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INTRODUCTION

Botswana Open University (BOU) commenced operation in December 2017. The University was instituted through the Botswana Open University Act No. 13 of 2017 that formalised transformation of the Botswana College of Distance and Open Learning (BOCODOL), and its continuation as BOU. The transformation followed approval of the Tertiary Education Policy of 2008 Recommendation 6(vii) which provided that:

“...A university or Institute of ODL should be established as a separate institution dedicated to tertiary level ODL either as a new institution or through the development of BOCODOL with a mandate expanded beyond its current remit to embrace tertiary education.”

Presidential Directive CAB 37A of 2011 communicated Cabinet’s acceptance of the transformation and BOCODOL developed a transformation roadmap that was to run through to 2016. The roadmap culminated in the delivery of the Botswana Open University in July 2017.

BOU is an Open and Distance Learning (ODL) institution that principally offers tertiary education.

Mandate of BOU – Section 4 of the BOU Act

To expand access to tertiary education and training on a nation-wide scale using Open and Distance Learning (ODL) methodologies.

Subsidiary Functions:

- National Provision of In-service Education and/or Continuing Professional Development Programmes using ODL;
- Provision of Open Schooling Programmes to Out-of-School Youth and Adults;
- Promotion of lifelong learning; and
- Promotion of equitable access to quality education and training

Profile

- Programme levels are inclusive of Open Schooling Certificate, Diploma, Undergraduate and Post-Graduate inclusive of Masters (27 programmes)
- Programmes are offered through 4 Schools with 12 Departments and 2 Centres
- Students are supported through 5 Regional Campuses and 113 Learning/Study Centres (10 tertiary, 67 Open Schooling and 36 Satellites & Prisons)
- BOU had close to 4000 tertiary students and over 12000 Open Schooling students
- Throughput rate at Tertiary was about 61.4% while Open Schooling recorded 85.4%
- Programmes are delivered through blended learning approaches
- On-line Services are institutionalised for tertiary education applications, registration, payment as well as teaching and learning

The Student Support System

BOU is anchored on a student-centred organisational philosophy based on principles of access, lifelong learning and flexibility.

FRONTLINE SERVICES TO STUDENTS

- Headquarters
- Palapye Regional Campus
- Maun Regional Campus
- Gaborone Regional Campus
- Francistown Regional Campus
- Palapye Learning Centre
- Maun Learning Centre
- Gaborone Learning Centre
- Francistown Learning Centre
- Regional Campuses
- Learning Centres
- Study Centres
- Regional Campuses
- Study Centres
- Online Learning
- Physical Learning

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- Physical Learning
Our Purpose

Botswana Open University was developed to meet the growing local demand for Open and Distance Learning (ODL) tertiary level programmes and to expand access to education for out-of-school learners through Open Schooling.

Our Mission

To provide quality academic programmes and services through teaching and learning, research and innovation, and community engagement for a prosperous knowledge-based society.

Our Vision

To be an innovative Open University globally recognised for academic excellence, lifelong learning, and societal impact.

Our Values

- Excellence
- Student-Centeredness
- Equity
- Integrity
- Academic Freedom
- Accountability
- Collegiality
- Compassion
Our Governance Structure

Office of the President
- Ministry of Tertiary Education, Research, Science & Technology
- Chancellor

Council
- Senate
- Vice Chancellor

Executive Management Team
- Deputy Vice Chancellor
- Corporate Services
- Academic Services
- Student Services

Deputy Vice Chancellor
- Corporate Services
  - Financial Services
  - Human Resources
  - Corporate Relations and Marketing
  - Information Technology
  - Administration and Office Services
  - Procurement
  - SADC-CDE

Deputy Vice Chancellor
- Academic Services
  - Open Schooling
  - School of Education
  - School of Science & Technology
  - School of Business & Management Studies
  - School of Social Sciences
  - Centre for Graduate Studies
  - Centre for Continuing Professional Development
  - Centre for Research & Innovation
  - Publication Centre
  - Centre for Instructional Technology
  - Centre for Teaching, Learning & Quality Assurance
  - Office of Partnerships and Business Development

Deputy Vice Chancellor
- Student Services
  - Academic Registry
  - Library
  - Regional Campuses:
    - Main Regional Campus
    - Kanye Regional Campus
    - Palapye Regional Campus
    - Francistown Regional Campus
    - Gaborone Regional Campus

Senate
- Chancellor
- Council
- Office of the President

BOTSWANA OPEN UNIVERSITY COUNCIL

Mr. C. Coyne
Chairperson

Ms. F. S. Bakwena
Vice Chairperson

Ms. M. J. Mooketsi
Dr. D. Tau
Vice Chancellor

Mr. O. O. Motsumi

Prof. F. Youngman

Ms. A. J. Mooketsi

Dr. P. Molosiwa

Ms. N. T. Ratsoma

Mr. K. Ramoroka

Prof. M. E. Makoe

Ms. N. Modise

Mr. O. Masesane

Ms. T. Magang

Mr. D. M. Masisane

Dr. B. Nage-Sibande

Ms. J. Bahube

Ms. N. Bahube

Ms. T. M. Masisane

Mr. D. M. Masisane

Mr. T. M. Masisane

Ms. N. T. Ratsoma

Mr. N. Modise

Secretary to Council

Dr. B. Nage-Sibande

Ms. R. Modise

Mr. B. Modise

Ms. M. Mooketsi

Mr. O. Masesane

Dr. P. Molosiwa

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Dr. B. Nage-Sibande

Ms. R. Modise

Secretary to Council
The Executive Management Team

Dr D Tau - Vice Chancellor

Prof. F Youngman
Deputy Vice Chancellor
Academic Services

Ms L Lesetedi
Deputy Vice Chancellor
Corporate Services

Ms M B Maroba
Deputy Vice Chancellor
Student Services

Senate
Feedback

Your feedback is important to us and we welcome your input to enhance the quality of our reporting.

Please visit www.bou.ac.bw or email enquiries@staff.bou.ac.bw

ABOUT OUR REPORT

Integrated thinking

Sustainable value creation does not happen in isolation. We have considered the relationship between the capitals that we use or affect and how we have used these to create value for all stakeholders over the short, medium and long term.

Scope and Boundary of Report

This report covers the University’s performance for the year ended 31 March 2019. The report provides an overview of BOU’s performance, shows the value created for stakeholders and its contribution to the public, and demonstrates how the institution’s strategy and governance add to the short, medium and long-term value creation.

The report incorporates financial reporting and also encompasses aspects of non-financial performance and outcomes attributable to our key stakeholders.

Materiality

This report discloses information about matters that substantively affect our ability to create value over the short, medium and long term. Material issues have been identified as matters that may impact on the institution’s performance and sustainability. These are matters that the University considers to be of material interest and concern to stakeholders and are likely to impact on the institution’s ability to create value.

Identification of Material Issues

Council and Management are cognisant of the fact that risk management, the interests of our stakeholders, our business model, our capital resources and the environment in which we operate form part of our material issues. This is demonstrated by the identification of these key issues in our 2016-2020 strategy.

Council Responsibility Statement

Council acknowledges its responsibility to ensure the integrity of the Integrated Annual Report. Council has accordingly applied its collective mind and, in its opinion, this integrated report addresses all material matters, offers a balanced view of its strategy and how it relates to the University’s ability to create value in the short, medium and long term. The report adequately addresses the use of and effects on the capitals and the manner in which the availability of these capitals impact on BOU’s strategy and business model. Council believes that this report has been prepared in accordance with the International Integrated Reporting Framework and is in compliance with relevant laws.

Approval and Assurance of the Report

Council reviewed the Integrated Annual Report and the Audited Annual Financial Statements and provided its approval.
The journey has been a progressive one placing the institution on the right course towards becoming a key player in ODL nationally and internationally.

Notable achievements in this year were:
- Induction and Operationalisation of University Council
- Establishment of Council Committees
- Approval of the BOU Statutes
- Development and Approval of BOU Conditions of Service
- Approval of 16 new policies
- The establishment of Senate and its sub-committees
- Attainment of accreditation status with the Botswana Qualification Authority
- Rebranding

The realisation of the foregoing achievements was however not without challenges. The challenges stemmed largely from the mere fact that BOU is the first Open University in Botswana. Many of its founding systems and processes are therefore unprecedented.

Despite the many teething challenges and demands, as well as the inherited financial deficit from the last 3 financial years, Council was able to realise through cost containment, surplus of revenue over expenditure in the year under review.

I would like to thank the BOU Council members for the exceptional work done since their induction into office. I would further like to thank the BOU community, employees and Vice-Chancellor for their commitment and selfless devotion to duty.

Mr Charles Coyne
Chairperson
Botswana Open University Council
THE CHAIRPERSON’S REPORT

Despite the many teething challenges and demands, as well as the inherited financial deficit from the last 3 financial years, Council was able to realise through cost containment, surplus of revenue over expenditure in the year under review.

Mr Charles Coyne
Chairperson: Botswana Open University Council

CORPORATE GOVERNANCE

BOTSWANA OPEN UNIVERSITY COUNCIL

Following the passing of the BOU Act in July 2017, Council was appointed on the 1st June 2018, filling a governance vacuum that had been created when the predecessor Board’s tenure came to an end in June 2017.

Composition
Council comprises 15 members appointed in terms of the BOU Act. Section 10(2) provides as follows:

Council shall comprise the following members:

a. Vice-Chancellor;
b. Deputy Vice-Chancellor appointed by Council;
c. three persons who are public officers, appointed by the Minister;
d. four persons nominated by Council, one of whom shall be representative of civil society, and three of whom shall be representative of the private sector;
e. one person who is not a resident of Botswana, appointed by the Minister by reason of his or her special knowledge and competence in tertiary education or distance and open learning;
f. one former graduate of the University who is not member of staff, nominated by former students of the University;
g. two members of Senate, nominated by Senate, one of whom shall be a professor and one a dean of a faculty of the University;
h. one member of academic staff who is not on the Senate, nominated by members of the academic staff; and
i. one member of the support staff nominated by the support staff of the University.

Council is headed by the Chairperson appointed in terms of Section 9 of the Act.

There is an appropriate balance of knowledge and skills on Council. Council members have diverse skills and expertise ranging from human resources, finance, teaching and learning, strategy, governance and entrepreneurship. There is also a gender balance on Council.

For this period, full Council membership had not yet been accomplished. Council had 14 members, with 2 outstanding, namely a former graduate and a Professor. However, this did not have an effect on the quorum and meetings were held as scheduled.

The following lists the members and the corresponding appointing section in accordance with Section 10(2) above:

<table>
<thead>
<tr>
<th>Member</th>
<th>Appointed in terms of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Charles I. Coyne - Chairperson</td>
<td>Section 9 (1)</td>
</tr>
<tr>
<td>Ms Festina S. Bakwena - Vice-Chairperson</td>
<td>Section 10(2)(b), section 9 (3)</td>
</tr>
<tr>
<td>Dr Daniel R. Tau (Vice Chancellor)</td>
<td>Section 10(2)(a)</td>
</tr>
<tr>
<td>Prof Frank Youngman</td>
<td>Section 10(2)(b)</td>
</tr>
<tr>
<td>Mr Oupa Masesane</td>
<td>Section 10(2)(c)</td>
</tr>
<tr>
<td>Ms Masego J. Mosoketsi</td>
<td>Section 10(2)(d)</td>
</tr>
<tr>
<td>Mr Kgopotso T. Ramoroka</td>
<td>Section 10(2)(d)</td>
</tr>
<tr>
<td>Mr Naledi T. Botsema</td>
<td>Section 10(2)(d)(ii)</td>
</tr>
<tr>
<td>Ms Oscar O. Matsung</td>
<td>Section 10(2)(d)(ii)</td>
</tr>
<tr>
<td>Ms Tsweliso Magang</td>
<td>Section 10(2)(d)(ii)</td>
</tr>
<tr>
<td>Prof Myrko E. Mako</td>
<td>Section 10(2)(h)</td>
</tr>
<tr>
<td>Dr Bogadi Nape-Sibande</td>
<td>Section 10(2)(g)</td>
</tr>
<tr>
<td>Dr Phutelye P. Molevou</td>
<td>Section 10(2)(h)</td>
</tr>
<tr>
<td>Ms Julius P. Bahuma</td>
<td>Section 10(2)(i)</td>
</tr>
</tbody>
</table>
The Role of Council

The role of Council is to provide oversight, approve policies, planning and set forth the strategic direction of the University. It is also committed to the highest standards of governance, ethics and integrity.

Key areas of focus

The key area of focus in this year was to ensure that there was seamless transition to University status, internal policies, structures, systems and processes. Council focused on a number of strategic activities including induction and training of Council, approval of a number of governance protocols including the Council Charter, Statutes, University Policies, and the Conditions of Service for Staff. Council approved a total of 26 Policies in this financial year as follows:

Academic Policies
- Policy Criteria and Procedures for the Promotion and Appointment of Academic staff
- Quality Policy
- Research and Innovation Policy
- Research Ethics Policy

Student services policies
- Protection of Enrolled Students Policy
- Library and Information Services Policy
- Student Access and Equity Policy
- Student Conduct and Disciplinary Policy
- Student Representative Council Policy

Administrative Policies
- Recruitment and Selection Policy
- Staff Development Policy
- Records Management Policy
- Physical Infrastructure Policy
- ROU Corporate Social Responsibility Policy
- Safety, Health and Environmental Policy

Council established Committees of Council as follows:

- Council Executive Committee
- Council Human Resources Committee
- Council Finance and Tender Committee
- Council Audit, Risk and Compliance Committee
- Council Planning and Resources Committee
- Senior Staff Appointments Promotions and Review Committee
- Staff Appeals Committee
- Joint Committee of Council and Senate
- Review Committee of Council and Senate

Council also established Senate and its Committees.

Areas of focus for Council

Council will in the next financial year consider, approve and ensure implementation of the BOU long term strategic framework to 2036, the University Strategic Plan 2019-2023, commissioning and providing oversight over a Due Diligence Study and Organisational Re-design exercise for the University, review of the Statutes, roll-out of the BOU brand and intensified marketing.

Council is satisfied that it has fulfilled its responsibilities for this year in accordance with the Council Charter.

Attendance Register

Council had 3 ordinary meetings as prescribed by the Act and 1 special meeting.

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<td>4/4</td>
</tr>
<tr>
<td>Dr Daniel Tau</td>
<td>4/4</td>
</tr>
<tr>
<td>Ms Nkudee T. Ratsonse</td>
<td>4/4</td>
</tr>
<tr>
<td>Ms Tselelosetse Kgaogang</td>
<td>4/4</td>
</tr>
<tr>
<td>Dr Phuthego P. Moloiwana</td>
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The University Strategy for 2019-2023, commissioning and providing implementation of the BOU long term strategic framework to 2036, Council will in the next financial year consider, approve and ensure implementation of the BOU long term strategic framework to 2036, the University Strategic Plan 2019-2023, commissioning and providing oversight over a Due Diligence Study and Organisational Re-design exercise for the University, review of the Statutes, roll-out of the BOU brand and intensified marketing.

The Committee of Council is satisfied that it has fulfilled its responsibilities for this year in accordance with the Council Charter.

COMMITTEES OF COUNCIL

Council delegates its business to nine committees, four of which are standing committees while others sit as and when required. The Committees are created in accordance with the Statutes. The mandates, composition and performance of the Committees are indicated below:

Council Human Resources Committee

The Committee is responsible for ensuring that Council meets its obligations pertaining to HR strategy and policies, terms and conditions of service, recruitment, compensation and performance management.

Composition

The Statutes prescribe the following:

- Three (3) external Council members nominated by Council, at least one of whom has recognized professional financial and/or commercial qualifications and experience, and at least one of which has recognized professional human resource qualifications and experience. One of the members shall be appointed by Council as the Chairperson of the Committee.
- One non-Council member (not a current University staff member) who is a reputable practicing professional HR expert nominated by the Council Chairperson and approved by Council.
- Vice Chairperson
- Deputy Vice Chairperson - Corporate Services.
- Deputy Vice Chairperson - Academic Services.

Council Finance and Tender Committee

The Committee is tasked with ensuring that the University’s financial business is conducted efficiently and effectively, in a manner consistent with international financial practices and standards or the International Financial Reporting Standards.

Composition

The Statutes prescribe the following composition:

- Three (3) external Council members nominated by Council, at least one of whom has recognized professional financial and/or commercial qualifications and experience, and at least one of whom is a reputable practicing professional financial and/or commercial expert nominated by the Council Chairperson and approved by Council.
- Vice Chairperson
- Deputy Vice Chairperson - Corporate Services.
- Deputy Vice Chairperson - Academic Services.

Council Audit, Risk and Compliance Committee

The Committee is of the view that it has been able to execute its mandate diligently and will continue in the next year.

Mandeletsetse Mosimane 1/1
Dr Daniel R. Tau 1/1
Ms Festina S. Bakwena (Chairperson) 1/1

Key areas of focus

- The key activities that the Committee was seized with were development of the Conditions of Service for the University and corresponding the remuneration structure.
- The future area of focus for the Committee is the due diligence Study and Organisational Re-design exercise.

The Committee of the view that it has been able to execute its mandate diligently and will continue in the next year.

Council Planning and Resources Committee

The Committee had one (1) meeting in the year under reporting.

Key areas of focus

- The key activities that the Committee was seized with were development of the Conditions of Service for the University and corresponding the remuneration structure.
- The future area of focus for the Committee is the Due Diligence Study and Organisational Re-design exercise.
In the opinion of the Committee, the Committee has been able to execute its mandate well.

Council Audit, Risk and Compliance Committee

The Committee is tasked with oversight over audit, risk management and compliance with laws, regulations and policies.

Composition

The Statutes prescribe the following composition:
• Three (3) internal Council members nominated by Council, at least one of whom has recognized professional audit and/or risk management qualifications and experience, and one of whom shall be appointed by the Council as the Chairperson.
• One non-Council member (not current University staff member) who is a reputable practising professional financial and/or risk management expert nominated by the Council Chairman and approved by Council.
• The University Council Chairperson.
• Deputy Vice-Chancellor who is a member of Council.

Membership and Attendance

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</tr>
<tr>
<td>Mr. Kgopotso T. Ramoroka</td>
<td>2/2</td>
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The Committee held two (2) meetings.

Composition of the Committee was not fully accomplished. Appointment of an external financial and/or risk expert was yet to be done. The process had been commenced.

Key areas of focus

Key areas of focus for the Committee included improving risk management and implementation and review of the Strategic Plan as well as management of the University physical assets. A key area of focus for the next year is the development of the University Infrastructure Master Plan.

Senior Staff Appointments, Promotions and Review Committee

The Committee is responsible for the appointments, promotions and review of senior staff of the University namely Professors, Associate Professors, Deans and Directors.

Composition

The Statutes prescribe the following composition:
• Vice-Chancellor - Chairperson
• Deputy Vice-Chancellor
• Two external members of Council
• Deans of Schools
• One representative of Regional Directors
• Two professors elected by Senate
• One professor elected by academic staff
• One Director elected by senior staff support.
• Director, Human Resources

The Committee held two (2) meetings.

Key areas that the Committee focused on were implementation and review of the Strategic Plan as well as management of the University physical assets. A key area of focus for the next year is the development of the University Infrastructure Master Plan.

Member Attendance

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<tr>
<th>Member</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr. Daniel K. Tau (Chairperson)</td>
<td>2/2</td>
</tr>
<tr>
<td>Ms. Festina S. Bakwena</td>
<td>2/2</td>
</tr>
<tr>
<td>Mr. Kgopotso T. Ramoroka</td>
<td>2/2</td>
</tr>
<tr>
<td>Prof. Frank Youngman</td>
<td>2/2</td>
</tr>
<tr>
<td>Ms. Mirem Mabasa</td>
<td>2/2</td>
</tr>
<tr>
<td>Ms. Lseli Lenetso</td>
<td>2/2</td>
</tr>
<tr>
<td>Dr. Lekapane L. Tladi</td>
<td>2/2</td>
</tr>
<tr>
<td>Dr. Bogadji Nago-Sibande</td>
<td>2/2</td>
</tr>
<tr>
<td>Dr. Brian Masembi</td>
<td>2/2</td>
</tr>
<tr>
<td>Dr. Bantu L. Mosealaloe</td>
<td>2/2</td>
</tr>
<tr>
<td>Mr. Modenebo Bina</td>
<td>2/2</td>
</tr>
<tr>
<td>Ms. Bopape Nekueng</td>
<td>2/2</td>
</tr>
<tr>
<td>Mr. Gekhabeke B. Molefe</td>
<td>2/2</td>
</tr>
</tbody>
</table>

The Committee held two (2) meetings.

The Committee’s mandate is to make appointments, promotions or review of Senior Staff. The Committee has been able to execute this mandate and a number of appointments of senior staff were made.

Council Executive Committee

The Council Executive Committee exercises such powers as delegated to it by Council to carry out strategic business of the University between meetings of the Council. There was no delegation this year, hence the Committee did not meet.

Compliance

The Statutes prescribe the following membership:
• Chairperson of Council
• Vice-Chairperson of Council
• Vice-Chancellor
• Deputy Vice-Chancellor who is a member of Council
• Two members of Council who are not current University staff members.

Council’s Remuneration

Council members are remunerated a sitting allowance in accordance with a Government directive. The directive prescribes fees according to categories of institutions. BOU falls in the B category.

Only members who do not work for the University and the Ministry of Tertiary Education, Research, Science and Technology are entitled to a sitting allowance.

For the year under reporting, sitting allowance was as follows:

<table>
<thead>
<tr>
<th>Member</th>
<th>Amount (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Chairperson</td>
<td>622.35</td>
</tr>
<tr>
<td>Members</td>
<td>217.80</td>
</tr>
</tbody>
</table>

ANNUAL EVALUATION OF COUNCIL

An external consultant was engaged in order to conduct an evaluation of the performance of Council. The evaluation entailed assessment of individual members, assessment of the committees and assessment of Council as a whole. The final report will be submitted to the Council for review.

THE SECRETARY TO COUNCIL

Council is supported by a competent and qualified Secretary. The Secretary is independent of Council and is not a member of Council. All members have access to the Secretary.

RISK MANAGEMENT

Risk Management has been an integral aspect of the Institution and efforts have been made to strengthen its adherence. The University has continued to manage risks in a systematic way through the implementation of the Risk Management Framework. In this year, risk management was enhanced by additional risk management structures in place namely the Council Audit, Risk and Compliance Committee. The Committee has a delegated responsibility for risk governance. An internal Risk Management Committee was also established and operationalised to effectively drive the process. The Committee has a good representation of key functions across the University.

The key risks that the University prioritised this year were:

RISK

Failure to meet enrolment target

Poor Learner Performance at Open Schooling

Lack of business opportunities

Lack of visibility

Failure to get accredited as an ETP

RISK MITIGATION

Review of recruitment criteria

Increase support for students

Recruit a Business Development Manager

Effectively close the process

Compliance with regulations and close monitoring

Create income generation streams
Below are the identified Strengths, Weaknesses, Opportunities and Threats:

Strengths
- Government subvention
- Strong ODL foundation
- Country wide footprint
- Existing facilities
- Student-centredness
- Goodwill/reputation
- Affordability
- Passionate about the business
- Strategic visionary leadership
- Resilience
- Diversified programmes
- Quality products and services
- Culture of planning and Performance Management
- Internationally acclaimed
- Available land

Weaknesses
- Mismatch between capacity and expectations
- Over-dependence on Government
- Inefficiency in some processes
- Suspension of PSU
- Skills
- Inadequate infrastructure
- Institutional practices that are not aligned to academic culture
- Succession planning not fully institutionalised
- Inadequate systems for internal communication across levels
- Declining performance and poor results at Open Schooling level

Opportunities
- Cost Effectiveness
- Leveraging technology
- Large market for affordable education
- Government support
- DLS (funded model)
- Availability of intellectual capital
- Improved national ICT infrastructure

Threats
- Not prioritising ODL
- Emerging competitors
- Declining Government funding
- Economic downturn
- Political dynamics
- Inequitable allocation of resources for education
Dr Daniel Tau  
Vice Chancellor  
Botswana Open University

THE VICE CHANCELLOR’S  
Statement

Following the promulgation of the legislation that transformed the Botswana College of Distance and Open Learning (BOCDOOL) into Botswana Open University (BOU) in July of 2017, it became apparent that the transition would disrupt the obtaining governance structures and the operational systems of the institution. A transitional plan was drawn immediately after the declaration of the BOU Act, but due to the governance vacuum created by the abrupt recusal of the BOCDOOL Board of Governors and the delayed appointment of the BOU Council, most of the transitional activities and projects overlapped into the 2018/19 financial year. This report details the overall performance of the institution for the said period.

I am particularly enthused by the fact that while the institution was inundated with facilitating governance issues for most of the reporting period, it did not deviate from its core strategic targets as per the corporate scorecard drawn at the beginning of the year. We saw the completion rates soaring far beyond targets both at open schooling and tertiary levels, as well as retention and progression rates. In the same vein, the institution progressed several initiatives and projects to enable its transition to University status. Response activities such as the change management framework, staff training, promotion of research activity by staff, refurbishment of Regional Campuses, adoption of online programmes, automation of processes and University branding are examples of achieved priorities for the year.

It is worth noting that the year 2018/19 was replete with events which brought BOU stakeholders together to share insights on the new dispensation and celebrate milestones. Some such events are the inauguration of the Vice Chancellor, the BOU first graduation ceremony, the consultations on the BOU 2036 Strategic Framework and the BOU 2019-23 Strategic Plan, institutionalization of the Change Management Framework, establishment and operationalization of the SRC, the launching of the University and its brand as well as the accreditation of the University by the Botswana Qualifications Authority as an Education and Training Provider as well as strategic partnerships with other Universities.

I therefore wish to express my sincere thanks to all stakeholders for participating in the building of the brand that we are today. I am convinced that the same spirit that saw us through the transition period will see us through to 2036 and beyond.

Thank you
The Vice Chancellor’s Report

The Vice Chancellor’s (VC’s) report is structured around the six capitals of the International Integrated Reporting Framework. BOU uses the capitals to drive and achieve its purpose and mission, to drive its core activities and its operating model which is based on governance, compliance as well as risk and control. The table below presents the outline of the VC’s report.

BOU’s unique value creating story

BOU’s modus operandi is Open and Distance Learning (ODL). This mode enables students to study to the highest level from anywhere, anytime and without having to relinquish any of their existing socio-economic commitments, thus making life-long learning a reality.

At the core of this mode is the student-centered approach that BOU has adopted. Through this value, BOU has been able to use interactive strategies at the core of this mode is the student-centered approach that BOU has adopted. Through this value, BOU has been able to use interactive strategies at the core of this mode is the student-centered approach that BOU has adopted. Through this value, BOU has been able to use interactive strategies at the core of this mode is the student-centered approach that BOU has adopted. Through this value, BOU has been able to use interactive strategies at the core of this mode is the student-centered approach that BOU has adopted. Through this value, BOU has been able to use interactive strategies.

We will continue to engage with our customers and create valuable products, services and experiences in 2019.

Open Scheduling
BOU provides support to students at junior secondary, senior secondary school level and university level to improve their results. This support extends to students from remote communities through satellite situated in these areas. Those who complete their secondary school results are able to proceed to senior secondary school and hence the BSCSE are able to be admitted at tertiary level.

Tertiary programmes
BOU provides education to adults who are not able to attend conventional institutions either because of family, distance or lack of resources. Adults are able to enrol and complete their tertiary programmes through ODL with significant support from the institution. In 2018, BOU graduated a total of 1,656 graduates from certificate, diploma, degree and masters programmes.

Our impact on the Society
Open and Distance Learning promotes social and economic inclusion. The University has effectively changed the lives of many of our citizens. More than 141,681 Batswana have studied in various programmes through the Open and Distance Learning Model and in a total in excess of 3,645,000 successfully completed through this mode between 2000 and 2019. The referred citizens have since become integral to the intellectual capital of this country. They are also individually, collectively engaged in socio-economic advances of the Nation. They are part of the collective intelligence that Botswana governments and lead to increased completion rates at tertiary level through ODL and student centeredness, BOU has made the savings were realised despite overperformance in critical measures reported in classical business perspectives.

The prudence overall of financial management lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling. The University invested its financial capital in IT infrastructure and it lead to increased completion rates at tertiary level and quality passes at Open Schooling.
Staff Awards and welfare celebrations
A staff awards ceremony was held in December 2018 to recognize staff that had excelled during the course of the year. The recognized staff members were inclusive of those that had completed long term studies on the job and those that had served continuously for 10, 15 and 20 years.

Staff wellness activities were held at Headquarters, Palapye and Francistown Regional Campuses. BOU recognizes that healthy bodies support healthy minds (men sana in corpore sano).

Intellectual Capital
Research, seminars and conferences, collaborations
The Centre engaged actively overseas to promote a culture of research and innovation within the University. The activities include the establishment of research and innovation governance structures, policy formulation, seminars and conferences, and international collaborations with a focus on the professionalization of research management and administration.

Guided by the mandate to promote a research and innovation culture, the Centre for Research and Innovation played a key role in the establishment of the research and innovation governance structures as per the University Statutes. The University Research and Innovation Committee and its sub-committees were established. The sub-committees are the University Research Ethics Committee and the University Conference Fund Committee. All these committees have clear terms of reference and are fully operational.

The Centre engaged University staff in the formulation of the Research and Innovation Policy and the Research Ethics Policy. Policies were submitted through the relevant committee structures and were eventually approved by University Council. The policies guide students, staff and other researchers in the undertaking of research and innovation at BOU. Further the Centre developed the Conference Funding Guidelines to facilitate the dissemination of research findings locally and internationally. These were subjected to the relevant committees and eventually approved by Senate.

The Centre also facilitated nine (9) seminars, including internal dissemination of research findings, and the Doctoral Studies Forum. The dissemination of research findings enabled staff members to present to colleagues before attending conferences. This was meant to foster a collegial spirit of sharing and improving the presentation of findings by providing constructive feedback. There were also two presentations facilitated by the Centre, one from the University of Pretoria by Dr. Nolusindiso Nkuna and one from the University of Johannesburg by A. N. M. S. Mabogunje. The former addressed the philosophical underpinnings of dissertation and thesis supervision, and the latter, research funding with a focus on European funding proposal writing.

The seminars for the Doctoral Studies Forum were meant to encourage staff to enrol for PhD and to provide support to already enrolled PhD colleagues. Besides the seminars, there were online chats which entailed sharing of PhD tips, journal articles, and testimonies by staff members who had recently completed their PhDs.

The Centre also facilitated capacity building workshops on the use of the Statistical Package for the Social Sciences (SPSS) in statistical analysis of data in collaboration with the University of Botswana and on qualitative research approaches. The combined academic staff research output for the period is 57 papers.

Regarding collaboration, the Centre staff was able to raise Euro 2277.00 from participating in the University, United States of America, Carleton University, South Africa on Academic Writing. Additionally, the Centre staff participated in seven meetings that included providing feedback to the development of professional research management and administration programmes namely: Post Graduate Diploma in Research and Administration, Masters in Research and Administration and Recognition Certificate in Research and Administration. The Centre also hosted colleagues from Michigan State University, United States of America, Carleton University, Canada and University of Johannesburg, South Africa on Academic Writing.

Programmes
The University had a total of 19 tertiary programmes. These comprised 7 certificate programmes, 2 Diploma programmes, 5 Degree programmes and 4 Post Graduate programmes. The programmes were named:

Certificate Programmes
• Certificate for Distance Education Practitioners
• Certificate in Vocational Education and Training
• Certificate in Microsoft Office Suite
• Certificate in Community Based Work with Children and Youth
• Certificate in Small Scale Enterprises Management
• Certificate in English for Professional Purposes
• Certificate in Disaster Management

Diploma Programmes
• Diploma in Integrated Early Childhood Development
• Diploma in Management
• Diploma in Human Resources Management

Undergraduate Degree Programmes
• Bachelor of Psychology
• Bachelor of Business and Entrepreneurship
• Bachelor of Business Administration - Leadership and Change Management
• Bachelor of Commerce - Human Resource and Industrial Relations

Post Graduate Programmes
• Post Graduate Certificate in Quality Assurance in Education
• Master of Education (Educational Leadership)
• Commonwealth Executive Master of Business Administration
• Commonwealth Executive Master of Public Administration

The University also has 4 additional degree programmes that await accreditation with BQA.

The Strategy
The strategy is a key component of intellectual capital. The institutional strategy delineates a 4-year union which is translated into high level objectives, measures and targets, and is reviewed annually to approximate progress achieved and inform way forward. The planning year 2018/19 was the third year of the implementation of the BOC/ODOL 2016-2020 Strategic Plan. Due to the transformation of the College to University status, an organizational decision was made to review the strategy and develop a fresh one which would be more suited to the new dispensation.

Unpacking our performance
The annual performance for the year under review is discussed hereunder:

Corporate Scorecard Dashboard (2018/19)
The Corporate Scorecard Dashboard gives a summary of the performance of the institution in 2018/19. The report captures the actual results against the targets set at the beginning of the planning period. The results are then compared as a function of the set targets to give an indication of the performance status of the institution during the year.

The performance of each perspective of the Balanced Scorecard has also been computed (see the Dashboard at the end of the report).
The retention rate achieved stood at 99% against a target of 80% (the historic target for all years). While the historic retention rate was 79% in November 2018 against those who had been active for 4 years and had registered, 42% were active up to the time of the examinations in November 2018. Therefore, the retention rate was 42% / 42% = 98%. This was a significant increase relative to 2017/18 which stood at 99%.

It is possible that the launch of the University in December 2017 has contributed to this high retention since students were motivated to graduate as the first BOU cohort.

The total enrolment for Open Schooling was 12 056 (2 068 JC and 9 990 BGcSe) against a projected target of 10 000. While demand is still very high at this level, the University is cognisant of its role to maintain enrolment within target in order to prevent overstretching resources and ensure improvements to quality provision and results.

The total enrolment for total 2018/19 was 2 151 against a projected target of 3 100 – representing a high progression rate. It is possible that the launch of the University in December 2017 has contributed to this high progression rate since students were motivated to graduate as the first BOU cohort.

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Customer satisfaction

Regarding customer satisfaction, while the results recorded in the scorecard reflect a point of service estimation of customer satisfaction at 94%, there were complaints around the slow online registration as well as challenges with exemptions, delayed payment for invigilation, particularly at Open Schooling level, and delayed tutor payments. Given the dissatisfaction previously indicated with Library services by students, the University continued to strengthen this area. All tertiary programmes utilise the instructional technology as determined; that is, all tertiary programme materials are issued to students as CDs and all the online programmes are offered through the Moodle-based learner management system (LMS). The interactive Smart Board technology has been rolled out to all the campuses except for Palapye, where space is a major constraint. At Open Schooling level, the piloting of Notesmaster commenced in some campuses and will be concluded in the next planning year. At Gaborone Campus, two computer labs have been refurbished and equipped for the Huawei/BOU partnership programmes.

The Library continues to use the L4U library management system for the management of library collection and also continues with provision of e-Resource training for tertiary students, and staff in an attempt to improve research output. Furthermore, the Library has two technology projects going on: the Library App and SubjectPlus, which are both at exploratory stages.

The Online Radio listening spots have been installed at various campuses although the content development is still on-going. There is need for a deliberate strategy on technology-enabled teaching and learning platforms to manage use across the University.

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The Online Radio listening spots have been installed at various campuses although the content development is still on-going. There is need for a deliberate strategy on technology-enabled teaching and learning platforms to manage use across the University.

Some partially visually-impaired students are supported in studying through provision of low-budget gadgets such as CDs loaded with bigger font materials. There has been a significant increase in the enquiries received from students with disability and in particular visual impairment even at tertiary level.

These are potential students who indicate ability to study using audio as well as those using large fonts. A strategy on support for students with disabilities is still to be developed. This will help harness the on-going effort.

There has been engagement with Pudiwalingong Centre on the use of their braille facilities as well as sharing of information with Centre for Instructional Technology (CIT) for possible assistance with devices that the University can use to assist these students. Botswana Society for the Deaf (BSD) students with hearing impairment have been taken up as a Project for 2019/20.

Process Perspective (Organisational effectiveness and efficiency)

The process perspective involves creativity for the provision of institutional services to ensure organisational effectiveness and efficiency through improved programme diversification, quality assurance processes, customer management, market
positioning, and leveraging strategic collaborators. For the reporting period, the OECD provision index shows a 64% achievement with respect to a target of 70% for the year. The achievement demonstrates the continued effort to improve the overall efficiency of the University’s systems and processes.

The University continues to strive for increased access to programmes, through improved technology usage. By the end of the planning year, the performance of technology-mediated services stood at 60% out of a target of 75%. Several technology-mediated initiatives were carried out in the planning year. These include: automation of leave management and budget process, transition from cheques to electronic fund transfer (EFT), the ITS Management System for online student application, registration and related payments, as well as assessment, material distribution and implementation of the ITS Assessment Module.

Arrangements are also underway for the production and printing of certificates in house. It is thus expected that going forward, there will be more efficiency in this area.

The University website is the key to all technology-enabled services, which the University uses to enable access to tutorial schedules and relevant policies. The use of the bulk sms system, social media (Facebook and WhatsApp) as well as email communication have been mainstreamed at tertiary level.

The Moodle-based Learner Management System portal has been fully operational for all online programmes. The University will develop the Moodle-based Learner Management System portal has been fully operational for all online programmes. The University will develop a learning Analytics Policy and Strategy which will assist in strengthening online student support.

**Resources & People Perspective**

The resources and people perspective focuses on ensuring availability of resources to improve institutional capacity and leadership through compliance to corporate governance practices, prudent financial management and development of human resources. Essentially, the 2018/19 planning year was replanned to address issues, especially to do with establishing governance structures for the University. While a corporate governance survey was not carried out to determine the exact measure of compliance to good governance, all the governance initiatives planned for the year were achieved. These were as follows: approval and implementation of Statutes, to good governance, all the governance initiatives planned for the year were achieved.

It was noted at this function that many people, institutions and various sectors in the country and beyond contributed in numerous indispensable ways to Dr Tau’s personal and professional growth as well as outlook.

With regard to revenue generation, the performance of the institution has seemingly gone down. This is due to the fact that the KPI is pegged as a percentage of government subvention and for the last three years the subvention has been increasing significantly. It is worthy of noting that the total 3rd stream funds generated in 2018/19 were in fact more than the previous year. Moreover, unlike the previous years, there were surplus funds, resulting from the improved management of finances.

**Infrastructure Capital**

**University Fleet, Buildings and Staff Accommodation**

Provision of conductive office space and accommodation was done through expansions and refurbishments. Gabarone, Maun and Francistown Regional Campuses continued to be refurbished and Kang Regional Campus was maintained. The University fleet was increased and new vehicles were bought to replace the old vehicles.

**IT Infrastructure**

Information Technology infrastructure was improved across all the Regional Campuses and Headquarters to facilitate University business, much of which is dependent on online services. WiFi and smart board technology were installed and bandwidth significantly increased.

**Social and Relationships Capital**

BOU has a number of key stakeholders and ensures that their interests are taken into consideration when implementing its policies, procedures and strategies. BOU is committed to timely, consistent, open and transparent communication with its stakeholders.

The table below indicates the key stakeholders and the manner of engagement:

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Engagement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students</td>
<td>Examinations, assignments, course material, Student induction, website, SRF, Facebook</td>
</tr>
<tr>
<td>Government</td>
<td>Engage with various arms of government</td>
</tr>
<tr>
<td>Staff</td>
<td>Open door policy, informal and formal interactions, one on one discussions</td>
</tr>
<tr>
<td>Tutors</td>
<td>Monitor quality of examination material, evaluation of examination papers and assignments, review of examination results</td>
</tr>
<tr>
<td>Media</td>
<td>Advertising, social media - (Facebook and Twitter) Collateral - banners, pamphlets, posters and articles written in various publications</td>
</tr>
</tbody>
</table>

**BOU Highlights for the 2018/19 period**

The first BOU Vice Chancellor, Dr Daniel R. Tau, was inaugurated on the 21st September 2018. Dr Tau had led Botswana College of Distance and Open Learning from its inception in 1997. The occasion was graced by the Assistant Minister of Tertiary Education, Research, Science and Technology, Honourable Fidelis M. Mabula. Also in attendance were the Chancellors of the Botswana Open University (BOU) Dr. Pwartzephe H. K. Kedikilwe, Botswana International University of Science and Technology (BIUST) Dr. Festus C. Mogae and the University of Botswana (UB) Ms Lenah Mthbelo. The other dignitaries on the day included Chairpersons and members of Councils for some of the local universities, Vice-Chancellors, Senior Government officials and Chief Executives, members of the Diplomatic Corps, His Worship the Mayor of Gabarone, dignitaries from sister institutions and Dr Tau’s family members, his friends in academia as well as friends of BOU.

It was noted at this function that many people, institutions and various sectors in the country and beyond contributed in numerous indispensable ways to Dr Tau’s personal and professional growth as well as outlook.
Botswana Open University graduates its first cohort

The graduation took place in November 2018. This was a historic ceremony as it was the first graduation under the banner of the Botswana Open University (BOU). The University conferred 1,368 graduates.

The table below indicates the numbers per programme:

<table>
<thead>
<tr>
<th>Programme</th>
<th>No. of Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificate of Distance Education Practitioners</td>
<td>17</td>
</tr>
<tr>
<td>Certificate in Vocational Education and Training</td>
<td>27</td>
</tr>
<tr>
<td>Certificate in Community Based Work with Children and Youth</td>
<td>32</td>
</tr>
<tr>
<td>Certificate in Microsoft Office</td>
<td>5</td>
</tr>
<tr>
<td>Certificate in Small Scale Business Management</td>
<td>62</td>
</tr>
<tr>
<td>Certificate in English for Professional Purposes</td>
<td>200</td>
</tr>
<tr>
<td>Certificate in Disaster Management</td>
<td>26</td>
</tr>
<tr>
<td>Diploma in Integrated Early Childhood Development</td>
<td>266</td>
</tr>
<tr>
<td>Diploma in Business Management</td>
<td>155</td>
</tr>
<tr>
<td>Diploma in Human Resources Management</td>
<td>212</td>
</tr>
<tr>
<td>Bachelor of Commerce in Human Resources Management &amp; Industrial Relation</td>
<td>346</td>
</tr>
<tr>
<td>Bachelor of Business and Entrepreneurship</td>
<td>35</td>
</tr>
<tr>
<td>Bachelor of Business Administration (Leadership &amp; Change Management)</td>
<td>65</td>
</tr>
<tr>
<td>Bachelor of Education (Integrated Early Childhood Development)</td>
<td>32</td>
</tr>
<tr>
<td>Bachelor of Education (Primary)</td>
<td>66</td>
</tr>
<tr>
<td>Post Graduate Certificate in Quality Assurance in Education</td>
<td>29</td>
</tr>
<tr>
<td>Master of Education (Educational Leadership)</td>
<td>52</td>
</tr>
<tr>
<td>Commonwealth Executive Master of Business Administration</td>
<td>10</td>
</tr>
<tr>
<td>Commonwealth Executive Master of Public Administration</td>
<td>11</td>
</tr>
</tbody>
</table>

Botswana Open University has demonstrated its readiness to take up the challenge by providing the opportunity for all citizens to gain relevant skills and knowledge to catapult the country’s economy to become an innovative and knowledge based economy.

Launch of the BOU SRC

The BOU SRC was launched in July 2018. This event marked a significant milestone for the newly established University’s governance in terms of student support and inclusivity. SRC is particularly important in an OD皖l for it enhances support to students in the Regional Campuses. The SRC is a national committee and comprises not only representatives in Gabarone, but there is also representation by students based at the Regional Campuses. The event was among others graced by the SRC representative from the Botswana Accountancy College who shared their insights on the mandate of the SRC.

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<td>Bachelor of Education (Primary)</td>
<td>66</td>
</tr>
<tr>
<td>Post Graduate Certificate in Quality Assurance in Education</td>
<td>29</td>
</tr>
<tr>
<td>Master of Education (Educational Leadership)</td>
<td>52</td>
</tr>
<tr>
<td>Commonwealth Executive Master of Business Administration</td>
<td>10</td>
</tr>
<tr>
<td>Commonwealth Executive Master of Public Administration</td>
<td>11</td>
</tr>
</tbody>
</table>

BOU has demonstrated its readiness to take up the challenge by providing the opportunity for all citizens to gain relevant skills and knowledge to catapult the country’s economy to become an innovative and knowledge based economy.

Launch of the BOU SRC

The BOU SRC was launched in July 2018. This event marked a significant milestone for the newly established University’s governance in terms of student support and inclusivity. SRC is particularly important in an OD皖l for it enhances support to students in the Regional Campuses. The SRC is a national committee and comprises not only representatives in Gabarone, but there is also representation by students based at the Regional Campuses. The event was among others graced by the SRC representative from the Botswana Accountancy College who shared their insights on the mandate of the SRC.

Enhancement of the Corporate Image of the University

A Stakeholder Engagement Plan and branding of the University were developed. Activities for marketing were also identified. Logo launches were done in Headquarters, and at four Regional Campuses in Maun, Kang, Francistown, Palapye and Gabarone which enabled rebranding of BOU and enhanced its visibility to stakeholders by taking the University to the people. There was also provision of the new signage around the country as well as branding of the University fleet which enhanced BOU corporate image.

Botswana Open University launched its brand to the nation in early 2019. Though the University commenced its operations as a University in December 2017 and also commenced the use of the new brand and its marks immediately, the brand had not been officially unveiled. The brand was unveiled to the Nation by the University’s inaugural Chancellor, His Honour the former Vice President Dr. Panuel Mogapi.

The BOU logo had been designed to reflect its global reach as shown by the spherical representation of the books which depict the lifelong learning view of education by the institution. The curved and open book pages represent a local and the world clientele. The University aims at providing access globally with a high level of flexibility as portrayed by the curved pages on the logo which show access to the far end of Botswana and the world at large.

The strands represented by the curved rays, show the technological inclination of the institution which confirms the University’s commitment to technological uptake. One critical aspect of the BOU logo is the slanting 8 in the middle of the logo which represents infinity. This sign depicts the University’s commitment to promoting lifelong learning.

The books and the colours of the logo relay the institution’s commitment to the relevance of the history of the University. The books and the colours were retained from the BOcOdOL logo. This is because the University recognises and appreciates its past which has significantly contributed to it being a reputable institution that BOU is today.

BOU is of the view that the logo is critical in revealing the organisation’s identity as it informs our customers about who we are, what services we provide and what value-add we have to them.

Subsequent to the main launch, mini launches were held in the Regional Campuses in Gabarone, Francistown, Maun, Kang and Palapye.

The BOU logo had been designed to reflect its global reach as shown by the spherical representation of the books which depict the lifelong learning view of education by the institution. The curved and open book pages represent a local and the world clientele. The University aims at providing access globally with a high level of flexibility as portrayed by the curved pages on the logo which show access to the far end of Botswana and the world at large.
Botswana Open University excels at its first appearance at consumer fair as a University

The 30th of August 2018 will be in the history books of Fairground Holdings for its performance at the 2018 Consumer Fair. Botswana Open University at its first appearance as a University scooped position one at the Consumer Fair in the category of educational institutions. The institution was participating for the first time as a University. This was the institution’s continuation of its performance at the Fair as it had on many other occasions attained a position ranging from one to three in the past ten years. The University’s achievement is testimony to its outstanding performance in the education landscape. The University was recognized among others for its impact in the society changing lives including giving a second chance to secondary education students.

Staff engagement - Corporate Services Division goes to the Regional Campuses

The Botswana Open University Corporate Services Divisional Management took a tour to the Regional Campuses to appreciate the working environment of staff in the regional campuses as well as to share with them what the Corporate Services Division was doing from Headquarter. The functional heads of Corporate Services Division briefed the regional staff on each Department’s roles and responsibilities and also clarified shared roles within other sections of the Institution. The meeting discussed the challenges experienced by each party and together agreed on the way forward.

The campuses celebrated Wellness Day which was meant to take staff away from work to enjoy and interact among themselves. The visits proved to be very beneficial not only to the Corporate Services division but to the University as a whole. They promoted collegiality, team work, knowledge of the institution amongst staff and rejuvenated enthusiasm.

Workshop for prison based adult educators

The University through the Gaborone Regional campus engaged on a day’s workshop with Prison officers located in their Region as a means to revive the collaboration between the two parties. The workshop was collaboratively facilitated by the University and Prison officials.

BOU is open to all students irrespective of their circumstances as it is the case with the inmate students. The training of the officers was a significant step in creating a strong collaboration and revival of the working relations of the two institutions. A total of 27 participants attended the workshop.

The overall aim of the workshop was to appreciate the status of all the prisons in terms of the numbers of the students they were enrolling, the challenges they were encountering and proposed strategies to address the challenges. One major challenge faced by all Prison was lack of motivation to study for inmates and therefore there was need for the parties to come up with measures to motivate inmates to study.

Attendants were also taken through all the processes and procedures of implementing, monitoring and evaluating a robust new student support system for quality service delivery and how that could be tailor-made to suit the inmate students.

The Southern African development Community Centre for Distance Education (SADC-CDE) drives the Open and Distance Learning Agenda Globally

The Southern African Development Community Centre for Distance Education (SADC-CDE) is an entity responsible for Open and Distance Learning (OaDL) capacity building initiatives in the SADC region. It is hosted by the Botswana Open University as a Regional Centre established in 2005 by the SADC Ministers of Education and Training and the Commonwealth of Learning (COL). In addition, the Centre promotes research, advocates for ODL usage, facilitates resource sharing and promotes the delivery of quality distance education within the region. The Centre inter alia services the Distance Education Association of Southern Africa (DEASA) and it is also the Commonwealth of Learning (COL) local support office.

To date, the Centre has contributed towards the human resources development in the region using workshops, seminars, public lectures, conferences and short and long term training initiatives. It has serviced over five hundred beneficiaries from 10 SADC countries since its inception. The initiatives are carried out with budgetary and technical support from the Commonwealth of Learning and the Botswana Open University.

For the period under review 2018/19, the Centre revamped its governing structure, developed a new Strategic Plan for 2018-2021 and carried out some capacity building initiatives.
Year 1 achievements

The summary highlights are discussed below. SADC-CDE:

- set up a new Advisory Board comprising five SADC countries (Botswana, Mauritius, Namibia, Zambia and Tanzania) and four cooperating partners (SADC representative, Commonwealth of Learning representative, the regional UNESCO office in Harare and the Distance Education Association of Southern Africa (DEASA) Chairperson). The primary role of the board is to provide strategic direction to the Centre following some assigned terms of reference. The board meets annually and is currently chaired by Botswana.

- developed a new Strategic Plan for the period 2018-2021. The plan aims to assist institutions and Ministries of Education and Training with capacity building in line with their needs under the five goals. It focuses on 5 Strategic goals namely:
  1. Advocacy, Capacity Building, Networking and Partnerships
  2. Monitoring and Evaluation in ODL, Research and Publication
  3. Governance and Management of ODL
  4. Integrating Communication Technologies
  5. Socio-Economic Contributions

- held an Advisory Board meeting for the SADC Centre for Distance Education to approve the plan and budget as well as to give the strategic direction to the Centre

- coordinated the signing of the Memorandum of Agreement between the Commonwealth of Learning and the Botswana Open University as depicted below.

- carried out the following capacity building initiatives/projects:
  - an interdepartmental workshop on Technology Enabled Learning (TEL) for the Botswana Open University’s Open Schooling Centre. The purpose was to raise the awareness and use of TEL in the BOU’s Open schooling initiative.
  - a workshop on a 3-year project for Non-Formal Education (NFE) through Open and Distance Learning. Nineteen (19) participants from 7 SADC countries of Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, and Zambia attended the workshop which took place in Gaborone, Botswana. The main objectives of the workshop were to:
    - introduce participants to and demonstrate the viability of ODL and technology-mediated learning as a means to broaden access to NFE.
    - develop action plans to expand enrolment in NFE programmes in participants’ local institutions. This project responds to Sustainable Development Goal (SDG) 4, with particular focus on Targets 4.4 and 4.6 and to the SADC Regional Poverty Reduction Framework. The latter has a dual aim to enhance income earning opportunities and to improve livelihoods.
  - a workshop on Gender Sensitisation which targeted tertiary institutions. Seventeen (17) participants from eight universities and one College of Education in the SADC region (Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles and South Africa) attended. In sensitising the participants, the workshop demonstrated through tangible examples how mainstreaming of gender issues in institutions can ameliorate societal shortcomings. This is a 3-year project in Gender Mainstreaming across tertiary open and distance learning institutions.

The plan aims to assist institutions and Ministries of Education and Training with capacity building in line with their needs.
Advocacy and lobbying for Open and Distance education in East Africa

SADEC-CDE hosted a workshop in Kigali, Rwanda for four Commonwealth states of the East African Communities of Uganda, Kenya, Rwanda, and Tanzania to sensitize participants about Open Schooling and introduce COL’s Open and Innovative Schooling model. The initiative aims to enhance the achievement of the Sustainable Development Goal (SDG) 4 which aspires to ensure inclusive and equitable quality education and lifelong learning for all by 2030.

Eighteen (18) participants mainly executives and operational personnel of ministries / directorates and universities from each of the four identified countries attended the workshop as well as the Commonwealth of Open Schooling (COS) chapter chair for Africa from Zambia.

Serving the Region through the Distance Education Association of Southern Africa (DEASA) collaboration

The 2018 DEASA activities were held at the University of South Africa (UNISA) in Pretoria, South Africa in collaboration with the University of Pretoria. The annual conference was a joint activity with the National Association of Distance Education and Open Learning in South Africa (NADESA) which was a first in DEASA history. The Conference was themed Exploring Open Learning: Theory, Policy and Practice.

Commonwealth Activities

- Botswana Open University (BOU) hosted the Commonwealth of Learning (COL) Regional Focal Points (liaison officers from Africa and Europe) meeting in September 2018. 15 focal points (13 from countries in Africa and 2 from Europe) attended the meeting.
- The objectives of the meeting were to:
  - Strengthen the effectiveness of COL’s strategic plan and programme activities in addressing key priorities for education and training in the partner countries in the region; and
  - Refine the approaches of COL to meet the education and training priorities during 2018-2021.
- Share COL’s award-winning Lifelong Learning for Farmers (L3F) programme. Invited guests were from government institutions, the private sector, BOU’s academics, Farmers’ Associations and the media.
  - the aim was to raise awareness on the programme in order to encourage Botswana to explore how COL is helping Commonwealth governments and institutions to use technologies to improve and expand learning for sustainable development in the informal sector.
  - Eleven (11) countries (6 in Africa, 2 Asia, 2 Caribbean and 1 in the Pacific) are benefiting from the programme.
  - The Centre supported the Commonwealth of Learning in the local consultations project where COL is assisting the Botswana Human Resource Development Council (HHRDC) in the Technical Vocational and Skills Development (TVSD) area.

Corporate Social Responsibility (Community Engagement)

Botswana Open University through its School of Education has adopted a House at SOS Tlokweng.

The School supplies the inhabitants of the House with groceries and some other arising needs. The house has five children residing in it full time while there are two who spend the day at the centre and leave for home in the afternoon. In the past year the School was able to fulfill its obligation of giving the institution the groceries after every three months.

In addition to that the house was further bought a free to air decoder to enable the children to enjoy watching some programmes on television. The SOS management has always expressed great appreciation to the Botswana Open University for this noble gesture and has encouraged the institution to continue doing a good job. The institution aims at increasing its level of giving back to the society and further its participation as part of the society it exists.

The Minister of Tertiary Education, Research, Science and Technology Hon. Ngaka Ngaka opened the COL Regional Focal Points meeting in September 2018 hosted by Botswana Open University.

The staff of Kang Regional Campus through the CSR initiative committed to supporting one male resident in Kang with various supplies at the end of every year. Some years back the Kang Regional Campus renovated the resident’s house, installed a water tap, fenced the yard and built a toilet. The Regional Campus has maintained this relationship by supporting the gentleman throughout the course of the year.
Botswana Open University

AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
General Information

Country of incorporation and domicile  Botswana
Nature of business and principal activities  Open and distance learning
Council members
Mr Charles L Coyne (Chairperson)
Dr Daniel R Tau (Vice Chancellor)
Ms Festina S Bakwena
Ms Tosileko Mzingo
Ms Isakali T Rabane
Prof Myra E Makue
Mr Oscar O Molotsi
Mr Kgopotso T Ramotseka
Mr Gopa Maseantu
Ms Mabogo J Molepho
Dr Phuteng P Moloku
Ms Julia Bathuru
Prof Frank Youngman
Dr Bogadi Nago-Gibanda
Registered office
Plot 59972/1
Corner of Western Bypass
Gaborone
Botswana
Bankers
Barclays
Barclays Bank of Botswana Limited
First National Bank of Botswana Limited
Stanlib Investment Management Services
Botswana Savings Bank
Grant Thornton
Chartered Accountants
A Botswana member of Grant Thornton International Limited
Auditors
Grant Thornton
Botswana Pula “BWP”
Functional currency
Botswana Pula “BWP”

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Independent Auditor’s Report 46 - 49
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Statement of Profit or Loss and Other Comprehensive Income 51
Statement of Changes in Equity 51
Statement of Cash Flows 52
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement 80 - 81

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Directors’ Responsibilities and Approval

The council members are required in terms of the Botswana Open University Act 2017 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements, and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the University at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The council members acknowledge that they are ultimately responsible for the system of internal control established by the University and place considerable importance on maintaining a strong control environment. To enable the council members to meet these responsibilities, the council members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the University and all employees are required to maintain the highest ethical standards in ensuring the University’s business is conducted in a manner that is reasonable circumstances is above reproach. The focus of risk management in the University is on identifying, assessing, managing and monitoring all known forms of risk across the University. While operating risk cannot be fully eliminated, the University is required to manage this risk by determining that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predefined procedures and constraints.

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

The council members have reviewed the University’s cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the University has or had access to adequate resources to continue in operational existence for the foreseeable future.

The council members have reviewed the University’s cash flow forecast for the year to 31 March 2020 and, in light of this review and the current financial position, they are satisfied that the University has or had access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 50 to 81, which have been prepared on the going concern basis, were approved by the council members on 11 September 2019 and were signed on their behalf by: Council Chairperson - Gabtone

Independent Auditor’s Report

TO THE MEMBERS OF BOTSWANA OPEN UNIVERSITY

Opinion

We have audited the accompanying annual financial statements of Botswana Open University as at 31 March 2019, and its financial performance and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The financial statements set out on pages 8 to 39, which comprise the statement of financial position as at 31 March, 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements give a true and fair view of the financial position of Botswana Open University as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Botswana Open University Act, 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the audit of the annual financial statements section of our report. We are independent of the University in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Detailed Income Statement, which we obtained prior to the date of this report. Other information does not include the annual financial statements and our auditor’s report thereon.

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

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

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Council Chairperson - Gabtone

Independent Auditor’s Report

We have audited the accompanying annual financial statements of Botswana Open University as at 31 March 2019, and its financial performance and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The financial statements set out on pages 8 to 39, which comprise the statement of financial position as at 31 March, 2019, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

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Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, the report below is not intended to constitute separate opinions on those key audit matters.

Key audit matters

How the matter was addressed in our audit

Government Subventions

We obtained schedules of all government subventions, agreed the information to the accounting records and also obtained confirmations from the respective ministries in the government.

We have also determined compliance to the requirements of IAS 20 for recognition and measurement of the Government subvention. We concluded that the information reflected in the amounts involved, this matter is considered key for go.

Operating Expenses and payroll expenditure

The University is supported by government subventions for its operating expenditure including payroll costs. Due to the high volume of transactions, amounts involved and the susceptibility to misusing expenses that may have not been carried out as per the procurement procedures or expenditure incurred not for the purpose of normal operating activities of the entity, these cycles are considered significant.

Payroll costs form a very large portion of University's expenses (more than 50%). For the year ended March 2019, administrative and payroll costs exceeded P360 million. Due to the economic significance of these costs to the University, the area is considered as a Key Audit Matter.

We obtained sufficient and appropriate audit evidence of the application of the procurement procedures and verifying expenditure to supporting documents.

We also obtained an understanding of and tested the relevant controls in place to evaluate the procurement procedures in place by management.

We verified the existence of employees by performing procedures such as verification of appropriate identity documents, examination of employee files, contracts and other forms of engagement. We also verified if the payroll information was updated with information from the personnel and payroll records.

We have obtained sufficient and appropriate audit evidence to conclude that the costs of operating expenses and payroll have been resolved.

Responsibilities of the council members for the Annual Financial Statements

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

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

Those charged with governance are responsible for overseeing the University’s financial reporting process.

Auditor’s responsibilities for the audit of the Annual Financial Statements.

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.

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

• Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
We communicate with the council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**Reporting on Other Legal and Regulatory Requirements**

As required by the Botswana Open University Act 2017 we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the University, so far as appears from our examination of those books; and
- The University’s statements of financial position and the statement of Comprehensive Income are in agreement with the books of account.

**Statement of Financial Position as at 31 March 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
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<tr>
<td>Non-Current Assets</td>
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<tr>
<td>Property, Plant and Equipment</td>
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<td>Investment property</td>
<td>19,731,036</td>
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<td>Current Assets</td>
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<tr>
<td>Trade and other receivables</td>
<td>2,788,925</td>
<td>6,858,894</td>
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<td>Cash and cash equivalents</td>
<td>52,399,869</td>
<td>13,903,510</td>
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<td><strong>Total Assets</strong></td>
<td>164,955,784</td>
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<td><strong>Equity and Liabilities</strong></td>
<td></td>
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</tr>
<tr>
<td>Equity</td>
<td></td>
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<tr>
<td>Reserves</td>
<td>13,765,583</td>
<td>13,765,583</td>
</tr>
<tr>
<td>Retained income</td>
<td>(20,321,860)</td>
<td>(20,388,810)</td>
</tr>
<tr>
<td>(20,399,378)</td>
<td>(20,388,810)</td>
<td></td>
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<tr>
<td><strong>Liabilities</strong></td>
<td></td>
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<tr>
<td>Non-Current Liabilities</td>
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<tr>
<td>Intangible assets</td>
<td>144,979</td>
<td>144,979</td>
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<td>Capital grants</td>
<td>167,394,399</td>
<td>138,351,478</td>
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<td><strong>Total Liabilities</strong></td>
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<td>158,796,457</td>
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<tr>
<td>Current Liabilities</td>
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<tr>
<td>Trade and other payables</td>
<td>39,415,078</td>
<td>28,615,946</td>
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<tr>
<td>Deferred revenue</td>
<td>93,475,441</td>
<td>28,466,949</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>132,890,529</td>
<td>57,082,895</td>
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<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>216,596,840</td>
<td>216,780,494</td>
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**Independent Auditor’s Report**

TO THE MEMBERS OF BOTSWANA OPEN UNIVERSITY

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

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

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

**Reporting on Other Legal and Regulatory Requirements**

As required by the Botswana Open University Act 2017 we report to you, based on our audit, that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the University, so far as appears from our examination of those books; and
- The University’s statements of financial position and the statement of Comprehensive Income are in agreement with the books of account.

**Statement of Financial Position as at 31 March 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>162,095,955</td>
<td>158,031,292</td>
</tr>
<tr>
<td>Investment property</td>
<td>19,731,036</td>
<td>18,955,543</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,788,925</td>
<td>6,858,894</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>52,399,869</td>
<td>13,903,510</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>164,955,784</td>
<td>158,824,605</td>
</tr>
<tr>
<td><strong>Equity and Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>13,765,583</td>
<td>13,765,583</td>
</tr>
<tr>
<td>Retained income</td>
<td>(20,321,860)</td>
<td>(20,388,810)</td>
</tr>
<tr>
<td>(20,399,378)</td>
<td>(20,388,810)</td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>144,979</td>
<td>144,979</td>
</tr>
<tr>
<td>Capital grants</td>
<td>167,394,399</td>
<td>138,351,478</td>
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<tr>
<td>Trade and other payables</td>
<td>39,415,078</td>
<td>28,615,946</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>93,475,441</td>
<td>28,466,949</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>132,890,529</td>
<td>57,082,895</td>
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<tr>
<td><strong>Total Equity and Liabilities</strong></td>
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<td>216,780,494</td>
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**Independent Auditor’s Report**

TO THE MEMBERS OF BOTSWANA OPEN UNIVERSITY

Grant Thornton
An instinct for growth

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

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Statement of Comprehensive Income for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Figures in Pula</th>
<th>Note</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12</td>
<td>27,326,386</td>
<td>26,442,172</td>
</tr>
<tr>
<td>Other Income</td>
<td>13</td>
<td>133,730,326</td>
<td>92,603,763</td>
</tr>
<tr>
<td>Other operating gains (losses)</td>
<td>14</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>15</td>
<td>(91,719,449)</td>
<td>(80,465,108)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>16</td>
<td>(6,972,946)</td>
<td>(3,649,290)</td>
</tr>
<tr>
<td>Operating surplus/(deficit)</td>
<td>17</td>
<td>1,023,955</td>
<td>(17,897,829)</td>
</tr>
<tr>
<td>Finance income</td>
<td>18</td>
<td>1,243,706</td>
<td>30,929</td>
</tr>
<tr>
<td>Surplus/(deficit) before taxation</td>
<td>19</td>
<td>2,266,941</td>
<td>(17,839,829)</td>
</tr>
<tr>
<td>Taxation</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>21</td>
<td>2,266,941</td>
<td>(17,839,829)</td>
</tr>
<tr>
<td>Other comprehensive income:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to profit or loss:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gains on revaluation</td>
<td>22</td>
<td>13,762,583</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income for the year net of taxation</td>
<td>23</td>
<td>13,762,583</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive surplus/(deficit) for the year</td>
<td>24</td>
<td>16,029,524</td>
<td>(17,839,829)</td>
</tr>
</tbody>
</table>

Statement of Changes in Equity for the year ended 31 March 2019

<table>
<thead>
<tr>
<th>Figures in Pula</th>
<th>Realisation reserve</th>
<th>Accumulated deficit</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 01 April 2017</td>
<td>-</td>
<td>(22,348,981)</td>
<td>(22,348,981)</td>
</tr>
<tr>
<td>Deficit for the year</td>
<td>-</td>
<td>(17,839,829)</td>
<td>(17,839,829)</td>
</tr>
<tr>
<td>Total comprehensive deficit for the year</td>
<td>-</td>
<td>(17,839,829)</td>
<td>(17,839,829)</td>
</tr>
<tr>
<td>Balance at 01 April 2018</td>
<td>-</td>
<td>(40,388,802)</td>
<td>(40,388,802)</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>13,762,583</td>
<td>13,762,583</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>13,762,583</td>
<td>13,762,583</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive Deficit for the year</td>
<td>13,762,583</td>
<td>2,266,941</td>
<td>15,029,524</td>
</tr>
<tr>
<td>Balance at 31 March 2019</td>
<td>13,762,583</td>
<td>(18,121,863)</td>
<td>(4,359,278)</td>
</tr>
</tbody>
</table>

Note | B |
Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards (‘IFRS’) and International Financial Reporting Interpretations Committee (’IFRIC’) interpretations, issued and effective at the time of preparing these annual financial statements and the Botswana Open University Act 2017.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pula, which is the University’s functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgments, estimations and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Trade and other receivables

The University assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the University makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset. The impairment loss allowed for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables.

Contingent liabilities

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

1.3 Investment property

Investment property is property held primarily for the purpose of generating income, or capital gain, or both. The components of investment property are:

- Property, plant, and equipment
- Intangible assets

Property, plant, and equipment

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Investment property is derecognised if an obligation is probable, more likely than not, or remote. This judgement application is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

1.4 Property, plant, and equipment

Property, plant, and equipment is tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

Depreciation is provided to write down the cost, less estimated residual value, over the useful life of the asset. The useful life of tangible assets is determined based on University replacement parameters.

Useful lives of property, plant and equipment

For the purposes of the useful lives for property, plant and equipment, the University has determined the following:

- Buildings: 50 years
- Freehold land: Indefinite
- Buildings: 50 years
- Useful Life

Indefinite

1.5 Financial instruments

The University reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indications exist, management determine the recoverable amount by performing

Impairment testing

The University reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indications exist, management determine the recoverable amount by performing

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on University replacement parameters.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available.

Contingent liabilities

Provisions are inherently based on assumptions and estimates using the best information available.
Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is carried at cost less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value. The useful lives of items of property, plant and equipment have been assessed as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Depreciation method</th>
<th>Average useful life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>Straight line</td>
<td>50 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>Straight line</td>
<td>5 years</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>Straight line</td>
<td>4 years</td>
</tr>
<tr>
<td>Furnishings and office equipment</td>
<td>Straight line</td>
<td>5 years</td>
</tr>
<tr>
<td>IT equipment</td>
<td>Straight line</td>
<td>4 years</td>
</tr>
</tbody>
</table>

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

4.5 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss;
- Designated at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading);

Financial assets which are debt instruments:
- Amortised cost;
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is to collect contractual cash flows); or
- Mandatorially at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income).

Classification

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are subsequently measured at amortised cost.

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

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

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value less transaction costs, if any.

They are subsequently measured at amortised cost.

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

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 16).

Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch);

- Derivatives which are not part of a hedging relationship:
  - Mandatorily at fair value through profit or loss.

Financial liabilities:
- Amortised cost;
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 21 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

All regular way purchasers or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchasers or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

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Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (note 16).
The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit-impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originated as credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit-impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

**Impairment**

The company recognises a loss allowance for expected credit losses on trade receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (LIFECCL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

**Measurement and recognition of expected credit losses**

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtor, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

**Write off policy**

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. Any amount written off is charged to profit or loss.

**Credit risk**

Details of credit risk are included in the trade and other receivables note (note 6) and the financial instruments and risk management note (note 21).

**Derecognition**

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note).
Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

The company recognises financial liabilities when, and only when, the company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

Financial assets

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.6 Tax

Tax expenses

No provision for taxation is made as the university is exempt from income tax under the second schedule of Income Tax Act.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease income is recognised as income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessor

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.8 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

Irrespective of whether there is any indication of impairment, the company also:

• tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

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

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

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined benefit plans where the company’s obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Government grants

Government grants are recognised when there is reasonable assurance that:

• the grants will be received.
• the company will comply with the conditions attaching to them; and
• the grants will be received.
Accounting Policies

SIGNIFICANT ACCOUNTING POLICIES

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Grants related to income are deducted from the related expense.

Repayment of a grant related to income is applied first against any un-amortised deferred credit set up in respect of the grant. To the extent that the repayment exceeds any such deferred credit, or where no deferred credit exists, the repayment is recognised immediately as an expense.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

1.11 Revenue from contracts with customers

The company recognises revenue from the following major source:

- Student and tuition fees and is recognised over the period of the courses.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The company recognises revenue when it transfers control of a product or service to a customer.

Interest is recognised, in profit or loss, using the effective interest rate method.

Rental income on leases is recognised on a straight line basis over the lease term.

Notes to the Annual Financial Statements

2. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

Application of IFRS 9 Financial Instruments

In the current year, the company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS. IFRS 9 replaces IAS 39 Financial Instruments and introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment for financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the company’s financial statements are described below.

The company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 01 April 2018. Accordingly, the company has applied the requirements of IFRS 9 to instruments that have not been derecognised as of 01 April 2018 and has not applied the requirements to instruments that have already been derecognised as of 01 April 2018. Comparatives in relation to instruments that have not been derecognised as of 01 April 2018 have.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The measurement requirements are summarised below:

- The directors reviewed and assessed the company’s existing financial assets as of 01 April 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 has had the following impact on the company’s financial assets as regards to their classification and measurement:

Classification and measurement of financial liabilities

Apart from the above, the application of IFRS 9 has had no impact on the classification and measurement of the company’s financial liabilities.

Reconciliation of the reclassifications and remeasurements of financial assets as a result of adopting IFRS9

The following table presents a summary of the financial assets as of 01 April 2018. The table reconciles the movement of financial assets from their IAS 39 measurement categories and into their new IFRS 9 measurement categories. “FVPL” denotes “fair value through profit or loss” and “FVOCI” denotes “fair value through other comprehensive income.”

<table>
<thead>
<tr>
<th>Previous measurement</th>
<th>New measurement categories</th>
<th>Change at 30 June 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 39</td>
<td>Amortised cost</td>
<td>Re-measurement changes</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>10,304,635</td>
<td>552,251</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>10,877,922</td>
<td>10,877,922</td>
</tr>
</tbody>
</table>
Notes to the Annual Financial Statements

3. New Standards and Interpretations

3.1 Standards and Interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for measurement and classification of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting.

The revised version of IFRS 9 was issued in July 2014 mainly to include additional requirements for financial assets and limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of the subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated at fair value through profit or loss, IFRS 9 requires that "the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes in the liability's credit risk in other comprehensive income would not be presented in carrying amount changes in the financial liability. Under IAS 39, the measurement of the change in fair value of a financial liability designated at fair value through the profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically to broaden the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been broadened to include the principal of an "economic relationship." Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018. The company has adopted the standard for the first time in the 2019 annual financial statements.

The impact of the standard is not material.
Notes to the Annual Financial Statements

NEW STANDARDS AND INTERPRETATIONS

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and Sale of Receivables; and Bearer Securities - Bearer Securities Including Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

• Identify the contract(s) with a customer
• Identify the performance obligations in the contract
• Determine the transaction price
• Allocate the transaction price to the performance obligations in the contract
• Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The company has adopted the standard for the first time in the 2019 annual financial statements.

The impact of the standard is not material.

3.2 Standards and interpretations not yet effective

The company has not yet, as far as the following standards and interpretations, which have been published and are mandatory for the company’s accounting periods beginning on or after 01 April 2019 or later periods:

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the company are as follows:

Company as lessee:

• Leases are recognised to a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are accounted for on a straight line or other systematic basis.
• The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability, lease payments made in advance of the commencement of the lease, less any initial direct costs of the lessee and any incentive for any provision for demobilisation, termination and removal related to the underlying asset.
• The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessor; exercise price of purchase options; and payments of penalties for terminating the lease.
• The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for the re-measurement of the lease liability. However, if right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model, if a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
• The lease liability is subsequently increased by interest, reduced by lease payments and is re-measured for re-measurements or modifications.

Company as lessor:

• If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to the lessee’s right-of-use asset, lease liability and any related income or expense.
• Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor’s financial statements.

SALE AND LEASEBACK TRANSACTIONS:

• In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
• If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessee accounts for the purchased lease as if it were a direct purchase by applying applicable standards and for the lease by applying IFRS 16.
• If the fair value of consideration for the sale is equal to the fair value of the asset, then IFRS 16 requires adjustments to the lessee’s right-of-use asset and lease liability. When the transfer of the asset is not a sale, the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessee recognises a financial asset equal to the transfer proceeds.
• For sale and leaseback transactions, the requirements of IFRS 15 are applied to determine the lease liability that is the portion of the transfer price that is required to be recognised. The lease liability is then re-measured by discounting revised lease payments at the original discount rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• The lease liability is re-measured by discounting revised lease payments at the revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, the lessor re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss.
• For all other lease modifications which are not required to be accounted for as separate leases, the lessor re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
• Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Notes to the Annual Financial Statements

NEW STANDARDS AND INTERPRETATIONS

• Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reclassified to nil in which case further adjustments are recognised in profit or loss.
• The lease liability is re-measured by discounting revised lease payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• The lease liability is re-measured by discounting revised lease payments at the revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
• Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, the lessor re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss.
• For all other lease modifications which are not required to be accounted for as separate leases, the lessor re-measures the lease liability by making a corresponding adjustment to the right-of-use asset.
• Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Company as lessee:

• Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is re-measured only if there has been a modification.
• A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets, and the increase in consideration is commensurate to the stand alone price of the increase in scope.
• If a finance lease is modified, and the modification would not qualify as a separate lease, the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
• Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. The effective date of the standard is for years beginning on or after 01 January 2019.

The company expects to adopt the standard for the first time in the 2020 annual financial statements. It is unlikely that the standard will have a material impact on the company’s annual financial statements.
Notes to the Annual Financial Statements

4. Property, plant and equipment

Revaluation of property, plant and equipment - 2019

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Additions</th>
<th>Buildings recognised through grant</th>
<th>Revaluations</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>102 105 093</td>
<td>-</td>
<td>38 500 000</td>
<td>2 (2 299 515)</td>
<td>144 834 500</td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>2 969 545</td>
<td>-</td>
<td>460 935</td>
<td>2 488 154</td>
<td>2 969 545</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>1 289 298</td>
<td>5 296 645</td>
<td>-</td>
<td>177 780</td>
<td>5 123 277</td>
</tr>
<tr>
<td>Office equipment</td>
<td>1 249 729</td>
<td>2 367 538</td>
<td>-</td>
<td>743 413</td>
<td>2 813 852</td>
</tr>
<tr>
<td>IT equipment</td>
<td>417 628</td>
<td>7 498 787</td>
<td>-</td>
<td>1 171 209</td>
<td>7 646 717</td>
</tr>
<tr>
<td>Net assets</td>
<td>108 053 293</td>
<td>13 302 974</td>
<td>39 500 000</td>
<td>6 388 422</td>
<td>162 495 955</td>
</tr>
</tbody>
</table>

Revaluation of property, plant and equipment - 2018

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Additions</th>
<th>Disposals</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>104 006 664</td>
<td>-</td>
<td>2 098 667</td>
<td>106 051 093</td>
</tr>
<tr>
<td>Furniture &amp; fixtures</td>
<td>3 159 060</td>
<td>-</td>
<td>263 860</td>
<td>2 995 195</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>815 159</td>
<td>729 509</td>
<td>(295 665)</td>
<td>849 298</td>
</tr>
<tr>
<td>Office equipment</td>
<td>1 387 664</td>
<td>744 464</td>
<td>(727)</td>
<td>2 149 293</td>
</tr>
<tr>
<td>IT equipment</td>
<td>708 299</td>
<td>256 167</td>
<td>(187 788)</td>
<td>750 730</td>
</tr>
<tr>
<td>Net assets</td>
<td>352 247 781</td>
<td>1 980 950</td>
<td>(272)</td>
<td>354 021 292</td>
</tr>
</tbody>
</table>

Revaluations

A revaluation of buildings on lots 39972 Gaborone Lot 4724 Gaborone and Lot 31403 Francistown was performed by Wilfred M. Kathurima (registered valuer), an independent professional valuer on 31 December 2018 and Lot 31403 Francistown was performed by A. Kunda (BSc (land econ.), MIv (Sa), MreIB, Mreac) an independent professional valuer on 16 May 2019. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on an arm’s length basis.

This valuation was performed using the Depreciated Replacement Value. This is an acceptable method of valuation of such property.

The carrying value of the revalued assets under the cost model would have been:

| Leasehold property | 99 835 578 | 102 105 093 |

Notes to the Annual Financial Statements

4. Property, plant and equipment (continued)

Details of properties

Lot 39972 Gaborone
Terms and conditions:
- Capitalised expenditure
- Accumulated depreciation
- Revaluation

31 300 000      11 847 374

Lot 4724 Gaborone
Terms and conditions:
- Capitalised property grant

19 590 000

Lot 31403 Francistown
Terms and conditions:
- Capitalised property grant

16 900 000

The University’s building includes Lot 4724 Gaborone and Lot 31403 Francistown, which have been provided by the Government of Botswana. Title to these properties was not transferred to the University; however this is deemed as grant where the University has uninterrupted economic benefit to the facilities. In the current year the buildings have been recognised at their fair value.

5. Investment property

Investment property

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair-value</td>
<td>Accumulated depreciation</td>
</tr>
<tr>
<td>21 537 456</td>
<td>(2 401 414)</td>
</tr>
</tbody>
</table>

Reconciliation of investment property - 2019

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Depreciation</th>
<th>Fair-value adjustments</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 537 456</td>
<td>(2 401 414)</td>
<td>(3 188 016)</td>
<td>10 955 246</td>
</tr>
</tbody>
</table>

Reconciliation of investment property - 2018

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Depreciation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 537 456</td>
<td>(2 401 414)</td>
<td>19 136 042</td>
</tr>
</tbody>
</table>

Leasehold property

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 368 907</td>
<td>(2 123 362)</td>
</tr>
</tbody>
</table>
Notes to the Annual Financial Statements

Figures in Pula

2019 2018

5. Investment property (continued)

Details of property

Lot 39772 Gaborone
- Capitalised expenditure 2,466,993 2,466,993
- Accumulation depreciation 642,415 540,613
- Revaluation 5,873,030

7,200,060 1,826,380

Lot 6342 Maun
- Capitalised expenditure 10,679,271 5,378,271
- Accumulation depreciation 1,790,878 1,347,148
- Revaluation 2,102,482

13,514,000 9,329,125

Details of valuation

A valuation of investment property on Lot 39772 Gaborone and Lot 6342 Maun, was performed by an independent professional valuer at 31 December 2018. The valuation conforms to International valuation Standards and was based on recent market data on similar properties transacted on an arm’s length basis. This valuation was performed using the Depreciated Replacement Value. This is an acceptable method of valuation of such property.

The valuation was based on open market value for existing use.

6. Trade and other receivables

Financial instruments:

Trade receivables
- Carrying amount 7,084,971 2,964,114
- Loss allowance (248,870) (2,309,100)

Trade receivables at amortised cost
- Gross receivables 9,327,045 3,173,014
- Less impairments 3,162,182 3,173,014
- Net receivables 6,164,863 1,899,968
- Impairment losses 2,475,033 2,475,000
- Non-financial instruments
- Value added tax 429,089 429,089
- Payables 429,089 429,089
- Total trade and other receivables 1,288,955 2,084,088

SPLT between non-current and current portions

Current assets 2,384,925 828,488

Expected credit loss rate:

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>91 - 120 days past due</td>
<td>748,870</td>
<td>748,870</td>
</tr>
</tbody>
</table>

Credit risk disclosures for comparatives under IAS 39

The following sections provide comparative information for trade and other receivables which have not been restated. The information is provided in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.
6. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, P 828 488 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due: 828 488

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of P 12 384 193 were impaired and provided for.

The amount of the provision was P 12 384 193 as of 31 March 2018.

The ageing of these loans is as follows:

Over 6 months: 12 384 193

Reconciliation of provision for impairment of trade and other receivables

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Provisions for impairment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 384 193</td>
<td>12 384 193</td>
<td>24 768 386</td>
</tr>
</tbody>
</table>

7. Cash and cash equivalents

Cash and cash equivalents consist of:

<table>
<thead>
<tr>
<th>Cash on hand</th>
<th>Bank balances</th>
<th>Short-term deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td>417</td>
<td>2 195 709</td>
<td>4 770 930</td>
</tr>
<tr>
<td>-</td>
<td>2 195 743</td>
<td>9 780 621</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit quality of cash at bank and short term deposits, excluding cash on hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>32 399 869</td>
</tr>
</tbody>
</table>

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterpart default rates.

8. Revaluation reserve

At period the University adopted a change in accounting policy for property, plant and equipment and Investment property. Property is now measured under revaluation model and investment property under fair value model. The effect of the change from cost model recorded to revaluation reserve is listed below:

<table>
<thead>
<tr>
<th>Property, plant and equipment</th>
<th>Investment property</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 815 574</td>
<td>39 741 078</td>
</tr>
</tbody>
</table>

9. Capital grants

Reconciliation of capital grants - 2019

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Additions</th>
<th>Utilised during the year</th>
<th>First-time recognition of buildings grant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 182 936</td>
<td>12 032 967</td>
<td>36 950 000</td>
<td>167 594 179</td>
<td></td>
</tr>
</tbody>
</table>

Reconciliation of capital grants - 2018

<table>
<thead>
<tr>
<th>Opening balance</th>
<th>Additions</th>
<th>Utilised during the year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 980 948</td>
<td>4 310 878</td>
<td>118 521 478</td>
<td></td>
</tr>
</tbody>
</table>

The University receives grants from Government based on the budget approved by the council members and the Ministry of Tertiary Education Research, Science and Technology. The grant is allocated between revenue and capital expenditure by the council members based on the approved budget. The funds are not refundable by the university to Government under any circumstances.

In the current year the University recognised buildings and related grants on Lot 4724 Gaborone and Lot 31453 Francistown. Where the University has uninterupted economic benefit to the facilities. The amounts recognised are based on fair value of the buildings determined by an independent valuer.

10. Trade and other payables

Financial instruments:

<table>
<thead>
<tr>
<th>Trade payables</th>
<th>Staff related accruals</th>
<th>Withholding tax payable</th>
<th>Accrued expenses</th>
<th>Other payables</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 879 937</td>
<td>18 242 836</td>
<td>16 859 547</td>
<td>80 267</td>
<td>12 384 193</td>
</tr>
<tr>
<td>11 815 574</td>
<td>39 741 078</td>
<td>167 594 179</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Deferred revenue

<table>
<thead>
<tr>
<th>Current liabilities</th>
<th>Revenue grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 481 928</td>
<td>23 376 840</td>
</tr>
<tr>
<td>6 911 710</td>
<td>26 301 843</td>
</tr>
</tbody>
</table>

12. Revenue

Revenue from contracts with customers

<table>
<thead>
<tr>
<th>Student application and tuition fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>27 326 386</td>
</tr>
<tr>
<td>Notes to the Annual Financial Statements</td>
</tr>
<tr>
<td>-----------------------------------------</td>
</tr>
<tr>
<td><strong>13. Other operating income</strong></td>
</tr>
<tr>
<td>Rental income</td>
</tr>
<tr>
<td>Bed days recovered</td>
</tr>
<tr>
<td>Other revenues</td>
</tr>
<tr>
<td>Amortization of capital grant</td>
</tr>
<tr>
<td>Tender sales</td>
</tr>
<tr>
<td>Other income</td>
</tr>
<tr>
<td>Government grants</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td><strong>14. Other operating gains (losses)</strong></td>
</tr>
<tr>
<td>Gains (losses) on disposals, scrapings and settlements</td>
</tr>
<tr>
<td><strong>15. Operating profit (loss)</strong></td>
</tr>
<tr>
<td>Operating surplus/(deficit) for the year is stated after charging (crediting) the following, amongst others:</td>
</tr>
<tr>
<td>Auditor’s remuneration - external</td>
</tr>
<tr>
<td><strong>Expenses by nature</strong></td>
</tr>
<tr>
<td>The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:</td>
</tr>
<tr>
<td>Employee costs</td>
</tr>
<tr>
<td>Operating lease charges</td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
</tr>
<tr>
<td>Other expenses</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
</tr>
<tr>
<td><strong>16. Finance income</strong></td>
</tr>
<tr>
<td>Interest income</td>
</tr>
<tr>
<td>Investments in financial assets</td>
</tr>
<tr>
<td>Bank and other cash</td>
</tr>
<tr>
<td>Other financial assets</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
</tr>
<tr>
<td><strong>17. Taxation</strong></td>
</tr>
<tr>
<td>No provision for income tax is made as the University is exempt from income tax under the second schedule of the Income Tax Act.</td>
</tr>
</tbody>
</table>
Notes to the Annual Financial Statements

20. Related parties

Relationships

Council Members

The main financier and guarantor

Government of the Republic of Botswana - Ministry of Tertiary Education, Research, Science and Technology

Members of key management

Dkart Thuma - Vice Chancellor

Prof D Youngman - Deputy Vice Chancellor - Academic Services

L. Mokobela - Deputy Vice Chancellor - Corporate Services

M. Biti - Deputy Vice Chancellor - Student Services

(Resign 31 July 2019)

S. Goringombe - Deputy Vice Chancellor - Student Services

(Departed 01 August 2019)

Related party balances

Amounts Included in Trade receivable (Trade Payable) regarding related parties

Ministry of Tertiary Education Research, Science and Technology

9 160 840

Related party transactions

Government Grants

Ministry of Tertiary Education Research, Science and Technology

Subscription

13 618 690

10 764 042

Capital grants

(1 352 385)

(1 940 948)

(160 970 875)

(108 724 990)

Board sitting fees

419 248

317 378

Remuneration of directors and other key management

Salary and other benefits

2 860 537

1 820 125

3 920 662

2 816 939

20 255 072

Notes to the Annual Financial Statements

Figure in Pula

2019

2018

21. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Year

Note

Amortised cost

Total

Fair value

2019

Trade and other receivables

Cash and cash equivalents

6

7

32 199 689

32 199 689

32 199 689

32 199 689

33 659 235

33 659 235

33 659 235

33 659 235

2018

Trade and other receivables

Cash and cash equivalents

6

7

723 584

723 584

723 584

723 584

16 689 502

16 689 502

16 689 502

16 689 502

Categories of financial liabilities

Year

Note

Amortised cost

Total

Fair value

2019

Trade and other payables

39 741 079

39 741 079

39 741 079

39 741 079

2018

Trade and other payables

39 741 079

39 741 079

39 741 079

39 741 079

Capital risk management

The University’s objectives when managing capital are to safeguard the University’s ability to continue as a going concern in order to provide services to its students by pricing services appropriately.

Since the university is a statutory corporation incorporated through an Act of Parliament, the University is also subject to Government policies on capital Management.

Capital is raised in the form of Government subventions to acquire assets and also to enable the operations.

There are no externally imposed capital requirements applicable to the University.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.
21. Financial instruments and risk management (continued)

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

• Credit risk;
• Liquidity risk; and
• Market risk (currency risk, interest rate risk and price risk).

The University’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the University’s financial performance. Risk management is carried out by management under policies approved by the Council members.

Credit risk

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

Liquidity risk

Liquidity risk is the risk that operations cannot be funded and financial commitments cannot be met timely and cost-effectively. The risk arises from both the difference between magnitude of assets and liabilities and the distortion in their maturities. Liquidity risk management deals with the overall profile of the statement of financial position, the funding requirements of the University and cash flows.

Foreign currency risk

The University is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

At 31 March 2019, if the currency had strengthened by 10% against the South African Rand with all other variables held constant, post-tax profit for the year would have been P 258 (2018: P 301) higher, mainly as a result of foreign exchange gains or losses on translation of South African Rand denominated cash and cash equivalents.

At 31 March 2019, if the currency had weakened by 10% against the South African Rand with all other variables held constant, post-tax profit for the year would have been P315 (2018: P 301) lower, mainly as a result of foreign exchange gains or losses on translation of South African Rand denominated cash and cash equivalents.

The table below analyses the University’s foreign financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the Annual Financial Statements

Figures in Pula

2019 2018

21. Financial Instruments and risk management (continued)

Less than Total Carrying

1 year amount amount

Current liabilities

Trade and other payables

39 759 537 39 759 537 39 741 079

Foreign currency risk

The University is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the South African Rand. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

At 31 March 2019, if the currency had strengthened by 10% against the South African Rand with all other variables held constant, post-tax profit for the year would have been P 258 (2018: P 301) higher, mainly as a result of foreign exchange gains or losses on translation of South African Rand denominated cash and cash equivalents.

At 31 March 2019, if the currency had weakened by 10% against the South African Rand with all other variables held constant, post-tax profit for the year would have been P315 (2018: P 301) lower, mainly as a result of foreign exchange gains or losses on translation of South African Rand denominated cash and cash equivalents.

Exposure in Pula

The net carrying amounts, in Pula, of the various exposures, are denominated in the following currencies. The amounts have been presented in Pula by converting the foreign currency amounts at the closing rate at the reporting date:

US Dollar exposure:

Current assets

Bank balance 249

28 816 939 28 816 939 28 816 939
22. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the company can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

There are no assets and liabilities measured under the different level mentioned above.

Reconciliation of assets and liabilities measured at level 3:

| Year | Note | Operating balance | Buildings acquired through grant | Fair-value adjustments | Additions | Revaluations | Depreciation | Closing balance | Total
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td>30,955,365</td>
<td>40,000</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
<td>19,116,000</td>
<td></td>
</tr>
</tbody>
</table>

Fair value information

The fair value information is provided for assets and liabilities carried at fair value as follows:

- Property, plant and equipment
  - Buildings
  - Total

Detailed Income Statement

Figures in Pula

<table>
<thead>
<tr>
<th>Note</th>
<th>Revenue</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Student application and tuition fees</td>
<td>27,226,386</td>
<td>26,642,172</td>
</tr>
</tbody>
</table>

Other operating income

- Other rental income: 323,367 620,422
- Bad debts recovered: 2,567,105 600,130
- Other recoveries: 1,890,136 1,890,136
- Amortisation of grant: 6,090,090 4,900,090
- Tenders: 78,270 2,000
- Other income: 643,137 812,014
- Government grants: 123,864,415 48,033,430

- Other operating gains (losses)
- Gains on disposal of assets or settlement of liabilities: 3,793

Expenses (Refer to page 41)

- Operating (deficit) surplus: (1,023,223) (17,570,638)
- Finances Income: 1,243,709 30,820
- Surplus/(deficit) for the year: 2,166,941 (17,839,829)
Botswana Open University

Annual Financial Statements for the Year ended 31 March 2019

Corporate Scorecard Dashboard 2018/19

<table>
<thead>
<tr>
<th>Strategic Objective</th>
<th>Objective</th>
<th>Performance Measure</th>
<th>Baseline 2017</th>
<th>Target 2018</th>
<th>Baseline 2018/19</th>
<th>Target 2019</th>
<th>Performance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve Excellence</td>
<td>3</td>
<td>#Students Completing</td>
<td>7989</td>
<td>8926</td>
<td>9992</td>
<td>117%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>% of students completing Bachelor</td>
<td>1518</td>
<td>1054</td>
<td>1275</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>% Quality per IO</td>
<td>0.35%</td>
<td>15%</td>
<td>13.36%</td>
<td>9.07%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>% Quality per (BGCSE)</td>
<td>12.4%</td>
<td>20%</td>
<td>15%</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>% Overall per IO</td>
<td>73.1%</td>
<td>78%</td>
<td>80%</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>% Overall per BGCSE</td>
<td>93.3%</td>
<td>95%</td>
<td>93.8%</td>
<td>98.7%</td>
<td></td>
</tr>
<tr>
<td>OVERALL PERFORMANCE (BUSINESS PERSPECTIVE)</td>
<td></td>
<td></td>
<td>94.6%</td>
<td>94.6%</td>
<td>94.6%</td>
<td>94.6%</td>
<td>94.6%</td>
</tr>
<tr>
<td>Improve Progression</td>
<td>4</td>
<td>Progress rate</td>
<td>95%</td>
<td>95%</td>
<td>99%</td>
<td>104%</td>
<td></td>
</tr>
<tr>
<td>Improve Learner Retention</td>
<td>4</td>
<td>% Retention</td>
<td>78%</td>
<td>80%</td>
<td>98%</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>Increase Student Enrolment</td>
<td>4</td>
<td>Volume (OS)</td>
<td>12566</td>
<td>11000</td>
<td>12056</td>
<td>121%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Volume (TER)</td>
<td>2504</td>
<td>3100</td>
<td>2565</td>
<td>82.7%</td>
<td></td>
</tr>
<tr>
<td>Increase Customer Satisfaction</td>
<td>4</td>
<td>%CSI</td>
<td>93%</td>
<td>90%</td>
<td>94%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Increase Technology Utilisation</td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>AVERAGE PERFORMANCE (CUSTOMER PERSPECTIVE)</td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Quality Assurance</td>
<td>4</td>
<td>% on OLS (pass grade)</td>
<td>66%</td>
<td>75%</td>
<td>74%</td>
<td>85.3%</td>
<td></td>
</tr>
<tr>
<td>Improve Customer Management</td>
<td>3</td>
<td>% Complaints resolved on Time</td>
<td>96%</td>
<td>99%</td>
<td>92.5%</td>
<td>97.4%</td>
<td></td>
</tr>
<tr>
<td>Improve Customer Retention</td>
<td>3</td>
<td>% Complaints resolved</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Improve Student Retention</td>
<td>4</td>
<td>% Student retention</td>
<td>70%</td>
<td>90%</td>
<td>65%</td>
<td>72.2%</td>
<td></td>
</tr>
<tr>
<td>Improve Strategic Planning</td>
<td>4</td>
<td>% of technology mediated programmes</td>
<td>44%</td>
<td>50%</td>
<td>21%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Increase Technology</td>
<td>5</td>
<td>% of technology mediated programmes</td>
<td>60%</td>
<td>79%</td>
<td>60%</td>
<td>75.9%</td>
<td></td>
</tr>
<tr>
<td>Averages:Strategic Collaboration</td>
<td>3</td>
<td>% of Strategy mapped</td>
<td>82%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>AVERAGE PERFORMANCE (PROCESS PERSPECTIVE)</td>
<td></td>
<td></td>
<td>84.3%</td>
<td>84.3%</td>
<td>84.3%</td>
<td>84.3%</td>
<td>84.3%</td>
</tr>
<tr>
<td>Improve Corporate Governance</td>
<td>4</td>
<td>Compliance with Corporate Governance Index</td>
<td>87%</td>
<td>98%</td>
<td>87%</td>
<td>98%</td>
<td></td>
</tr>
<tr>
<td>Improve Organisational Culture</td>
<td>8</td>
<td>% Compliant to Compliance</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Improve Service Delivery</td>
<td>4</td>
<td>Employee Engagement</td>
<td>80%</td>
<td>76%</td>
<td>80%</td>
<td>76%</td>
<td></td>
</tr>
<tr>
<td>Improve Profitability</td>
<td>4</td>
<td>% Leadership index</td>
<td>91.2%</td>
<td>90%</td>
<td>91.2%</td>
<td>90%</td>
<td></td>
</tr>
<tr>
<td>Improve Brand Perception</td>
<td>4</td>
<td>% of business to government funding</td>
<td>27.8%</td>
<td>35%</td>
<td>20.1%</td>
<td>57.4%</td>
<td></td>
</tr>
<tr>
<td>AVERAGE PERFORMANCE (RESOURCES &amp; PEOPLE PERSPECTIVE)</td>
<td></td>
<td></td>
<td>79.7%</td>
<td>79.7%</td>
<td>79.7%</td>
<td>79.7%</td>
<td>79.7%</td>
</tr>
</tbody>
</table>