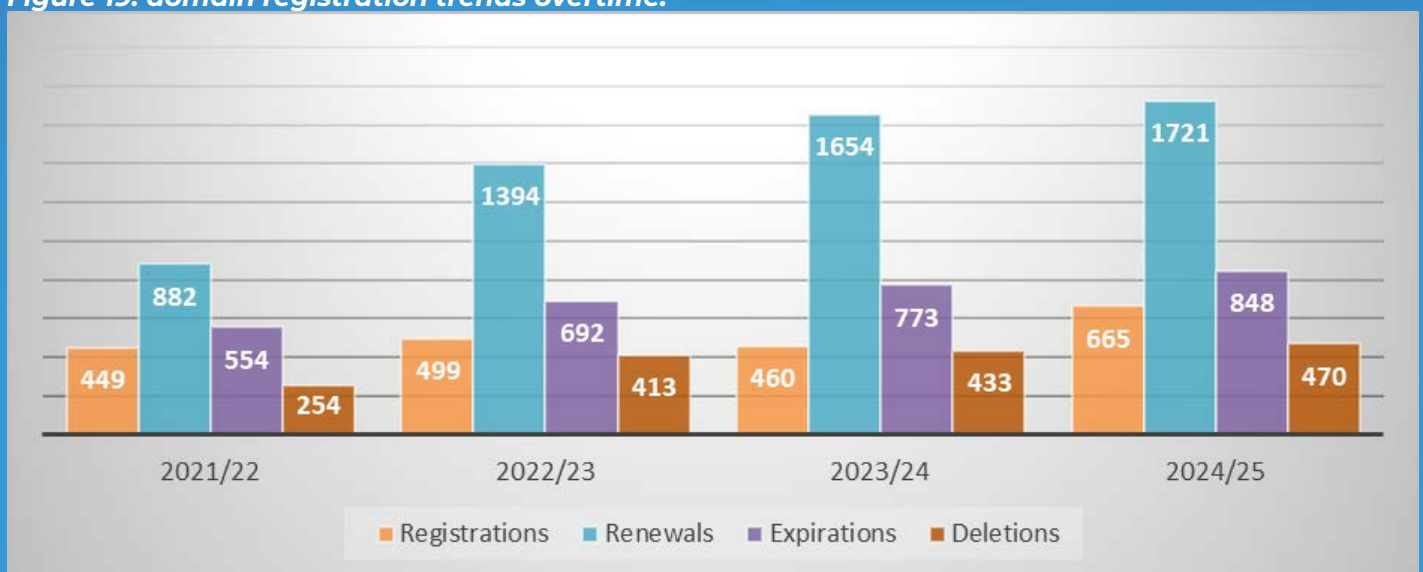
## Ensure efficient operation of the national internet critical infrastructure

The Authority manages the Lesotho Country Code Top Level Domain (ccTLD) dot ls (.ls), which is a critical national resource.

By the end of the reporting period 2024/25, the accredited registrants licensed under the category of internet service providers remained at seven (7). Zeecom and Leo remain leaders in the market, with over 1500 and 700 registrations respectively.

Inspecting from 2021/22 to 2024/25, domain registrations have shown a steady growth of 48.1%, renewals have remained relatively high at 95.1% indicating the consistent engagement from domain holders. In contrast, expirations have an upward trend of 53.1% often tied to non-renewals. This picture is illustrated in figure 19 below.

**Figure 19: domain registration trends overtime.**



Over the past four years, there has been a consistent increase in the number of registered domains. The number of domain registrations increased from 460 in 2023/24 to 665 in 2024/25 recording an annual growth of 44.6%.

However, this upward trend in domain registrations has not been matched by growth in the number of accredited registrars. During the reporting period, the number of registrars actually declined, suggesting challenges in registrar participation, accreditation or business sustainability. This divergence indicates that while demand for domain registration is rising, the support infrastructure may need strengthening to maintain healthy competition and service levels.

## Conclusion

In conclusion, the 2024/25 year was marked by substantial progress: the Authority achieved near-complete implementation of its operational plans, delivered major strategic initiatives and observed growth in key sectors such as broadcasting and internet domain registrations. At the same time, the Authority has also identified areas of improvement.

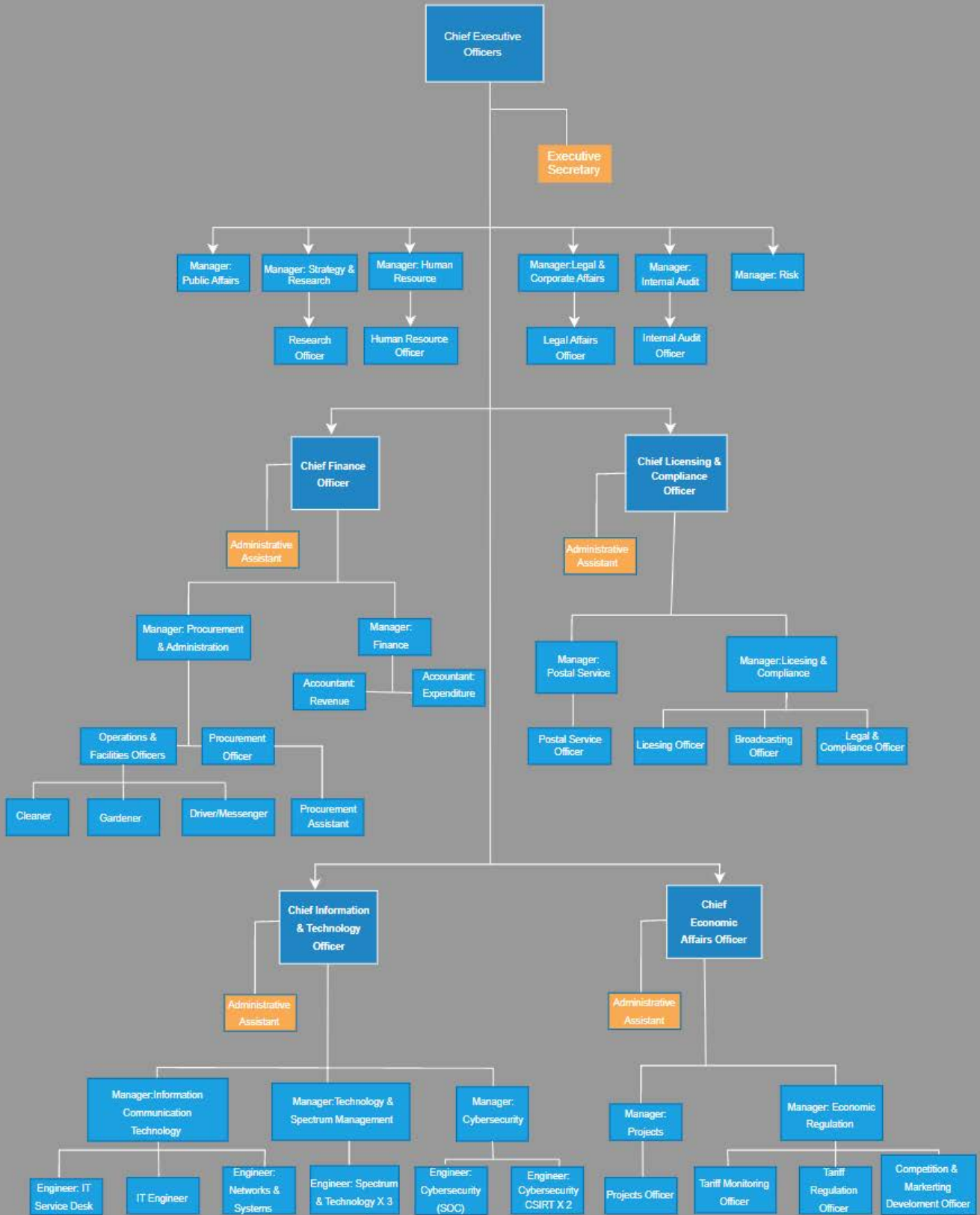
Looking ahead the Authority remains committed to:

- Enhancing consumer protection and service quality across all licensees;
- Streamlining regulatory processes, particularly in licensing and tariff approvals to match sector growth; and
- Investing in staff capability, operational tools and technology to better monitor performance, enforce standards and adapt to emerging sector trends.

We thank all our stakeholders, licensees, partners, government and consumers for their continued support. With our strategic plan as our guide, and the lessons of this past year in hand, we are confident in our ability to deliver sustainable growth, innovation, and value for all in the coming year.

# APPENDIX 1: LCA ORGANOGRAM

## LCA ORGANISATIONAL STRUCTURE





**AUDIT REPORT  
ON THE  
ANNUAL FINANCIAL STATEMENTS  
OF**

**LESOTHO COMMUNICATIONS AUTHORITY  
FOR THE YEAR ENDED 31 MARCH 2025**

**AUDITOR GENERAL  
P.O. BOX 502  
MASERU 100  
LESOTHO**



**LESOTHO COMMUNICATIONS AUTHORITY**

**STATUTORY FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2025**

**STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Approval & Statement of Responsibility....	3
Board of Directors and Other General Information	4-5
Report of the Auditor General	6- 8
Statement of Financial Position	9
Statement of Profit or Loss and Other Comprehensive Income ...	10
Statement of Cash Flows	11
Statement of Changes in Equity	12
Significant Accounting Policies	13-21
Notes to Financial statements	22– 32

**LESOTHO COMMUNICATIONS AUTHORITY**  
**STATUTORY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**  
**DIRECTORS APPROVAL AND STATEMENT OF RESPONSIBILITY**

The Communications Act No.4 of 2012 requires the Authority to prepare statutory financial statements for each financial year that presents a true and fair reflection of the state of its affairs at the end of each financial year. The Board is responsible for taking such steps that are reasonably open to it to safeguard the assets of the Authority, prevent and detect fraud and other irregularities.

The Board appreciates that in preparing the statutory financial statements for the year ended 31 March 2025 set out on pages 9-33, the Authority has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Board also considers that all applicable International Financial Reporting Standards (IFRS) have been followed and confirms that the statutory financial statements have been prepared on the going concern basis.

The Board reviewed the Authority's cash flow statement for the year ended 31 March 2025, and, in light of this review and the current financial position, it is satisfied that the Authority has adequate resources to continue in operational existence for the foreseeable future.

The auditors' responsibilities are stated in their report on pages 6 to 8.

The Board acknowledges that it is ultimately responsible for the system of internal controls and places considerable importance on maintaining a strong control environment. To enable management to meet these responsibilities, the Board sets internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The controls include proper delegation of responsibilities, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.


Based on the information and explanations supplied by management, the Board is of the opinion that the system of internal controls provides reasonable assurance that the financial records can be relied on for the preparation of the statutory financial statements.

Against this background, the statutory financial statements set out on pages 9-33 which are stated in Maloti, have been approved and authorised for issue on the 10 November 2025 by the Board and signed on its behalf by:



---

**CHAIRMAN**



---

**CHIEF EXECUTIVE OFFICER**

**LESOTHO COMMUNICATIONS AUTHORITY STATUTORY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**1. Board of Directors**

In terms of the Communications Act No.4 of 2012, the Board shall consist of the Chairman and five other members appointed by the Minister. The Chief Executive Officer shall be an ex-officio member. During the period under review, Board of Directors consisted of the following:

<b>Name</b>	<b>Position</b>	<b>Period</b>
Ms. Puleng Lebitsa	Chairman (Non -Executive Director)	01 July 2021 to 30 June 2024
Ms. Mafelile Molala	Acting Chairman (Non-Executive Director)	01 July 2024 to 31 October 2024
Ms. Keneuoe Mohale	Non-Executive Director	08 October 2021 to 7 October 2024
Mr. Realeboha Makamane	Non-Executive Director	01 April 2024 to present
Mr. Matsela Matsela	Non-Executive Director	08 October 2021 to 7 October 2024
Mr. Lesekele Makara	Non-Executive Director	01 March 2022 to 28 February 2025
Mr. Lesekele Makara	Non-Executive Director	03 March 2025 to present
Ms. Mafelile Molala	Non-Executive Director	08 October 2021 to 07 October 2024
Mr. Nizam Goolam	Chief Executive Officer (EX-Officio)	01 July 2023 to present
DR. Lerato Lerato	Chairman (Non-Executive Director)	01 November 2024 to Present
Mr. Teboho Nthejane	Non-Executive Director	01 November 2024 to Present
DR. Lehlohonolo Mohasi	Non-Executive Director	01 November 2024 to Present
Ms. Marethabile Rapapa	Non-Executive Director	01 January 2025 to Present

**2. Secretary**

Mr. Lefu Mothibeli

**3. Disclosure of Interest**

The Authority is a government regulatory agency for the communications sector with no shareholding. The Board of Directors do not hold any financial interest in the Authority.

#### **4. Auditors' Appointment**

In terms of the aforesaid Act, the Auditor General is the Auditor of the Authority and can appoint an independent and qualified auditing firm to audit the annual statutory financial statements of the Authority.

**During the period under review, PKF Lesotho has been appointed by the Office of Auditor General to audit Authority's Statutory Financial Statement.**

#### **5. Authority's Corporate Mandate**

The Lesotho Communications Authority (LCA) is a statutory body, established in June 2000, with the mandate of regulating the Communications Sector In Lesotho. This mandate entails: granting of licences to operators, promoting fair competition, approving tariffs, managing the radio frequency spectrum, empowering and protecting consumers, type approving terminal equipment and other related responsibilities.

#### **6. Authority's Physical Address and other information**

30 Princess Margaret Road  
Old Europa Maseru  
Maseru 100  
Lesotho

**Country of Establishment and Domicile:** Lesotho

**Nature of Business and Principal Activities:** Regulation of Communications Sector in Lesotho

**Legal Office:**

LCA Office Complex  
30 Princess Margaret Road

**Bankers:**

Nedbank Lesotho Limited

**Auditors:**

Office of Auditor General Lesotho  
4<sup>th</sup> Floor Finance House  
High Court Road  
Maseru 100

If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed. My opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Communications Act, 2012, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISSAI, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- b) Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal controls.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

  
\_\_\_\_\_  
**MATHABO GAIL MAKENETE (MS.)**  
**AUDITOR-GENERAL**

**Date: 10<sup>th</sup> December 2025**

**LESOTHO COMMUNICATIONS AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025**

	Notes	31.03.25 Maloti	31.03.24 Maloti
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>225,412,477</b>	<b>235,501,623</b>
Property, Plant & Equipment	9	124,011,733	129,166,214
Right of use assets	9	156,861	366,010
Investment in WIOCC	11	3,615,100	3,615,100
<b>Intangible Assets</b>			
WIOCC Capacity-Lesotho Portion	10	97,628,783	102,354,299
<b>Current Assets</b>		<b>161,816,424</b>	<b>151,076,376</b>
Trade and other receivables	12	9,935,697	21,956,410
Cash and cash equivalents	13	151,880,726	129,119,966
<b>Total Assets</b>		<b>387,228,900</b>	<b>386,577,999</b>
<b>Funds</b>		<b>276,125,738</b>	<b>256,109,644</b>
Capital Reserve	14	2,331,822	2,331,822
Revaluation Surplus	28	30,008,115	30,008,115
Accumulated Fund	15	243,785,801	223,769,707
<b>Non-Current Liabilities</b>		<b>24,948,621</b>	<b>30,769,113</b>
Capital Grant	16	482,020	964,034
Deferred Income	17	7,447,079	7,966,663
Loan for LCA Office Complex	18	11,569,360	16,388,254
Deferred Tax	31	5,450,162	5,450,162
<b>Current Liabilities</b>		<b>86,154,541</b>	<b>99,699,242</b>
Trade and other payables	19	29,650,467	37,186,632
USF Reserve Fund	24	9,861,392	12,796,919
Capital Grant	16	482,020	482,020
Provisions	28	5,624,128	12,630,725
Corporate tax	29	40,536,534	36,602,945
<b>Total Funds and Liabilities</b>		<b>387,228,900</b>	<b>386,577,999</b>

**LESOTHO COMMUNICATIONS AUTHORITY**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	31.03.25 Maloti	31.03.24 Maloti
<b>Revenue</b>		<b>121,331,259</b>	<b>113,657,120</b>
Regulatory fees	2	116,375,078	106,560,580
Other income	3	4,020,962	6,228,378
Amortisation of capital grant	4	482,013	482,013
Registry income	5	453,205	386,150
<b>Expenditure</b>		<b>110,063,242</b>	<b>101,853,166</b>
Staff costs	7	57,686,250	52,399,521
Depreciation	9	10,935,433	10,729,505
Directors emoluments	30	1,301,131	1,715,002
External audit fees	6	100,525	79,430
Other administrative costs	8	40,039,903	36,929,707
<b>Surplus/(Deficit) before finance income</b>		<b>11,268,017</b>	<b>11,803,955</b>
Finance income	32	5,980,133	4,074,247
Finance Costs	34	1,344,521	1,763,862
<b>Surplus/(deficit) after finance income</b>		<b>15,903,630</b>	<b>14,114,340</b>
Corporate tax	29	3,975,907	3,528,585
<b>Surplus/(Deficit) after tax</b>		<b>11,927,722</b>	<b>10,585,755</b>
Transfer to USF	24	2,981,931	2,646,439
<b>Surplus/(deficit) for the year</b>		<b>8,945,792</b>	<b>7,939,316</b>
<b>Other Comprehensive Income (OCI)</b>			
Gain/Loss on translation of WIOCC investment	31	4,725,517	3,284,626
Deferred tax on OCI	31	-	821,157
<b>Other Comprehensive Income (OCI)</b>		<b>-</b>	<b>4,005,783</b>
<b>Total comprehensive Surplus/(deficit) for the year</b>		<b>4,220,275</b>	<b>10,402,786</b>

**LESOTHO COMMUNICATIONS AUTHORITY**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	31.03.25 Maloti	31.03.24 Maloti
<b>Cash flow from operations</b>			
<b>Surplus(deficit) for the year</b>		<b>8,945,792</b>	<b>7,939,316</b>
<b>Comprehensive Surplus/(deficit)for the year</b>		<b>- 4,725,517</b>	<b>2,463,470.00</b>
<b>Adjustment for non cash items</b>			
(Gain)/loss on translation of investment in WIOCC	31	4,725,517 -	3,284,626
Deferred tax	31	-	821,157
(Gain) or loss on disposal of fixed assets	33	1,785 -	483,125
Prior year adjustments	20	15,795,819 -	8,555,479
Depreciation	9	10,935,433	10,729,505
Prior year depreciation adjustment		40,058 -	1,220
Amortisation of capital grant	4	- 482,013 -	482,013
<b>Working capital changes</b>			
(Increase)/decrease in receivables	37	12,020,713 -	13,848,640
Increase/(decrease) in payables	35	- 13,544,701	24,773,434
<b>Net cash inflows/outflow from operating activities</b>		<b>33,712,885</b>	<b>20,071,779</b>
<b>Investing activities</b>			
Purchase of plant,property and equipment	9	- 5,642,680 -	11,343,841
Proceeds on sale of assets	36	29,034	719,904
<b>Net cash flows from investing activities</b>		<b>- 5,613,646 -</b>	<b>10,623,937</b>
<b>Financing activities</b>			
Initial licence fees	17	- 519,583 -	519,583
Repayment of building loan	18	- 4,818,894 -	4,391,302
<b>Net cash flows from financing activities</b>		<b>- 5,338,478 -</b>	<b>4,910,885</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>22,760,760</b>	<b>4,536,954</b>
<b>Cash and cash equivalents at the begininig of the year</b>		<b>129,119,966</b>	<b>124,583,012</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>151,880,726</b>	<b>129,119,966</b>

**LESOTHO COMMUNICATIONS AUTHORITY**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025**

	Notes	Capital Fund	Revaluation surplus	Accumulated Fund
		Maloti	Maloti	Maloti
Balance as at 31/03/2023		2,331,822	-	221,922,400
Prior year adjustments		-	-	8,555,479
Comprehensive Surplus/(deficit) for the year		-	-	10,402,786
Balance as at 31/03/2024		2,331,822	30,008,115	223,769,707
Prior year adjustments	20	-	-	15,795,819
Comprehensive Surplus/(deficit) for the year		-	-	4,220,275
Revaluation surplus for the year		-	-	-
Balance as at 31/03/2025		2,331,822	30,008,115	243,785,801

**LESOTHO COMMUNICATIONS AUTHORITY**  
**SIGNIFICANT ACCOUNTING POLICIES TO THE STATUTORY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**1. Reporting Entity**

Lesotho Communications Authority (LCA) is the statutory body, established in June 2000, with the mandate of regulating the communications sector in Lesotho.

**2. Presentation of annual financial statements**

The financial statements represent the Authority's **statutory financial statements**. **The statutory financial statements have been prepared in all material respect** in line with International Financial Reporting Standards (IFRSs) and the Communications Act No. 4 of 2012.

The statutory financial statements have been prepared on historical cost basis except where otherwise stated and incorporate the principal accounting policies of the Authority, which are set out below. These accounting policies are consistent with the previous financial year except where otherwise stated. The statutory financial statements are presented and rounded to the nearest Maloti which is the functional currency.

**2.1 Basis of preparation**

The statutory financial statements are prepared on a going concern basis and the historical cost basis except for financial assets, which are stated at fair values and incorporate the principal accounting policies, set out below:

The preparation of statutory financial statements is in accordance with IFRSs which require the use of certain accounting estimates and assumptions.

**2.2 Statement of compliance**

The statutory financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB"), interpretations issued by the International Financial Reporting Standards Committee and in a manner required by the Communications Act No. 4 of 2012.

**2.3 Changes in accounting policies**

Paragraph 30 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, requires the Authority to disclose if there are new accounting standards that are issued but not yet effective, and information relevant to assess the possible impact that the application of the new accounting standard will have on Authority's financial statements. Below is a summary of new accounting standards and amendments issued before 31 March 2025 with an effective date for accounting periods beginning on or after 1 April 2024:

**2.3.1 New and revised standards and interpretations effective in the current period-Adopted**

During the financial year, the following new standards and interpretations became effective and the Authority adopted them to comply with amendments to IFRS.

#### **2.3.1.1 Amendment to IFRS 16-Leases on sale and leaseback**

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

#### **2.3.1.2 Amendment to IAS 1 -Noncurrent liabilities with covenants (Presentation of financial statements)**

The International Accounting Standard Board has issued 'classification of Liabilities as current or non-current (Amendments to IAS 1) 'providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendment affects only presentation of liabilities in the statement of financial position not the amount or timing of recognition of any asset or liability or expenses. The Authority classified its liabilities as current or non-current based on the rights which were in existence as at 31<sup>st</sup> March 2025. These amendments clarify how conditions which the Authority must comply with within twelve (12) after the reporting period affects classification of a liability.

#### **2.3.1.3 Amendment to IAS 7 and IFRS7-Supplier finance**

These amendments require disclosure to enhance the transparency of supplier finance arrangements and their effects on the Authority's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investor's concerns that some entities' supplier finance arrangements are not sufficiently visible, hindering investor's analysis. The Authority did not have any supplier finance arrangements as at 31 March 2025.

#### **2.3.1.4 Amendment to IAS 21-Lack of exchangeability**

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

#### **2.3.1.5 IFRS S1 General requirements for disclosure of sustainability related financial information**

IFRS S1 was effective from January 2024 and mandates the Authority to disclose its governance processes, controls and procedures for overseeing sustainability related risks and opportunities. The Authority has established Finance, Audit and Risk (FRAC) Committee of the board. FRAC provides oversight and guidance to the board of directors on financial reporting, internal controls and risk management practices. The Committee helps the board to ensure the effectiveness of risk management. The Authority has developed risk management framework as well risk management

policy. The policy provides guidance on identification, assessment and risk management, whereas the framework includes various tools and processes to support decision making and risk management. As at 31 March 2025, The Authority had pending legal matters namely LCA vs GVG and LCA vs Fraser Solar. **The Related information has been disclosed on note 23.**

#### **2.3.1.6 IFRS S2 Climate related disclosures**

IFRS S2 was effective from January 2024 and mandates the Authority to disclose information about its climate related risks and opportunities that could reasonably be expected to affect its cash flows and access to finance. The Authority did not have material climate risks and opportunities for disclosure as at 31 March 2025.

### **2.3.2 Standards issued but not yet effective**

#### **2.3.2.1 IFRS 18 Presentation and disclosures in Financial Statements**

IFRS 18 will be effective for annual reports beginning on or after 1 January 2027. The Standard sets out overall requirements for the presentation and disclosure in financial statements. The Standard will require the Authority to present a complete set of financial statements at least annually, with comparative amounts for the preceding financial year. It replaces IAS 1 Presentation of Financial Statements. The IASB did not reconsider all aspects of IAS1 when developing IFRS 18, but instead focused on the statement of profit or loss. IFRS 18 aims to improve financial reporting by:

- 1) Requiring an entity to present two new subtotals in the statement of profit or loss, which are operating profit and profit before financing and income taxes.
- 2) Requiring an entity to disclose management defined performance measures which includes subtotals of income and expenses not specified by IFRS Accounting Standards that are used in public communications to communicate management's view of an aspect of an entity's financial performance.
- 3) Adding new principles for aggregation and disaggregation of items of statement of profit or loss.

#### **2.3.2.2 IFRS 19 Subsidiaries without Public Accountability**

IFRS 19 will be effective for annual reporting period beginning on or after 1 January 2027. The objective of the Standard is to specify the disclosure requirements a qualifying entity will apply instead of the disclosure requirements in other IFRS Accounting Standards. An entity electing to apply IFRS 19 will apply the requirements in other IFRS Accounting Standards, with exemption to the disclosure requirements of those Standards. The Standard is not applicable to the Authority.

### **3. Related parties**

Government of Lesotho, state-owned entities, Government departments (including Minister of Communications) and key management personnel (directors of the Authority and chief executive officer) are considered as being related parties to the Authority. The Government of Lesotho is a related party since the Authority is government regulatory agency for the communications sector with no shareholding. Significant management judgement is required to determine as to who qualifies as a related party, based on the type of the relationship especially on entities which are controlled by the Government of Lesotho. Note 38 provides additional information on related parties.

The income from the related parties has been quantified based on the information available on note 38.

**Members of the board are related parties and have been listed on page 4.**

### **3.1 Members of key Management**

Key management are executives having authority and responsibility for planning, directing, and managing the activities of the Authority. Key management personnel have been listed below:

- Mr. Nizam Golam (Chief Executive Officer)
- Mr. Mangangole Tsikinyane (Chief Financial Officer)
- Mr. Thato Ponya (Chief Regulatory and Compliance Officer)
- Mrs. Nozaba Sopeng (Chief Economic Affairs Officer)
- Mr. Molupe Molupe (Chief Information and Technology Officer)

## **4 Significant Accounting Policies**

### **4.1 IFRS 9 Financial Instruments**

IFRS 9 requires the Authority to recognize a financial asset or liability in its statement of financial position when it becomes a party to the contractual provision of the instrument. At initial recognition, the Authority measures financial asset or liability at fair value plus or minus, in case of a financial assets or financial liability not at fair value through profit and loss, transactions costs that are directly related to the acquisition or issue of the financial assets or financial liability.

The Authority classifies and measures financial assets at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

### **4.2 Investment property**

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

Investment property is initially recognized at cost. Transaction costs are included in the initial measurement. Costs include initial and subsequent costs incurred for replacement.

Subsequent to initial measurement investment property is measured at fair value. Again, or loss arising from a change in fair value is included in the net deficit in the period in which it arises. It is worth noting that the Authority leased part of its building to EGPAF. However, as per IAS 40, if the owner uses part of the property for its own use, and other part to earn rentals or for capital appreciation, and the portions can be sold or leased out separately, they are accounted for separately. Therefore, the part that is rented out is an investment property, If the portion cannot be sold, the property is investment property only if the owner-occupied portion is insignificant. It is

against this background that the building rented out to EGPAF is not treated as an investment property since the owner-occupied portion is significant.

### 4.3 Significant judgements

In preparation of financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. It also requires management to exercise its judgement in applying the Authority's accounting policies. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in future could differ from these estimates.

### 4.5 Valuation of property, plant and equipment

The estimated useful lives of property, plant and equipment which are translated into depreciation rates are shown in these statutory financial statements. These rates, residual values and possible impairment are reviewed annually.

### 4.5 Provision for impairment of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to recover amounts due according to the Financial and Procedural Rules of the Authority which are translated into terms of receivables. The calculation of the provision amount for impairment of receivables requires the use of estimates and judgements. During the financial year 2024/25, the Authority has recognized the loss allowance for expected credit losses. The Authority has applied 12 months expected credit losses as shown on below provision matrix.

	Low Risk Receivables			High Risk Receivables					
	Probability of Default	Loss Given Default	Loss allowance	Balance as at 31/03/2025	Loss Given Default	Probability of Default	Loss allowance	Balance as at 31/03/2025	Total loss allowance
Current	0.01	0.01	6.14	61,368.05	0.02	0.02	1.20	3,000.00	7.34
1-30 Days	0.01	0.01	-	-	0.02	0.02	-	0.00	-
31-60 Days	0.05	0.05	50.74	20,295.12	0.10	0.10	-	0.00	50.74
61-90 Days	0.10	0.10	-	-	0.20	0.20	-	0.00	-
Over 90 Days	0.20	0.20	174,225.81	4,355,645.37	0.30	0.30	136,569.32	1,517,436.89	310,795.13
Total			174,282.69	4,437,308.54			136,570.52	1,520,436.89	310,853.21

### 4.6 Contingent liabilities

Management applies its judgement to the facts it receives from advisors and third parties in assessing if an obligation is probable, more likely or remote. Judgement is used to determine if the obligation is recognized as a liability or disclosed as a contingent liability.

### 4.7 Deferred tax assets and liabilities

A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible difference can be utilized. A deferred tax asset is not recognized when it arises from the initial recognition of an asset or

liability in a transaction at the time of the transaction, affect neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognized for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the used tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or liability is settled, based on tax rates that have been enacted by the end of the reporting period.

#### **4.6 Tax expenses**

Current and deferred taxes are recognized as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from a transaction or event which is recognized, in the same or different periods, to other comprehensive income. Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that were credited or charged, in the same or different period, directly to equity.

#### **4.7 Recognition of assets and liabilities**

Assets are recognized if it is probable that future economic benefits associated with the asset will flow to the Authority and the cost or fair value can be measured reliably.

Liabilities are only recognized if it is probable that future economic benefits associated with the liability will flow from the Authority and the cost or fair value can be measured reliably.

#### **4.8 De-recognition of assets and liabilities**

Financial assets are de-recognized when the contractual rights to receive the cash flows have been transferred or have expired or when substantially all the risks and rewards of ownership have passed.

All other assets are de-recognized on disposal or when no future economic benefits are expected from their use.

Financial liabilities are derecognized when the relevant obligation has either been discharged, cancelled or has expired.

#### **4.9 Property, Plant and Equipment**

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and adjustment for any impairment losses where applicable. Depreciation is calculated on straight – line basis from the time the property, plant and equipment are available for use, so as to write off their cost over their expected useful lives, considering their residual values.

The following annual rates are used:

Item	Average useful life
------	---------------------

Office Equipment	5 years
Computer Equipment	3 years
Monitoring Equipment	6 years
Motor Vehicles	4 years
Office Furniture	5 years
Buildings	20 years
Land (not a depreciable asset)	Indefinite
Mobile Handsets	2 years

Consumable items are written off in the period of purchase.

Repairs and maintenance are charged to the statement of profit and loss in the period in which they are incurred.

#### **4.10 Impairment of Non-Current Assets**

The Authority assesses at each financial year end as to whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss is recognized in the statement of profit or loss immediately. The recoverable amount of the intangible assets with indefinite useful lives, intangible assets not available for use and goodwill acquired in a business combination are assessed each year in line with IAS 36. The recoverable amount of other assets is assessed only when there is an indication that the asset may be impaired.

#### **4.11 Foreign Currency Translation**

Transactions in foreign currencies are translated to Maloti at the spot rate (foreign exchange rate ruling at the date of the transaction). All exchange gains and losses arising on translation are dealt with in the income statement.

#### **4.12 Financial Instruments**

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

Initial measurement of financial instruments is at cost, which includes transaction costs. Subsequent measurement of the different classes of financial instruments are dealt with below.

##### **4.12.1 Financial assets**

The principal financial assets are cash and bank balances, trade and other receivables. These assets are originated by the enterprise and are accounted for at trade date.

##### **4.12.2 Financial Liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into. The principal financial liabilities are trade and other payables.

#### **5. Trade and other receivables**

Trade and other receivables originated by the Authority are stated at fair value of consideration receivable less impairment for trade receivables if any. A provision for impairment of trade receivables is established when there is objective evidence that the Authority will not be able to recover all amounts due according to the rules of the Authority which are translated into terms of receivables.

#### **6. Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at 24-hour call with the banks. Cash and cash equivalents are measured at fair value.

#### **7. Trade and other payables**

Trade and other payables are stated at their fair values.

#### **8. Employee Benefits**

The Authority operates a defined contribution pension scheme for its eligible employees. The pension contributions on behalf of its employees are charged to the statement of comprehensive income. The Authority contributes 10.58% of each member's pensionable salary for permanent staff and a 6.04% of each member's pensionable salary for contract employees to a defined contribution fund. The fund is administered by Metropolitan Employee Benefits Scheme.

Terminal gratuities are provided for contract employees as per the terms of their respective employment contracts and 12% for permanent staff.

Severance pay is payable on termination of employment according to the Lesotho Labour Code and it is provided for on an annual basis.

#### **9. Provisions**

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, when it is probable that outflow of resources embodying economic benefits will be required to settle the obligation, and reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for estimated leave liability according to the Human Resources Rules of the Authority.

#### **10. Revenue Recognition**

IASB issued IFRS 15 (revenue from contracts with customers) and the standard was effective from 1 January 2018. IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from contract with a customer. Applying IFRS 15, an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. To achieve the core principle of IFRS 15, an entity is required to apply the following 5 steps:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations

- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

### **10.1 Regulatory Fees**

Regulatory fees comprise service and radio frequency spectrum license fees charged to communications service providers. Initial fees charged in relation to the issuance of new license are recognized as deferred income and are transferred to the income and expenditure on the basis of matching them with related costs over the licence period. Annual service and systems licence fees which are recognized in the period to which they relate. Other annual licence fees are charged as a percentage of the Net Operating Income of a network operator. The basis of the fees is the LCA (Licensing Fees) Rules, 2023.

### **10.2 Registry Income**

Registry income refers to domain's registrations, accreditations and renewal fees charged to accredited registrars in Lesotho. The fees are recognized in the period to which they relate.

### **10.3 Interest income**

Interest is recognized on a time proportion basis considering the effective yield on the financial asset.

### **10.4 Government grants**

Revenue grants are recognized as income in the year in which they have been received. Capital grants are recognized as deferred credit and are recognized in the statement of comprehensive income in order to match them with the related costs for which the grants are intended to cover. They are amortized over the useful lives of assets.

## **11. Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under the operating leases are charged to the income statement on a contracted amounts basis over the period of the lease. The IFRS 16-Leases has made significant changes to the way in which leasing transactions are reported in the financial statements of leases. As a result, lessees are required to recognize right of use assets in their financial statements. **However, IFRS 16, states that for short-term leases, the Lessee can elect to recognize the lease rentals as an expense over the lease term, rather than recognizing the right of use asset or liability.**

## **12. Borrowing costs**

Borrowing costs are dealt with in the statement of comprehensive income in the period in which they are incurred. Unless they are directly attributable to the acquisition, construction or production of a qualifying asset in which case they are capitalized in line with IAS 23 Borrowing Costs.

### **Note 1. Comparative Figures**

Figures for the previous year have been stated on the second column to allow for ease of comparison with the current year in line with IAS 1 (presentation of financial statements) and where either in the current or previous year there were no figures a minus (-) sign has been shown.

**LESOTHO COMMUNICATIONS AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

<b>Note 2.Regulatory fees</b>	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Application fees	207,300	291,645
Licence fees	9,111,847	10,308,954
Spectrum fees	43,638,866	36,111,120
Annual Licence fees	63,417,065	59,848,860
	<b>116,375,078</b>	<b>106,560,580</b>

<b>Note 3.Other Income</b>		
Rental income	4,019,562	3,670,253
Penalty fees	-	57,000
Out of court settlement-VCL licence revocation	-	2,000,000
Payment for stolen grass cutting machine	1400	13,319
Refund from CRASA for registration fee	-	4,680
Gain on disposal of fixed assets	-	483,125
	<b>4,020,962</b>	<b>6,228,378</b>

**Note 5. Registry Income**

Registry income refers to domain's registrations, accreditations and renewal fees charged to accredited registrars in Lesotho. The fees are recognized in the period to which they relate.

**Note 6. Audit Fees**

These represents the external audit fees incurred during the financial year for services performed by the office of the Auditor General.

**LESOTHO COMMUNICATIONS AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
<b>Note 7. Staff costs</b>		
Salaries	31,978,139	28,481,076
Allowances	12,531,001	11,403,111
Pension	2,432,861	2,194,263
Severance pay	804,416	750,270
Leave pay	245,329	334,980
Medical aid	2,828,113	2,531,251
Gratuity	4,700,449	4,212,774
Staff refreshments & welfare	746,307	1,463,274
Sports & Recreation	383,565	-
Staff cellphone airtime	810,700	827,650
Fringe benefit tax	197,817	173,863
Staff Uniform	27,554	-
Housing	-	27,010
	<b>57,686,250</b>	<b>52,399,521</b>

**LESOTHO COMMUNICATIONS AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
<b>Note 8. Other administrative costs</b>		
Bank charges	107,444	200,778
Communication	1,289,754	1,044,432
Postage	21,240	32,980
Stationery	219,063	243,012
Repairs and maintenance	110,653	137,924
Software licenses	1,804,402	1,291,813
Operation and maintenance(WIOCC)	4,210,714	4,237,538
Water and electricity	972,240	753,227
Repairs and maintenance-Building	1,550,785	1,857,331
Ground Rent and Property rates	1,884,735	1,909,287
Insurance	1,150,268	1,693,711
Station maintenance	1,742,926	2,705,207
Dispute resolution fees	227,866	-
Books and journals	14,231	14,311
Fuel	168,688	188,862
Vehicle maintenance	221,477	116,731
Subscriptions	1,790,613	2,717,502
Travel and accomodation	6,440,540	5,919,663
Subsistance allowance	129,912	103,103
Staff training	1,666,518	709,399
Business entertainment	62,960	33,584
Cleaning and security	1,819,108	1,859,868
Public relations	7,062,797	2,815,292
Advertisements	397,584	439,598
Bad debts	34,000	-
Consultancy fees	1,096,339	37,384
Board expenses	1,489,187	671,896
Legal expenses	3,637,405	3,795,356
Research	-	201,362
Donations	59,713	86,306
Loss on disposal of fixed assets	1,785	-
Gazettes	11,233	14,812
Impairment of trade receivables(ECL)	1,361,537	1,097,439
Loss on foreign transactions	5,261	-
	<b>40,039,903</b>	<b>36,929,707</b>

LESOTHO COMMUNICATIONS AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025  
 Note 9. Plant, Property and Equipment

	Cost at 31.03.24		Additions Revaluations		Disposal 31.03.25		Cost at 31.03.24		Dep'n at 31.03.24		Disposal		Revaluations this year		Dep'n at 31.03.25 NBV at 31.03.24		NBV 31.03.25	
	Maloti		Maloti		Maloti		Maloti		Maloti		Maloti		Maloti		Maloti		Maloti	
Registry Computer Equipment	284,569	-	-	-	-	-	284,569	256,112	-	-	-	-	-	-	256,112	28,457	-	28,457
Registry Fixtures & Fittings	373,815	-	-	-	-	-	373,815	336,434	-	-	-	-	-	-	336,434	37,381	-	37,381
Office Equipment	864,728	16,374	-	-	52,121	-	828,981	557,310	47,514	-	-	-	74,865	584,662	307,418	-	244,319	
Computer Equipment	10,790,169	4,504,508	-	-	-	-	15,294,676	6,303,309	-	-	-	-	2,317,488	8,620,797	4,486,860	-	6,673,879	
Motor Vehicles	4,520,504	-	-	-	-	-	4,520,504	2,260,642	-	-	-	-	512,494	2,773,136	2,259,862	-	1,747,368	
Office Furniture	4,059,279	387,605	-	-	262,116	-	4,184,769	3,416,147	235,904	-	-	-	99,231	3,279,474	643,132	-	905,295	
LCA Land & Buildings	115,931,635	-	-	-	-	-	115,931,635	4,863,055	-	-	-	-	3,242,036	8,105,091	111,068,580	-	107,826,544	
Monitoring Equipment	38,943,165	-	-	-	-	-	38,943,165	29,705,953	-	-	-	-	4,301,367	34,007,320	9,237,212	-	4,935,845	
Mobile Handsets	437,720	-	-	-	-	-	437,720	163,828	-	-	-	-	218,860	382,688	273,892	-	55,032	
Construction WIP Assets*	823,419	734,193	-	-	-	-	1,557,612	-	-	-	-	-	-	-	823,419	-	1,557,612	
Subtotal before rights of use asset)	177,029,003	5,642,680	-	-	314,237	-	182,357,446	47,862,789	283,418	-	-	-	10,766,342	58,345,713	129,166,214	-	124,011,733	

Construction WIP Assets refers to costs incurred for Enterprise Performance Management Budgeting Reporting System (EPMBRS) which not yet ready for use.  
 Rights of use asset \*

The Authority has leased a Multifunctional printer from Maseru Business Machines since January 2024. The right of use asset has been recognized in line with IFRS 16 Leases.

	Cost at 31.03.24	Additions Revaluations	Disposal	Cost at 31.03.25	Dep'n at 31.03.24	Revaluations this year	Disposal	Dep'n at 31.03.25 NBV at 31.03.24	NBV 31.03.25
Right of use assets*	1,022,422	-	-	1,022,422	656,412	-	-	209,149	865,561
<b>GRAND TOTAL</b>	<b>178,051,425</b>	<b>5,642,680</b>	<b>314,237</b>	<b>183,379,868</b>	<b>48,519,201</b>	<b>283,418</b>	<b>-</b>	<b>10,975,491</b>	<b>124,168,594</b>

**Note 10. Western Indian Ocean Cable Company (WIOCC) Capacity-Lesotho Portion**

This represents the capacity that Lesotho holds in WIOCC. The capacity that Lesotho holds in foreign currency is USD5,468,082.35. M84,768,785.36 of the capacity amount was paid by the Lesotho Government. The Capacity was translated into Maloti in line with IAS 21 effects of changes in foreign exchange rates. As a result, it is valued at M97,628,783.00 as at 31 March 2025.

**Note 11. Investment in Western Indian Ocean Cable Company (WIOCC)**

The Lesotho Government paid M 3,615,100.00 (USD 500,000.00) on behalf of LCA for acquisition of 5% shareholding in WIOCC. The Authority initially held 5% shareholding in the Western Indian Ocean Company until recently when WIOCC changed to WIOCC Holding Company (WHCL) and a Share Swap Agreement was signed in September 2021 which resulted in LCA holding 4.05% shares in WHCL.

**Note 12. Trade and other receivables**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Trade receivables	5,957,746	7,154,287
Less: Provision for credit losses	310,839	1,672,377
<b>Sub-Total</b>	<b>5,646,906</b>	<b>5,481,910</b>
Sundry receivables	1,239,753	1,267,612
Sundry deposits	255,953	289,953
USF reimbursable costs	481,009	12,897,526
Staff debtors-salary advances	293,194	346,916
Withholding tax on interest received	2,018,882	1,672,492
	<b>9,935,697</b>	<b>21,956,410</b>

**Note 13. Cash and cash equivalents**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
<b>Current &amp; call accounts</b>		
Nedbank current operating	8,911,687	9,121,900
Nedbank current building	150,291	1,813,062
Nedbank call account	58,318,100	85,077,134
	<b>67,380,078</b>	<b>96,012,096</b>
	<b>31.03.25</b>	<b>31.03.24</b>
<b>Short term deposits and investments</b>	<b>Maluti</b>	<b>Maluti</b>
32 days call	124,116	117,860
32 days call penalties	287	271
Stanlib Income Fund RSA	13,533,679	12,290,977
Stanlib Cash Plus	439,494	403,841
Standard Bank Income Fund	66,135,200	16,284,480
Stanlib Money market Fund	168,560	154,850
Liberty Life-Excelsior Property Portfolio	4,099,313	3,855,592
	<b>84,500,648</b>	<b>33,107,871</b>
	<b>151,880,726</b>	<b>129,119,966</b>

**Note 14. Capital Reserve**

The Government of Lesotho transferred office furniture, equipment and the Zozo building at Ha Abia Monitoring Station as part of establishment of LCA and the costs of those assets were capitalised to Capital Fund.

	31.03.25 Maloti	31.03.24 Maloti
<b>Note 15. Accumulated Fund</b>		
Opening balance	223,769,707	221,922,400
Prior year adjustments	15,795,819 -	8,555,479
Comprehensive Surplus/deficit for the year	4,220,274	10,402,786
<b>Closing balance</b>	<b>243,785,801</b>	<b>223,769,707</b>

	31.03.25 Maloti	31.03.24 Maloti
<b>Note 16. Capital Grant</b>		
Opening balance	1,446,054	1,928,067
Less: Amortisation for the year	- 482,013 -	482,013
<b>Closing balance***</b>	<b>964,040</b>	<b>1,446,054</b>

Current liability	482,020	482,020
Non-current liability	482,020	964,034
<b>Total liability</b>	<b>964,040</b>	<b>1,446,054</b>

\*\*\* To achieve fair presentation and comparability in line with IAS 1 and recognition of capital grants under IAS 20, the capital grant has been reclassified from equity to current and non current liabilities. This reclassification had no effect on the reported financial performance and cashflows of the Authority. The reclassification was done retrospectively yielding the restated Statement of Financial Position balances in the table below for FY24.

Type of error	Line item affected	Effect	Amount (M)	FY24 Restated Balance (M)
Incorrect classification of capital grant as part of equity instead of liabilities	Capital grant-Current Liabilities	Understated	482,020	482,020
	Capital Grant-Non-Current liabilities	Understated	964,034	964,034
	Capital Grant- Equity	Overstated	1,446,054	-

**Note 17. Deferred Income**

These are initial licence fees for 20 years and EGPAF rental deposit:

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Econet Telecom Lesotho	4,310,631	4,571,881
Vodacom Lesotho	2,844,897	3,103,231
	<b>7,155,528</b>	<b>7,675,112</b>
Rent deposit	291,551	291,551
	<b>7,447,079</b>	<b>7,966,663</b>

**Note 18. Loan for LCA office complex**

Nedbank Lesotho approved a loan of M41.58 million towards construction of LCA office complex. The outstanding balance as at 31 March 2025 was 11.6 million.

**LESOTHO COMMUNICATIONS AUTHORITY****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

<b>Note 19. Trade and other payables</b>	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Trade payables	3,655,269	15,357,710
Provision for Fringe benefit tax	47,658	52,639
Provision for gratuity	17,856,719	14,079,262
Provision for severance pay	6,002,166	5,308,835
Provision for leave pay	1,539,054	1,438,120
VAT Payable	52,761	-
Withholding tax on accounts payable	27,756	28,549
LCA Credit Card-CFO	14,970	60,784
LCA Credit Card-CEO	7,065	-
Sundry Payables	348,151	384,270
Right of use liability	98,899	476,463
	<b>29,650,467</b>	<b>37,186,632</b>

<b>Note 20. Prior year adjustments</b>	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Underprovision for staff bonus FY24	-	247,234
Accountable Advance Clearing		898,994
AR Invoice adjustments	11,250	33,583
AP invoice Adjustments	284,347	661,203
Provision for LCA contribution to USF	7,315,748	-
Overprovision/underprovision for depreciation	-	10,150,481
Reversal of other provisions at year end	40,058	1,222
	8,471,765	
	<b>15,795,819</b>	<b>8,555,479</b>

**Note 21. Provision for corporate tax on WIOCC Income**

During the financial year 2018/19, the Authority recognized income of M67, 433,147 from WIOCC. This income related to the previous years (2012/13 to 2017/18). The income amount comprised of dividends paid by WIOCC, rebate offered by WIOCC, board sitting fees paid by WIOCC and leasing of Lesotho Communication Authority capacity in WIOCC. The latter amounts were not received by the Authority, instead they were used to settle the amount of capacity acquired on credit by Lesotho Communication Authority from WIOCC.

**Note 22. LsNIC (Lesotho Network Information Centre)**

During the financial year 2018/19, the Authority deregistered the Lesotho Network Information Centre (LsNIC) after the Board made a resolution to deregister the Company. Upon deregistration, LsNIC assets were recognised as assets of the Authority and LsNIC was renamed Registry.

**Note 23. Contingent Liabilities**

The following legal matters are pending against the Authority:

Claimant	Estimated loss amount	Reasons	Status
Sebilo vs LCA	-	The employee has claimed compensation for unfair dismissal or reinstatement	Matter pending before Labour court
Ntaote vs LCA	-	Case for constructive dismissal and payment of terminal benefits	Terminal benefits were paid. The issue of constructive dismissal is yet to be decided by DDRP
Mokela Vs LCA	-	Unfair dismissal based on legitimate expectation	Matter pending before DDRP
Fraser Solar Vs LCA	M105,969,399.00	Claim against Authority's investment in WIOCC	Matter pending before high court
GVG Vs LCA	M410,666,841.04	CMART contract between LCA and GVG	Self-review application pending before high court

**Note 24. Universal Service Reserve Fund**

In accordance with the 2012 Communications Act, the Authority is required to contribute 25% of its annual surplus into the Universal Service Fund.

**Separate Financial statements have been prepared for the Universal Service Fund.**

**Note 24.USF Reserve Fund**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Opening balance USF reseve fund	12,796,919	6,582,957
Income statement/USF Contribution for the year	2,981,931	2,646,439
Less:payments	- 2,646,440 -	6,582,957
Reversal of overstated Prior LCA contribution to USF	- 7,315,749	-
Correction for ETL contribution to USF paid to LCA	4,044,731	10,150,481
<b>Closing balance</b>	<b>9,861,392</b>	<b>12,796,919</b>

**Note 25. Financial risk management**

Exposure to credit, interest rate risk and currency risk arises in the normal course of the Authority's business. The board of directors through its Finance, Risk and Audit (FRAC) Committee has overall responsibility for establishment and oversight of the Authority's risk management framework. The Authority was exposed to the following Risks as at 31 March 2025:

**1. Foreign currency risk**

In the normal course of business, the Authority enters into transactions denominated in foreign currency. As a result, the Authority is exposed to fluctuations in foreign currency. The Authority does not hedge foreign exchange fluctuations.

**2. Interest rate risk**

The Authority is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its cash resources and investments. The cash resources are managed to ensure that surplus funds are invested in a manner that achieves maximum returns while minimizing risks.

**3. Credit Risk**

The financial assets of the Authority that are subject to credit risk consist mainly of cash resources, receivables and investments. The cash resources and investments are placed with reputable financial institutions. Where appropriate, adequate provisions for impairment of receivables are made.

#### 4. Fair values

The fair values of most financial instruments are substantially identical to carrying values reflected in the balance sheet.

##### **Note 26. Capital Commitments for Supply, Installation and commissioning of CMART**

On the 10 December 2020, the Authority entered into a contract with Global Voice Group S.A (GVG) for supply, installation and commissioning of the Compliance Monitoring and Revenue Assurance Tool (C-MART). In accordance with section 6.1.1 of the contract, the Authority paid M7,242,021.15 as 50% of the commencement fee which was payable 10 days following signature date. Since June 2021, there is no progress on C-MART project given that enabling regulations have not been gazetted yet. The Authority further processed a payment to the tune of M7,306,066.24 to GVG on the 12 April 2021 in line with section 6.1.2 of the contract which stated that another 50% of the commencement fee shall be paid within 3 months following signature date.

##### **Note 27. Revaluation of LCA Office Complex**

During the last quarter of financial year 2021/22, the Authority engaged a consultant to assess the market value of LCA Office Complex situated at 30 Princess Margret Road Old Europa Maseru. It should be noted that in line with IAS 16, if an item is revalued, the entire class of assets to which that asset belongs should be revalued as a result the land and building at Ha Abia Monitoring Station was revalued during the financial year 2022/23. As a result, surplus on revaluation has been realized/recognised during the financial year 2022/23 given that the entire class of land and building has been revalued.

##### **Note 28. Provision for outstanding expenses**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Opening Balance	12,630,725	13,338,002
Provisions for the year	6,296,447	4,736,426
Reversal of year end provisions for previous years	- 13,303,044 -	5,443,703
<b>Closing balance</b>	<b>5,624,129</b>	<b>12,630,725</b>

##### **Note 29. Corporate tax**

The Revenue Appeal Tribunal made a judgement in a case between Lesotho Communications Authority (LCA) and Lesotho Revenue Authority that LCA is liable to pay corporate tax. As a result, LCA has made provision for corporate tax Liability. However, the Authority has applied for reversal of the decision at the courts of law. During the current financial year, The Authority has decided to implement ring-fencing of costs and income associated with rental of part of the office building to Elizabeth Glaser (EGPAF) as separate business from regulation which resulted in computation of income tax liability and payment of corporate tax to Revenue Services Lesotho (RSL)

**Note 29. Corporate Tax**

	<b>31.03.25</b>	<b>31.03.24</b>
	<b>Maloti</b>	<b>Maloti</b>
Opening balance	36,602,945	33,088,975
Provision per I/S	3,925,437	3,528,585
Income tax payments during the year	- 42,319 -	14,615
<b>Closing Balance</b>	<b>40,486,064</b>	<b>36,602,945</b>

**Note 30. Directors Emoluments**

This represents the sitting and communication allowances expenditure incurred during the financial year 2024/25 as the board and its sub-committees held meetings.

**Note 31 Deferred tax**

	<b>31.03.24</b>	<b>31.03.23</b>
	<b>Maloti</b>	<b>Maloti</b>
Opening Balance	5,450,162	4,629,005
Gain/(loss) on translation of WIOCC Investment	- 4,725,517	3,284,626
Deferred tax @ 25%	-	821,157
<b>Closing balance</b>	<b>5,450,162</b>	<b>5,450,162</b>

**Note 32. Finance Income**

This represents the interest generated from Authority's investments during the financial year 2024/25.

**Note 33. Gain/loss on disposal of fixed assets**

This represents the difference between disposal proceeds and Netbook value of the assets.

**Note. 34 Finance Costs**

This represents interest expenses incurred on long term debt during the financial year 2024/25.

**Note 35. Decrease in payables**

This represents the difference between trade and other payables balance as at 31 March 2024 and 31 March 2025. The balance was M99.7 million as at March 2024 and it decreased to M86.3 million as at 31 March 2025.

**Note 36. Proceeds on disposal of fixed assets**

This represents the amount received on disposal of Authority's office equipment and furniture during the financial year in line with Financial Procedural Rules.

**Note 37. Decrease in receivables**

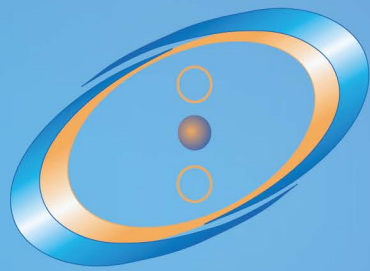
This represents the difference between trade and other receivables balance as at 31 March 2024 and 31 March 2025. The balance was M22.0 million and it decreased to M9.9 million as at 31 March 2025.

**38. Related party disclosures**

Related party income was generated in line with LCA Licensing Classification and Fee Rules of 2023. The income consists of license and spectrum fees charged to the licensees. No interested has been charged on related party receivables and they are unsecured. The USF reimbursable costs owed to the Authority do not attract interest and do not have fixed payment terms.

**Note :38 Related party transactions**

	<b>31.03.25</b>	<b>31.03.24</b>
<b>Amounts included in trade and other receivables</b>		<b>Maloti</b>
USF reimbursable costs	598,985	12,897,526
Radio Lesotho	-	211,969
Ultimate FM	-	-
Lesotho Television	-	-
	<b>598,985.1</b>	<b>13,109,495</b>
<b>Amounts included in trade and other payables</b>		
Revenue Services Lesotho (RSL)	307,993	288,283
Ministry of Communications		10,488
WASCO		-
LEC		-
	<b>307,993</b>	<b>298,771</b>
<b>Income from related parties</b>		
Radio Lesotho	211,969	211,969
Ultimate FM	41,100	41,100
Lesotho Television	802,400	802,400
	<b>1,055,469</b>	<b>1,055,469</b>
<b>Board expenses</b>		
Directors fees (sitting & communication allowances)	1,301,130.57	1,715,002
Board expenses(Traveling & other expenses)	1,489,187	671,896
	<b>2,790,318</b>	<b>2,386,899</b>
<b>Compesation to key management</b>		
Remuneration paid	9,940,842	9,467,469
Other benefits	2,430,423	2,314,689
	<b>12,371,265</b>	<b>11,782,157</b>



L E S O T H O  
C O M M U N I C A T I O N S  
A U T H O R I T Y

Lesotho Communications Authority

Physical address: 30 Princess Margaret Road, Old Europa, Maseru, Lesotho

Postal address: P. O. Box 15896

Maseru 100, Lesotho, Southern Africa