

ANNUAL REPORT 2018/19



BIUST STRATEGY MAP

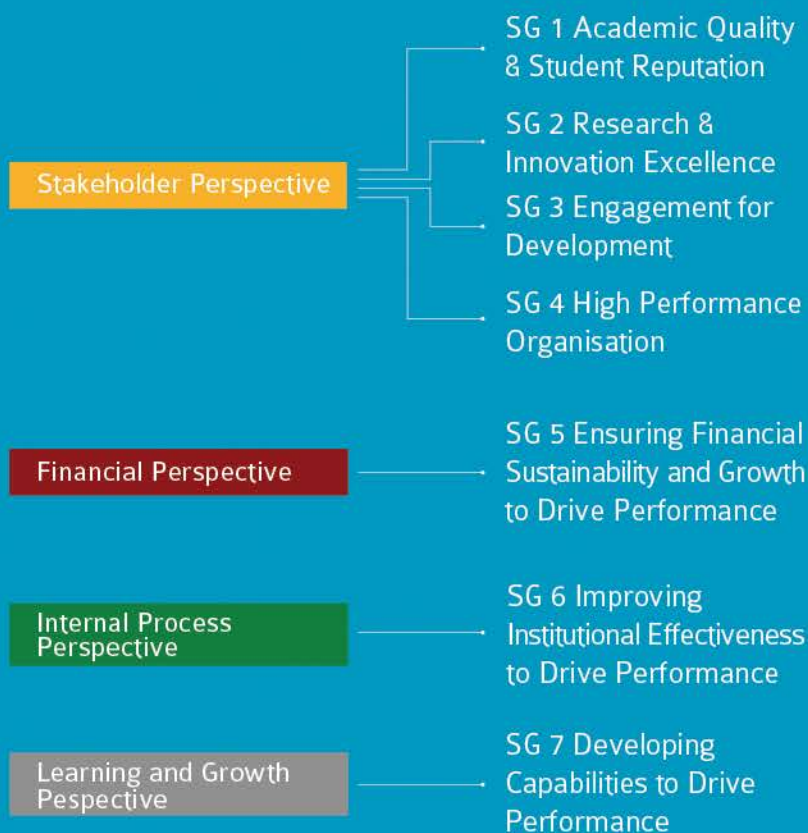
The University Strategy has been packaged into four perspectives with seven goals which are led by the University's vision and purpose and driven by our values which are visually represented below.

Vision

To be a premier research-based university of Science, Engineering and Technology, internationally recognised for the quality and excellence of its teaching and learning; research and innovation and engagement

Mission

- Produce world class research and innovation in science engineering and technology.
- Produce tomorrow's leaders in industry and society.
- Promote Community National, Regional and International Development.



Values

- 1 Equality and Diversity
- 2 Sincerity and Trust
- 3 High Performance and Quality
- 4 Change and Innovation
- 5 Quest for Knowledge and Understanding

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ABBREVIATIONS

BDF	Botswana Defence Force
BIUST	Botswana International University of Science & Technology
BQA	Botswana Qualifications Authority
CSIR	Council for Scientific and Industrial Research
DVC	Deputy Vice Chancellor
ECSA	Engineering Council of South Africa
EMT	Executive Management Team
ERB	Engineering Registration Board
ICT	Information and Communications Technology
MoTE	Ministry of Tertiary Education, Research, Science and Technology
NCQF	National Credit & Qualification Framework
NDP 11	National Development Plan 11
NERC	Natural Environment Research Council, UK
STEM	Science, Technology, Engineering and Mathematics
SMT	Senior Management Team
SRC	Student Representative Council



BACKGROUND

1. The University was established through a Presidential Directive issued in October 2004 which provided for the establishment of a world-class university of Science and Technology, located in Palapye to commence operations by August 2007.
2. The Botswana International University of Science and Technology Act (CAP 57:05) was assented to on 4th January 2006 and commenced on the 1st November 2006.
3. The University opened its doors to students and became operational in 2012 at a temporary site at the Oodi College of Applied Arts and Technology.
4. His Excellency, Dr. Festus Gontebanye Mogae, the former President of the Republic of Botswana was appointed as its first Chancellor in March 2012 and was inaugurated on 5th October 2012.
5. The University's first academic year at the Palapye campus commenced in February 2015 with a total student enrolment of 1,700 comprising 1,458 undergraduates and 242 postgraduates studying in two broad academic focus areas of Science, Engineering & Technology and enrolled in 19 Bachelors degree, 21 Masters degree and 17 doctoral programmes.
6. The first citizen Vice Chancellor, Professor Otlogetswe Totolo was inaugurated by the Chancellor on 2nd October 2016.
7. BIUST's Inaugural Graduation Ceremony was held on 18th February 2017, where 58 graduands received their Bachelor of Science and Master of Science Degrees.
8. The University's second graduation ceremony took place on 10th February 2018 where the graduating class of 224, were awarded various degrees including the first group from the Faculty of Engineering & Technology and the first Doctoral degree.
9. The University's third graduation ceremony took place on 23rd February 2019, where a class of 267 university's Science and Engineering Technology graduated.



STUDENT ENROLMENTS						
Qualification type	2018/19	%	2017/18	%	2016/17	%
Bachelor's Degree	1694	86	1687	90	1461	93
Master's Degree	190	10	135	7	81	5
Doctoral Degree	73	4	59	3	33	2
Total	1957		1881		1575	
Nationality						
Nationality	2018/19	%	2017/18	%	2016/17	%
Citizen	1894	97	1835	98	1525	97
International	63	3	46	2	5050	3
Faculty						
Faculty	2018/19	%	2017/18	%	2016/17	%
Engineering	1154	59	1129	60	1103	70
Science	803	41	752	40	472	30
Gender						
Gender	2018/19	%	2017/18	%	2016/17	%
Male	1298	66	1256	67	1068	68
Female	659	34	625	33	507	32

GRADUATES						
Qualification type	2017/18	%	2016/17	%	2015/16	%
Bachelor's Degree	232	87	158	71	51	88
Master's Degree	31	12	63	28	7	12
Doctoral Degree	4	1	3	1	0	0
Total	267		224		58	

STRATEGIC PARTNERSHIPS

- AKITA University (AU), Japan –Staff and Student Exchange Programme.
- University of Cincinnati, USA- Engineers without Borders Programme.
- Confucius Institute (University of Botswana)- Chinese Programme.
- Universitatea Babeş-Bolyai, Cluj-Napoca, Romania- Staff Exchange Programme.
- ERASMUS+ Programme – Student Exchange.
- iThemba Labs for Accelerator Based Science, South Africa – Use of laboratory facilities and equipment.
- Botswana Defence Force (BDF) – Collaborative Research and Student Internships.
- Botswana Innovation Hub (BIH) – Collaborative Research, Student Internships and Commercialisation.
- Debswana - Collaborative Research and Student Internships.
- Morupule Coal Mine - Collaborative Research, Students Internship & Mine Staff Training
- Botswana Geoscience Institute – Establish Seismology Research Centre
- Ministry of Youth Empowerment, Sports & Cultural Development – Entrepreneurship training for Youth Development Fund Beneficiaries.
- Local Enterprise Authority (LEA) - Collaborative Research, E.G Soil Test for LEA Clients, Kutla Center – BIUST Technicians fixing machinery to allow LEA to continue training their clients.

STAFF IN POST						
Category	2018/19	%	2017/18	%	2016/17	%
Executive	3	1	4	1	4	1
Academic	192	40	166	38	153	40
Management	14	3	12	3	6	2
Support	265	56	250	58	221	57
Total	474		432		384	
Nationality						
Nationality	2018/19	%	2017/18	%	2016/17	%
Citizen	399	84	354	82	330	86
International	75	16	78	18	54	14
Gender						
Gender	2018/19	%	2017/18	%	2016/17	%
Male	281	60	259	60	225	58
Female	193	40	173	40	159	42

RESEARCH FOCUS AREAS AND GROUPS

Natural Resource Management

- Remote Sensing of Natural Resources and the Environment
- Sustainable Energy and Resource Beneficiation
- Water and Solid Waste Treatment and Management
- Mineral & Material Processing
- Solar Energy Materials
- Mineral and Energy Resources
- Applied Nuclear Sciences and Technology

Climate and Society

- Invertebrate biodiversity & physiological ecology

Frontiers in Science

- Space and planetary science
- Earth Geo-dynamics and Seismic Tectonics
- IT enabled Transformation
- Bio-informatics, Data Science and High Performance Computing

Innovative Technological Products and Services For Economic Development

- Power Electronics and Energy Systems
- BIUST Software Engineering Lab
- Signal Processing Networks and Systems
- Advanced Manufacturing and Engineering Education
- Bioinformatics, data science & High Performance computing
- Artificial Intelligence and Smart Systems
- Nano materials for energy, environmental and water systems
- Electronic Design and Applications

FINANCES (P'000)			
Category	2018/19	2017/18	2016/17
Income	489,753	490,674	474,535
Government Grant	438,307	407,003	314,937
Tuition	63,041	60,331	66,890
Other Revenue	7,497	6,949	35,143
Capital Grants (Amortisation)	0	57,051	57,065
Capital Grants (Transfer)	919,091	(40,660)	0
Expenditure	504,134	512,520	427,789
Salaries	287,781	286,951	242,128
Operations	216,353	225,569	185,661
Operating Margin	(14,391)	(21,884)	46,745

UNDERGRADUATE DEGREE PROGRAMMES

Bachelor of Science Degrees

1. Biological Sciences and Biotechnology
2. Computer Science and Software Engineering
3. Earth and Environmental Sciences
4. Environmental and Analytical Chemistry
5. Environmental Sciences
6. Forensic Sciences
7. Geology
8. Information Systems and Data Management
9. Materials and Nano-chemistry
10. Physics
11. Pure and Applied Chemistry
12. Pure and Applied Mathematics
13. Statistics

Bachelor of Engineering Degrees

14. Chemical Engineering
15. Civil and Environmental Engineering
16. Computer and Telecommunications Engineering
17. Electrical and Electronics Engineering
18. Geological Engineering
19. Industrial and Manufacturing Engineering
20. Materials and Metallurgical Engineering
21. Mechanical and Energy Engineering
22. Mechatronics and Industrial Instrumentation Engineering
23. Mechatronics Engineering
24. Mining Engineering
25. Telecommunications Engineering

MASTERS DEGREE PROGRAMMES

Master of Science Degrees

1. Biological Science and Biotechnology
2. Chemistry
3. Computer Science
4. Environmental Sciences
5. Forensic Sciences
6. Geological Sciences
7. Information Systems

8. Pure and Applied Mathematics

9. Physics

10. Statistics

Master of Engineering Degrees

11. Chemical Engineering
12. Civil and Environmental Engineering
13. Computer and Telecommunication Engineering
14. Electrical and Electronics Engineering
15. Geological Engineering
16. Industrial and Manufacturing Engineering
19. Materials and Metallurgical Engineering
20. Mechanical and Energy Engineering
21. Mechatronics and Industrial Instrumentation Engineering
22. Mining Engineering

DOCTORAL DEGREE PROGRAMMES

Doctoral Science Degrees

1. Biological Sciences and Biotechnology
2. Chemistry
3. Computer Science and Software Engineering
4. Earth and Environmental Sciences
5. Environmental Sciences
6. Geological Sciences
7. Information Systems
8. Mathematics
9. Physics
10. Statistics

Doctoral Engineering Degrees

11. Chemical Engineering
12. Civil and Environmental Engineering
13. Computer and Telecommunications Engineering
14. Electrical and Electronics Engineering
15. Industrial and Manufacturing Engineering
16. Materials and Metallurgical Engineering
17. Mechanical and Energy Engineering
18. Mechatronics and Industrial Instrumentation Engineering





COUNCIL CHAIRPERSON

On behalf of the University Council, I am pleased to present to the Honourable Minister the Annual Report for the year, 1st April 2018 to 31st March 2019. The report was prepared in line with the provision of Section 20 of the BIUST Act (2005). The University Council has an overall responsibility for setting the strategic direction of the University and monitoring the implementation of the University's strategic and operational plans.

The purpose of the report is to inform the Government of Botswana, as the shareholder, and the public how the Council has discharged its mandate and responsibility to ensure a comprehensive performance of the University, as well as audited annual financial statements for the year under review.

The University's Strategic Plan (2016-2023) "A Catalyst for Innovation and Transformation" was approved by Council on 17th June 2016. The Plan sets out the strategic priorities, goals, objectives, measures and targets that the University will focus its effort on during the NDP11 Plan Period and beyond. So far, I am pleased to inform stakeholders that we have witnessed tremendous progress in the implementation of the strategic plan.

The Report outlines the University's performance for the year 2018/19. The financial information included in the report has been provided in accordance with the International Financial Reporting Standards (IFRS) with assurance of the Annual Financial Statements being verified by the University external auditors.

It is on this basis that I present, on behalf of the University's Council, this Annual Report of the activities and finances of the University during the 2018/19 financial year, to the Honourable Minister. The expectation is that it will be made available to Parliament and the public in accordance with Section 20 of the BIUST Act (2005).

A handwritten signature in black ink, appearing to be "B. Bolele".

.....
Bernard Bolele
Council Chairperson
September 2019

UNIVERSITY GOVERNANCE AND MANAGEMENT

COUNCIL

A key objective of the University is to have in place high quality governance structures and capacity which ensures a sound governance system that focuses on strategy, performance, value creation, international controls, quality assurance and risk management. This objective is ensured through the University Council established in terms of Section 9 of the BIUST act. The Council is the executive body of the University with a primary governance responsibility for policy-making, administration of the University, the planning of its work and the management of its resources.

The members of Council for the reporting year 2018/19 were:



Dr F. G. Mogae
Chancellor



Mr B. Bolele
Chairperson



Professor O. Totolo
Vice Chancellor



Dr H. Fidzani
Vice Chairperson & Chair,
Council Tender Committee



Mr T. Johnson
Chair, Council Audit
Committee



Mr J. Mokgosi
Chair, Council Physical
Infrastructure Committee



Dr S. Maphanyane
Chair, Finance & Risk
Committee



Mr M. Mphathi
Chair, Council Human
Resource Committee



Dist. Professor D. Siginer
DVC, Academic Affairs



Professor E. Lungu
Acting DVC, Research,
Development and
Innovation



Mr D.B Katzke
DVC, Finance &
Administration



Dr. T. Mooko
Member



Kgosi M. Maforaga
Member



Professor S. Toteu
Member



Professor E. A Atekwana
Member



Professor T. Oladiran
(End of contract 30/11/2018)
Member



Professor E. Shemang
(End of contract 30/11/2018)
Member



Professor J. Chuma
(Joined 08/11/2018)
Member



Professor W. Masamba
(Joined 08/11/2018)
Member



Dr. B. Batlokwa
(End of contract 08/12/18)
Member



Ms D. Setshogo
Member



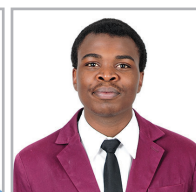
Dr. G. Malatsi
(Joined 08/11/2018)
Member



Mr. W. Mankanku
Member



Mr. E. Government
Member



Mr. G. Nkape
SRC President, Member

COUNCIL COMMITTEES

The Council discharges its responsibilities through the following Standing Committees which are established by the Statutes.

COUNCIL AUDIT COMMITTEE

The Committee is responsible for providing policy guidance and oversight on financial accounting and auditing matters to ensure effective control and stewardship of the University's assets as well as compliance with internal and external audit rules and regulations.

COUNCIL FINANCE & RISK COMMITTEE

The Committee is responsible for advising Council of the financial position of the University, including its accounts, investments and general financial viability. The Committee also ensures, on behalf of Council, that there is compliance to applicable regulatory standards of reporting.

COUNCIL TENDER COMMITTEE

The Committee provides policy guidance and oversight on all issues relating to tenders, tender adjudication and awards to procure goods and services.

COUNCIL HUMAN RESOURCES COMMITTEE

The Committee is responsible for providing policy guidance and oversight to the University on issues relating to employment and conditions of service.

COUNCIL INFRASTRUCTURE COMMITTEE

The Committee provides policy guidance and oversight in all issues relating to physical infrastructure development.

COUNCIL PLANNING & RESOURCES COMMITTEE

The Committee provides advise to Council on the Strategic & Operational Plans for the University and ensures their alignment in relation to academic, financial, physical and human resource planning.

COUNCIL SENIOR STAFF APPOINTMENTS COMMITTEE

The committee is responsible for appointments and/ or promotions with respect to the positions of (a) Professors and Associate Professors; (b) Deans of Faculties; (c) Directors of the University.

UNIVERSITY STAFF APPOINTMENTS & PROMOTIONS COMMITTEE

The University Staff Appointments and Promotions Committee is responsible for appointments and promotions or both academic (below Associate Professor) and support staff (below the rank of Director).

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SENATE

As provided for in the BIUST Act, there is a Senate, which is the highest academic body responsible to the Council. Senate is chaired by the Vice Chancellor. The Act sets out the objectives of Senate which has a delegated responsibility for the academic work of the University. In accordance with the Statutes, Senate is responsible, under the authority of the University Council, for general control and direction of teaching, research and innovations, examinations, conferment of degrees and the granting of other awards of the University.

STUDENT GOVERNANCE:

The Student Representative Council (SRC) forms part of the University governance structures and represents student interests in the Council and Senate. The SRC promotes vibrant student life including the social and welfare needs through the running of societies, clubs, entertainment and sports.

EXECUTIVE MANAGEMENT:

The Executive Management which comprises the Vice Chancellor and Deputy Vice Chancellors is at the apex of the University Management structure and provides the final link between management and the University governance structures. The Executive Management has overall responsibility for the strategic management and operations of the University.

SENIOR MANAGEMENT:

The Senior Management is led by the Vice Chancellor and includes in its membership - Deputy Vice Chancellors, Deans, Faculty Representatives and Directors. The key responsibility of the Senior Management is to ensure a close interface between the Executive Management and the Senior Academic and Directors who are responsible for the implementation of the University policies and programmes at an operational level.

EXECUTIVE MANAGEMENT

Members of the Executive Management 2018/19 are;



Professor O. Totolo
Vice Chancellor



Dist. Professor D. Siginer
Deputy Vice Chancellor, Academic
Affairs



Professor E. Lungu
Acting Deputy Vice Chancellor,
Research, Development and Innovation



Mr D.B. Katzke
Deputy Vice Chancellor,
Finance and Administration



Barclays Bank Botswana, Mogae Scholarship Receipts



VICE CHANCELLOR'S MESSAGE

MESSAGE

This end-of-year report for 2018/19 marks the second full year of the implementation of our Strategic Plan, which commenced implementation in 2017/18 and extends through to the end of NDP11 in 2022/23. During 2019/20 planning phase we will undertake a mid-term review of the Strategic Plan where we will have the opportunity to reflect on our progress and to realign our priorities and actions to ensure that we achieve our strategic goals. The report therefore marks an important milestone where we can pause and reflect on the University's performance over the last two to three years and reset our future, if necessary, in accordance with the changing circumstances in which we operate.

The report sets out the scale and breadth of our progress during 2018/19, and provides many examples where our planned performance has exceeded expectations. The registration of the University as a Higher Training Provider by the Botswana Qualifications Authority (BQA) demonstrated our collective capability to achieve an important strategic objective.

The trajectory of our student enrollments continued to improve with a 4% increase over the year 2017/2018, with a total of 1957 students enrolled which was 78% of the annual target. The growing number of students enrolled positions the university to assume a leadership role as a Science, Engineering and Technology centre in Botswana and achieving the national criteria of a specialised university.

Our graduate employability outcomes continue to exceed expectations and prove that our curriculum is aligned to the needs and demands of the national economy. The University undertook its second Graduate Destination survey in November 2018 where it was established that 60% of the second cohort of February 2018 graduates were in full-time employment or undertaking further studies, six months after graduation. In a national context of chronic and systemic graduate unemployment, this is a commendable achievement for the University.

Our strategic decision to require all academic staff to be in possession of an earned doctorate is not only on track and is the key driver of our research achievements. Our research output per academic staff was 0.9 publications per academic staff member against a target of 1.0. This is a remarkable achievement for a new and developing university. To ensure multi-disciplinary research, the University devised a strategy to establish research groups and clusters that would collaborate with business and industry in alignment to the national Vision 2036. By the end of the 2018/19 financial year, twenty (20) research groups had been established around the four strategic research focus areas listed below:

- a) Natural Resource Management.
- b) Climate and Society
- c) Frontiers of Science
- d) Innovative Technological Products and Services for Economic Development

The University is making major strides in mainstreaming research into the core of the university's academic programme at undergraduate and postgraduate levels. Our students continue to achieve national and international recognition through their award winning innovative projects. We take pride in our students who won the CEDA/DBSA Competition Challenge, BIH/Makeathon challenge, Total Start Upper Challenge 2019 and Huawei Seeds for the future. In turn the University has provided initiatives aimed at funding of the projects to produce prototypes in preparation for commercialisation.

The University's academic value chain embraces teaching and learning, research and innovation and engagement with the industry and society. Strategic collaborations have been forged with the industry such as the Botswana Defence Force (BDF) and Debswana Diamond Company (Pty) Ltd. The BDF-BIUST collaboration has resulted in eight BDF officers enrolled for MSc studies in the Faculty of Engineering and Technology. The Debswana-BIUST collaboration is now posting positive results and the company is sponsoring nine (9) projects. During the 2018/19 Financial Year, we have consolidated our previous achievements in raising public awareness of Science, Technology, Engineering and Mathematics (STEM) by promoting STEM through the national education system and providing useful services to the communities that we serve both locally and nationally.

To support its mandate, the University continues to ensure that prudent financial decisions are taken to facilitate the activities that support realization of its performance obligations. A total subvention of P438,270,946 for the financial year 2018/19 was received and the University Operating Budget excluding salaries for 2018/19 was P216,902,163. The expenditure as at the end of March 2019 was P207,103,087 (95%). The University has a number of National Development Plan (NDP 11) projects running which are at various stages.

The progress that we have achieved during 2018/19 Financial Year is naturally attributable to the talent, hard work and commitment of our staff and students. Individual excellence contributed to our planned progress but it is our collective ability and effort that has been the key to the achievement of our annual strategic goals and objectives.



.....
Professor Otlogetswe Totolo
Vice Chancellor





BIUST STRATEGY

The University's Strategic Plan "A Catalyst for Innovation and Transformation." (2016-2023) was approved by Council on the 17th June 2016. The Plan sets out the strategic priorities, goals, objectives, measures and targets that the University will focus its effort on during the National Development Plan (NDP11) period and beyond. The strategic plan is centred on the University developing a strong academic value chain comprising of three key elements of (i) Teaching and Learning (ii) Research and Innovation and (iii) Engagement for Development. These must all work together in a symbiotic relationship, supported by integrated and aligned organisational capabilities, to deliver the University's mission and mandate in a manner that is responsive to stakeholder needs. The essence of the strategy is that as a national and international Science, Engineering and Technology University, BIUST must drive the inclusive economic and social development of Botswana towards a knowledge-based economy and have an international outlook with a strong impact in the region and beyond.

The University's strategic intent is to develop BIUST to become:

- a) A research intensive University with strong industry linkages contributing to Science, Engineering and Technology advancements.
- b) A first-class University that attracts high-quality students regardless of personal, social or economic conditions.
- c) An engaged institution which is an engine of development.
- d) A high-performance institution known for its talented staff and students.
- e) A University which provides a rich campus life experience which produces intellectually well-rounded graduates.
- f) A University based on partnerships with the community and reputable national and international institutions.
- g) A University whose entire modus operandi is based on the use of information and communications technology.

This is captured in the following statements of its Mission, Vision and Values.

Mission

- (a) Produce world-class research and innovation in Science, Engineering and Technology contributing to industry growth and development and advancement of a diversified knowledge-based economy.
- (b) Produce tomorrow's leaders in industry and society through the provision of relevant, innovative, quality research intensive education of an international standard.
- (c) Promote community, national, regional and international development through the transfer of the University's knowledge and the provision of its skills and expertise.

Vision

The vision of BIUST is "to be a premier research-based University of Science, Engineering and Technology, internationally recognised for the quality and excellence of its teaching and learning, research and innovation and engagement".

Core Values

In carrying out its mission, realising its vision and in all its actions, the University is guided by the following core values:

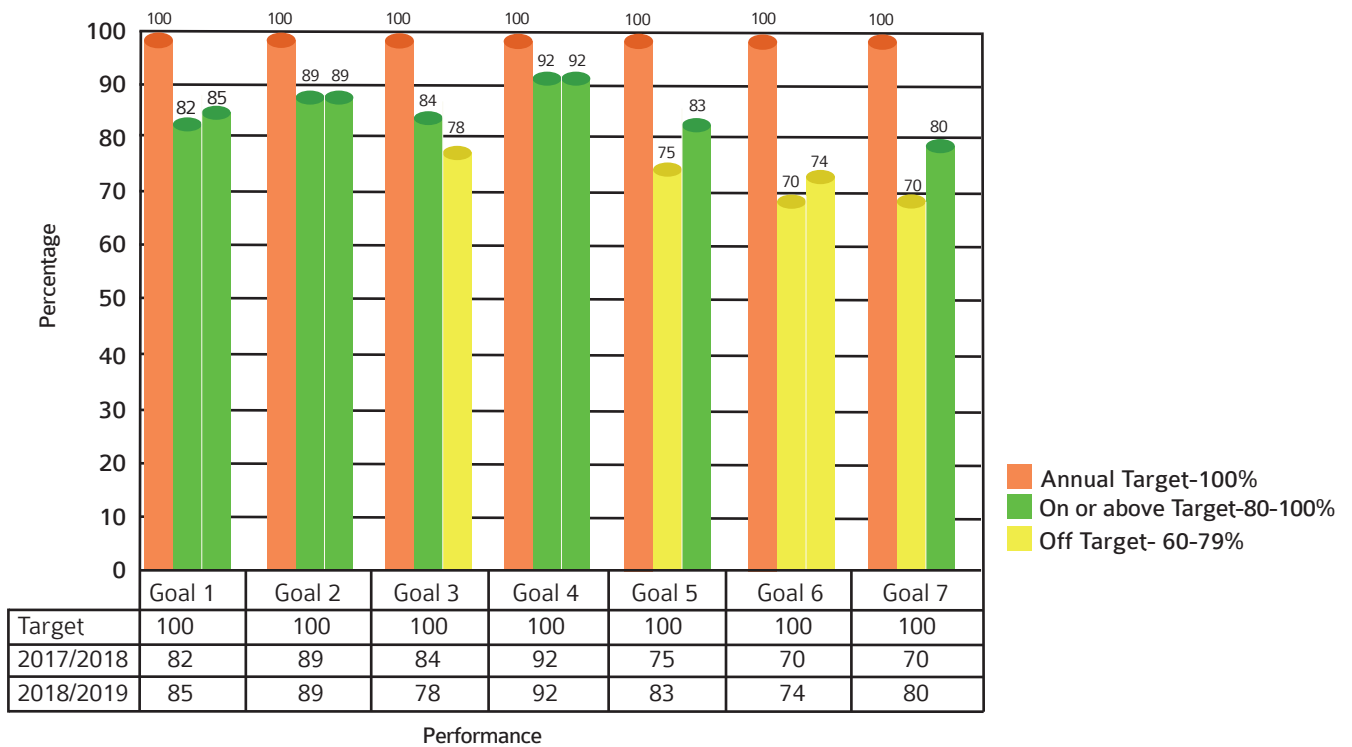
- (a) **Equality and Diversity** – fair and equal treatment, respect for the rights, differences and dignity of others, promoting an inclusive culture for all.
- (b) **Sincerity and Trust** – genuine, truthful, honest, transparent, integrity and reliability.
- (c) **High-Performance and Quality** – hard work, teamwork, strong work ethics; commitment, dedication, fast-paced, successful, accountability, quality and results-oriented, ambitious, recognition and reward, talented staff and students.
- (d) **Innovation** – creative, open-minded, resourceful and entrepreneurial.
- (e) **Quest for Knowledge and Understanding** - freedom of thought, inquiry and expression and the encouragement of a questioning spirit

PERFORMANCE AGAINST STRATEGY – 2018/19

During 2018/19, the University continued to implement its strategy through the execution of the Annual Performance Plan that had been approved by Council for implementation commencing April 1st 2018. The formulation and implementation of the Annual Performance Plans since 2017/18 has proved to be essential in guiding the University’s decision making and will continue to provide the framework for future endeavours and plans. The purpose of the Plan was to provide the much needed stability and sense of purpose that the University needed to fulfill its Mission and Vision. During 2018/19, the key concern was to stabilize the University’s finances, staff compliment and student numbers to improve the efficiency and effectiveness of the University and to ensure that the student experience, research and engagement were central to everything that was undertaken.

The University has developed a balanced set of 80 measures to comprehensively measure its performance. For the purpose of oversight by the Council, the Shareholder and the Annual Report, a smaller set of 40 core measures has been selected to show at a high level the University’s vital signs. The overall performance of the University for 2018/19 is 83% achieving the same level of performance as for 2017/18 and is summarized below.

CHART 1: Overall University Summary performance 2018/19



PERFORMANCE KEY			TARGETS
Well Below Target 0-59%	Off Target – 60-79%	On or above Target – 80-100%	Set Target
GOAL KEY			
Goal 1: Academic Quality and Student Reputation	Goal 2: Research and Innovation Excellence	Goal 3: Engagement for Development	Goal 4: High Performance Organization
Goal 5: Ensuring Financial Sustainability & Growth to Drive Performance.	Goal 6: Improving Institutional Effectiveness to Drive Performance	Goal 7: Developing Capabilities to Drive Performance	

An overall summary of the performance of each goal at objective level for 2018/19 is provided in Table 1 below followed by a detailed performance analysis in the main part of the Report.

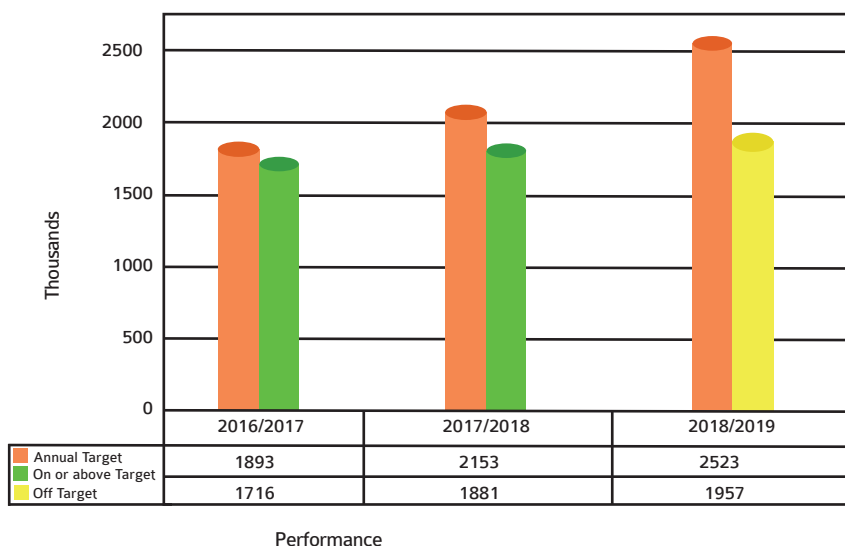
Table 1: Summary Performance Analysis		
On or above Target-80-100% (Effort to be sustained)		
Perspective	Strategic Goal	Key Area
Stakeholder	Goal 1: Academic Quality and Student Reputation	1. Undergraduate Student Enrolments 2. Student Retention 3. Staff-Student Ratio 4. Institutional Accreditation 5. Graduate Employability 6. Student Services Norms and Standards 7. Student Services Funding
Stakeholder	Goal 2: Research and Innovation Excellence	8. Academic Staff Qualifications 9. Research Centres and Groups 10. Research Publications per Academic Staff Member 11. Field Weighted Research Output 12. Research Funding 13. National Engagement Projects
Stakeholder	Goal 3: Engagement for Development	13. National Engagement Projects 14. International Partnerships
Stakeholder	Goal 4: High-Performance Organization	15. Statutory Compliance 16. Strategy Implementation Funding 17. Strategy Initiative Implementation 18. Audit Findings Management 19. Positive Media Impact
Financial	Goal 5: Ensuring Financial Sustainability & Growth to Drive Performance.	20. Operating Result 21. Salaries vs. Overall Expenditure 22. Academic Salary Ratio 23. Procurement Planning 24. Tender Contracts
Internal Process	Goal 6: Improving Institutional Effectiveness to Drive Performance	25. NDP10 Capital Development Project Delivery
Learning and Growth	Goal 7: Developing Capabilities to Drive Performance	26. Staff Recruitment 27. Staff Retention 28. Library Budget 29. Information and Communications Technology Budget 30. Library Collection Development 31. ICT Network Access

Off Target – 60-79% (Further Work Required)		
Stakeholder	Goal 1: Academic Quality and Student Reputation	32. Total Student Enrolments 33. Postgraduate Student Enrolments
Stakeholder	Goal 3: Engagement for Development	34. International Academic Staff
Stakeholder	Goal 4: High Performance Organization	35. Institutional Performance Measurement 36. Organisational Design
Internal Process	Goal 6: Improving Institutional Effectiveness to Drive Performance	37. NDP11 Capital Development Project Delivery 38. Facilities Management Project Delivery
Learning and Growth	Goal 7: Developing Capabilities to Drive Performance	39. Percentage of academic staff in post
Off Target – 0-59% (Major Intervention Required)		
Stakeholder	Goal 1: Academic Quality and Student Reputation	40. Student Gender Parity 41. International Student Enrolments
Stakeholder	Goal 2: Research and Innovation Excellence	42. Research Income
Financial	Goal 5: Ensuring Financial Sustainability & Growth to Drive Performance.	43. Departmental Encumbrances
Learning and Growth	Goal 7: Developing Capabilities to Drive Performance	44. Staff Performance Management System

Strategic Goal 1: Academic Quality and Student Reputation

Students are at the heart of the University's enterprise. They provide the key reason for its existence, the rationale for the academic programme purpose and the essential building block of the University's resource planning and finances. BIUST's strategic ambition as set out in the University's Strategic Plan, is to enroll a diverse mix of national and international students. Furthermore, the ambition is to provide them with excellent research-based academic programmes, quality teaching and learning and appropriate institutional resources which can enhance their knowledge, understanding and skills, and enable them to develop and realise their potentials as individuals which they could use beyond the University.

Chart 2: Total Student Enrolments



During 2018/19, the University enrolled 1957 students who represented 78% of the annual target of student enrolment. This was an increase of 4% over the previous year's performance (2017/18). Of the overall students enrolled, 86% were registered for Bachelors programmes while 14% were for Postgraduate programs. Out of this number, 3% were international students and overall there were 66% male students and 34% accounted for females. The University held its third graduation ceremony on the 23rd February 2019 conferring 267 degrees on students. Students graduated in all Higher Education level qualification types (Bachelors, Masters and Doctoral) and across the full range of subject areas offered by the University.

Academic quality and the maintenance of high academic standards is the main currency of the University on which it builds its reputation and its long term future. Students who are a key stakeholder have a legitimate expectation that their qualifications will be recognised and held in high esteem in Botswana and internationally. In December 2018, the University was registered as a Higher Education Training Provider by the Botswana Qualifications Authority (BQA). Substantial progress was made in preparing the academic programme portfolio which will pave way for the registration of its programmes on the National Credit and Qualifications Framework (NCQF) and subsequently to receive recognition by the Engineering Registration Board (ERB) and international accreditation by the Engineering Council of South Africa (ECSA).

Equally important is to ensure that the University's academic programmes are aligned to the needs of the national economy as well as being able to make a unique contribution internationally. Student employability is a key indicator of the relevance of the University's academic programme. The University undertook its second Graduate Destination Survey in November 2018 to establish the outcomes of the second cohort of students that had graduated at the second graduation ceremony held on February 18th 2018. Six months after graduation, 45% were employed; 19% were pursuing further studies, 2% were self-employed and 34% were actively seeking employment or further studies.

The success of BIUST will ultimately depend on the formative experiences and quality of student life experiences that are provided throughout the campus. During 2018/19 the University made progress in implementing the 'Student Services Standards for Tertiary Education in Botswana' (HRDC: 2017). The overall efficiency and effectiveness of the services provided to students were enhanced and the following key areas of student life have received particular attention:

- (1) Personal counselling and support;
- (2) Health and Wellness;
- (3) Residence Life and
- (4) Special needs Services.

Strategic Goal 2: Research and Innovation Excellence

As one of Africa's emerging research-based science and technology universities, BIUST has a strategic and focused commitment to the creation and dissemination of knowledge in a range of disciplines and fields. These activities are carried out in well-resourced laboratories, libraries, classrooms and research infrastructure; and with the teaching and training of research students at the core.

The research projects undertaken at BIUST addresses some of the most complex and urgent issues facing Botswana and the world today. These include Natural Resources Management, climate and society; Frontiers in Science and development of innovative technology products and services for economic development.

Interdisciplinary research is at the centre of the University's research strategy. During 2018/19 Financial Year, there was an increase in the number of academics who work collaboratively in research projects. This teamwork resulted in the following research groups and projects:

RESEARCH FOCUS AREAS AND GROUPS

Natural Resource Management

1. Remote Sensing of Natural Resources and the Environment
2. Sustainable Energy and Resource Beneficiation
3. Water and Solid Waste Treatment and Management
4. Mineral & Material Processing
5. Solar Energy Materials
6. Mineral and Energy Resources
7. Applied Nuclear Sciences and Technology

Climate and Society

8. Invertebrate biodiversity & physiological ecology

Frontiers in Science

9. Space and planetary science

10. Earth Geo-dynamics and Seismic Tectonics

11. IT enabled Transformation

12. Bio-informatics, Data Science and High Performance Computing

Innovative Technological Products and Services For Economic Development

13. Power Electronics and Energy Systems

14. BIUST Software Engineering Lab

15. Signal Processing Networks and Systems

16. Advanced Manufacturing and Engineering Education

17. Bioinformatics, data science & High Performance computing

18. Artificial Intelligence and Smart Systems

19. Nano materials for energy, environmental and water systems

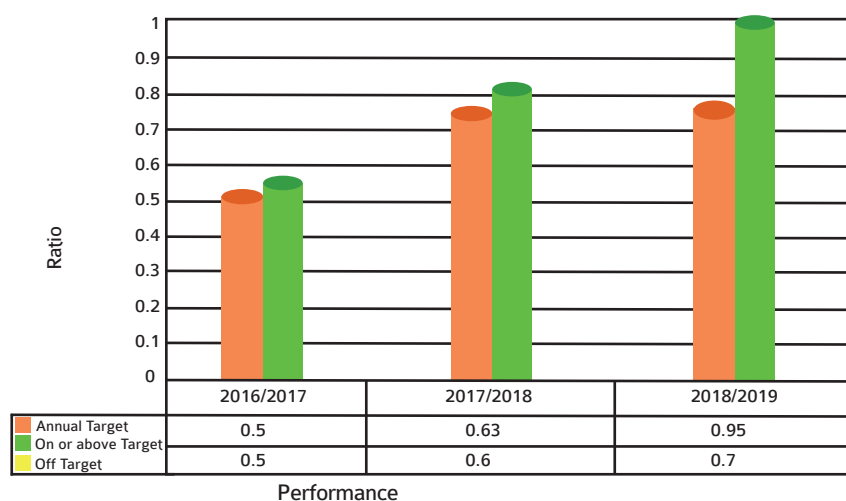
20. Electronic Design and Applications

The proportion of academic staff with Doctorates is an important indicator of the quality of research and the university's research capacity. The target of 100 percent which was achieved in 2016/17 and 2017/18 was maintained during 2018/19. This places the University in the highest of rankings of international best practice for research-intensive universities with a benchmark of 60 percent being the standard norm.

While the recruitment of postgraduate students remains a challenge due to the low number of scholarships available, the university has witnessed an encouraging increase in enrolments from 114 (2016/17) to 263 (2018/19). This will be achieved by promoting BIUST's profile and continuing to position the university as the national Centre for postgraduate study in Science and Technology; and as a destination of choice for international students.

The research publications are used as a measure of research output. The University registered a significant increase of the research output. BIUST's ratio of publications per academic staff member rose from 0.5 in the year 2016/17 to 0.63 in the year 2017/18. In the 2018/19 period, the university registered a 0.95 research-output score. From 1st April 2018 to 31st March 2019, there were 190 publications from 200 Academic Staff. This translates to an average of 0.6 research publications per academic staff.

Chart 3: Research Publications per Academic Staff member Ratio



BIUST is at a stage where research is being transformed into products. This is done in partnership with industry as evidenced by the Pyrolysis plant which has been setup on campus. This project encompasses the research which is carried in BIUST. At this stage sample of products (i.e. oil) are now being produced. At a later stage the community will benefit by acquiring the plant and starting their own businesses. BIUST has engaged two female graduates who having completed their undergraduate degrees are conducted research which they now want to take to the next level of product development. There are two innovators from the community who have their ideas developed into products in collaboration with our researchers at BIUST. We are currently providing patent searching service to innovators. This service enables the innovator to know what has been developed in relation to his or her proposed idea.

The value of research income expressed as a percentage of the university overall revenue is an important measure of research intensity, research impact and institutional reputation. The performance of the university in the 2019 period was exceptional with regard to research grants. The university received a total of P4, 196,838.26 as research income.

The table below shows the 2018/19 external funds received.

2018/19 RESEARCH EXTERNAL FUNDS RECEIVED	
FUNDER	BWP
1. Southern Africa Mathematical Sciences Association (SAMSA)	443,521.94
2. Network of Excellence in Renewable Energy Technologies for Development.	11,315.72
3. CONNECT4WR, NERC ,UK	380,000.00
4. Botswana Oil	100,000.00
5. DARA -Women in STEM - Newton Fund	126,439.66
6. BARCLAYS F. G. Mogae Scholarship Fund	700,000.00
7. Simons Foundation	935,550.94
8. Other Government Departments	1,500,000.00
TOTAL	4,196,838.26

The list of research partners are as follows:

- i. **SIMONS Foundation** –Graduate Studies Research in Mathematics and its Applications: A Network Approach: This project aims to strengthen both Pure and Applied Mathematics teaching and research and provides a platform for experienced teachers and researchers in the region to coordinate their efforts in training and research in Pure and Applied Mathematics.
- ii. **NEED** –The Network of Excellence in Renewable Energy Technologies for Development.
- iii. **UNESCO** - Organisation of Women in Science for Developing Countries (OWSD)-UNITED NATIONS.
- iv. **The University of Aberdeen** - (Urgency Fund Scheme) - Natural Environment Research Council – PULA PROJECT - Extreme Rainfall and Flood in Arid Regions.
- v. **University of Botswana** -Enriching Engineering Education Programme (EEEP) – Improves the standard of engineering education by forging a successful partnership between industry and engineering solutions which enhances knowledge sharing and collaborative research.
- vi. **Global Engineering Team** – is an innovative global engineering educational programme that aims to foster teamwork and digital cooperation skills in students with different technical and cultural backgrounds by engaging them in challenging industry-sponsored projects.
- vii. **Human Resources Development Council (HRDC)** – Research Grants for three projects:
 - a. Real Time Integrated Farm Monitoring System Using the Internet of Things in Botswana.
 - b. Synthesis of Doped Silver, Zinc and Titanium Oxide Nanostructures and their antibacterial activity and effects on lung, breast, and colon cancer cells (cell lines).
 - c. Availability and Security Issues in Healthcare Cloud Computing.
- viii. **Botswana Defence Force:** The Botswana Defence Force and BIUST have signed a Memorandum of Understanding which resulted in the implementation of the Drones Project that commenced with the signing of Memorandum of Agreement (MoA) on February 14th, 2019.

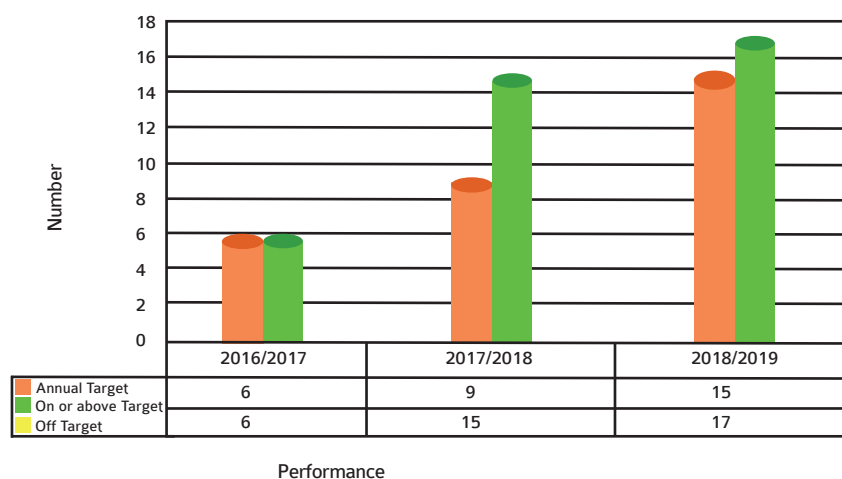
Strategic Goal 3: Engagement for Development

Engagement is central to the mission and strategic intent of the University. This finds form in (a) Local Linkages and Partnerships; (b) Public Awareness and (b) Internationalism. The building of strong relationships to play a role in developing economic, social and employment opportunities within the local community represents one of BIUST's key accomplishments. During 2018/19 the University continued to play a lead role at a national level with regards to the promotion and development of Science, Technology, Engineering and Mathematics (STEM) through the National Science, Technology, Engineering and Mathematics (STEM) Festival as well as promoting a number of Science Circus in Kgatleng Lobatse and Bobirwa.

BIUST has a major role to play in strengthening of linkages in the secondary education system through the transfer of knowledge and skills in STEM. During the 2018/19 Financial Year, the University was involved in many projects which include:

- (a) ICT Training for Teachers;
- (b) Coordinated Girls Excelling in Mathematics and Science (GEMS);
- (c) BIUST student mentorship programme of Lotsane learners in Mathematics and Science.

Chart 4: Number of Operational National Engagement Projects



During 2018/19 Financial Year, BIUST continued to build linkages and partnerships with industry and to promote knowledge and skills transfer through applied research and consultancy for government and industry. As a university of Science, Engineering and Technology BIUST has a vested interest in building linkages and partnerships to ensure relevance for its academic programmes; opportunities for its students to obtain industry-ready skills; and to promote the application of its research in a 'real and live' industry setting. The benefits are access to high-level skills, cutting edge research and innovation ideas. The three major partnerships established and operationalised during 2018/19 were:

- a) Botswana Defence Force/BIUST Partnership
- b) Botswana Innovation Hub/BIUST Partnership
- c) Debswana/BIUST Partnership

Internationalisation is a strategic ingredient of BIUST's mandate which embraces international partnerships; enrolment of international students; recruitment of international staff and collaborating on international research. The recruitment of international staff and students are a key focus of BIUST's internationalisation strategy which requires the university to focus on positioning in potential markets in SADC, Africa and the world; ensuring that internationalisation has meaning for all staff and students and building an educational and social environment that is internationally and culturally attractive and diverse. This is a long term ambition which clearly cannot be immediately achieved. During the 2018/19 Financial Year, the university increased international student enrolment from 56 students who enrolled in 2017/18 to 63. The number of international academic staff from the previous year remained at 75, which is (39%) of the total 192 academic staff.

International linkages were strengthened during 2018/19 with strategic partnerships with the following universities and research institutions:

- a) AKITA University (AU), Japan - Staff and Student Exchange Programme
- b) University of Cincinnati, USA - Engineers Without Borders Programme.
- c) Confucius Institute (University of Botswana) - Chinese Programme
- d) Universitatea Babeş-Bolyai, Cluj - Napoca, Romania- Staff Exchange Programme
- e) ERASMUS+ Programme - Student Exchange
- f) iThemba Labs for Accelerator-Based Science, South Africa - Use of laboratory facilities and equipment.

Strategic Goal 4: High Performance Organisation

The University Strategy has determined that the University's academic core (teaching and learning; research and innovation; and engagement) requires the University to function as a high performance organisation. The University's expectations of a High Performance Organisation revolve around it ensuring:

- a) the highest standards of corporate governance;
- b) a strategic focus with clear ambitions and measurable and achievable goals;
- c) an organisational structure that drives performance;
- d) sound internal controls that are independently audited; and
- e) a reputation that inspires national pride and international recognition.

During 2018/19 Financial Year, the University started to formally measure governance issues. This was to ensure that decision making by the University Council was appropriately informed by legal advice and recommendations from the University's Office of Legal Services. Statutory compliance was a second key area of focus with meetings of the University Council and its supporting committees being compliant in terms of the Council Charter, operating procedures and statutory filing of audited financials and the Annual Report being compliant in terms of reporting requirements and the prescribed timelines.

The University continued to make progress in implementing the 2016/17 to 2022/23 Strategic Plan. The university achieved 83% of the annual targets set in the 2018/19 Performance Plan. The University also has a comprehensive planning system with strategic goals, objectives, measures, and targets which links planning, budgeting and institutional performance to Faculty and Directorate plans and individual staff performance contracts. In terms of the characteristics of a High Performance Organisation the University has:

- a) A strong vision that excites and challenges;
- b) A strategic and operational level plans that balance long-term goals and objectives with short-term imperatives;
- c) Clear, measurable and achievable targets; and
- d) Provides clarity and a common understanding of the institution's strategy and direction.

A new organisational structure was finalised by external consultants and it will be brought forward to the University Council for approval with a recommendation to be implemented in the 2019/20 Financial Year. The revised organizational structure will:

- a) Stimulate cross-functional and cross-organizational collaboration;
- b) Simplify and flatten the organization by reducing boundaries and eliminating silos between individual Faculties and Directorates; and
- c) Foster University-wide sharing of information, knowledge and best practices to promote efficiency and effectiveness.

The University continued to strengthen internal audit function to ensure strong internal controls are in place and to correct any deficiencies identified.

During the Reporting period the Internal Audit function focused on areas such as operational efficiency, financial compliance, processes, plans and standards. Regular reports were presented to the University Management by Internal Audit identifying issues that needed to be addressed complemented by the Reports of the External Auditors. 2018/19 witnessed a significant improvement in how the University Management dealt with these reports with the closure of annual audit findings increasing from 38% (2016/17) to 70% (2018/19).

The University’s reputation as measured by the incidence of positive media coverage has improved considerably over the last three years since 2016/17. The University routinely measures the frequency of positive reporting about BIUST in both the national and international print media. During the Reporting period 97% of the media reports on BIUST were positive which has contributed to favourably shaping opinion and enhancing the external perception of the University and its reputation. In addition BIUST continued to market itself through a range of activities including:

- a) Community engagement;
- b) Brand projection;
- c) Participation at national fairs and exhibitions;
- d) Stakeholder briefings
- e) Campus tours and visits, public lectures and
- f) Corporate social responsibility initiatives.

Chart 5: Positive media Impact

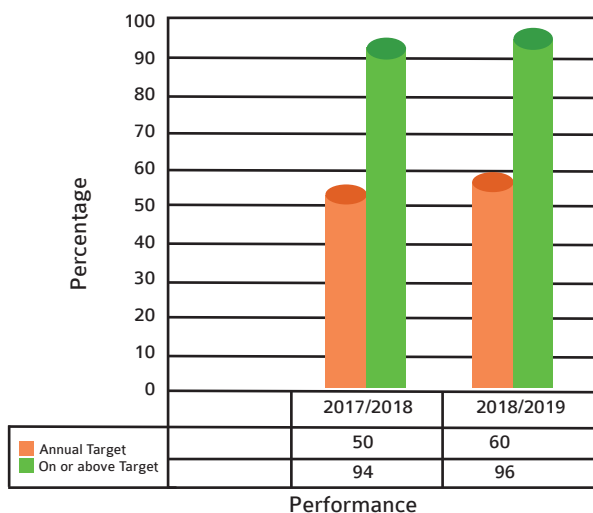
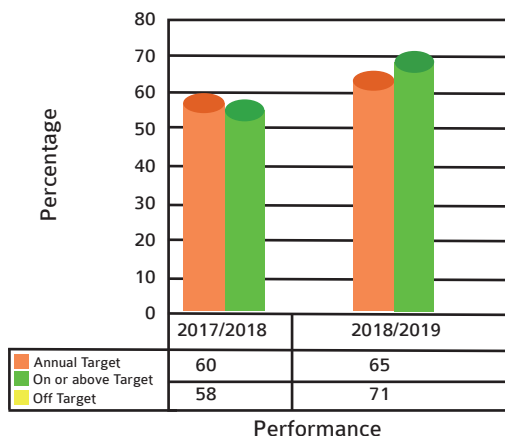


Chart 6: Annual Perception Index

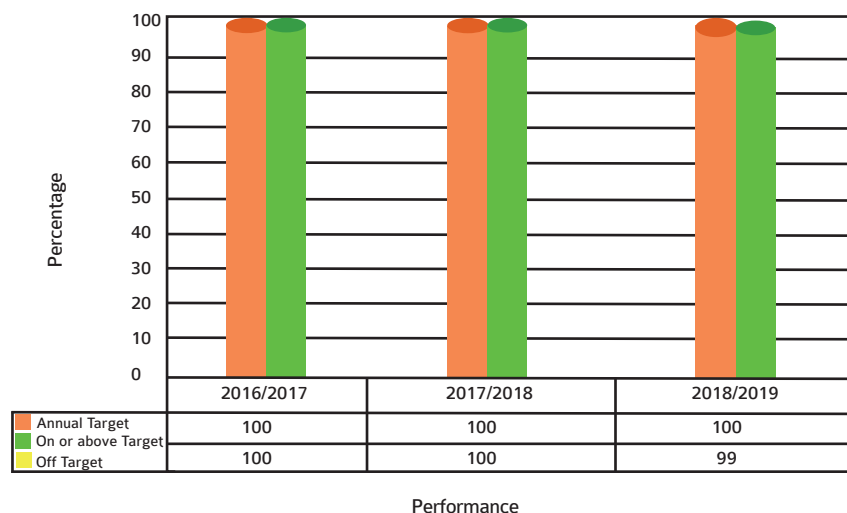


Strategic Goal 5: Ensuring Financial Sustainability and Growth to Drive Performance

During 2018/19, despite the significant funding and cost pressures that the institution faced, the University acted decisively to ensure its financial sustainability so as to continue to implement its academic strategy. The University's financial results show that the income to expenditure ratio was effectively balanced in spite of the flat funding received through the Government Grant. The University commenced the major task of ensuring that our Faculties and Directorates have strategies that make sound academic, business and financial sense. This was achieved by linking the University Annual Performance Plan to the Annual Budget and the costing and allocation of funds to individual strategic initiatives. Costs saving measures were implemented and a concerted effort undertaken to grow our existing sources of income and diversify into new profitable income streams.

For the financial year 2018/19, the financial resources of the University comprised an operating grant of P438, 306, 570 received from Government, student tuition fees of P62, 971, 337, and other revenue of P7, 560,152. The University spent 99% of the budget representing a P4, 463,431 operating surplus. This compares with the previous financial year 2017/18, where the financial resources of the University comprised an operating grant of P407, 003,150 received from Government, student tuition fees of P60, 331,735, and other revenue of P6, 059,483. The University spent 105% of its budget reporting a deficit of P21, 884,823

Chart 7: Operating Results: Expenditure as a percentage of income



The proportion of annual salary costs to total budget is a key indicator of the University's ability to remain sustainable and indicates that sufficient budget is available to finance the running costs of the University. With an international benchmark of 60:40, the University achieved this target and is reporting a 57:432 actual for 2018/2019. The proportion of academic to support staff salaries is a key indicator of the University's ability to deliver on its core academic mandate. The annual targets which are based on best practice are 60% academic vs 40% support. For the 2018/19 academic year the ratio was 55% (academic salaries) vs. 45% (support salaries).

Strategic Goal 6: Improving Institutional Effectiveness to Drive Performance

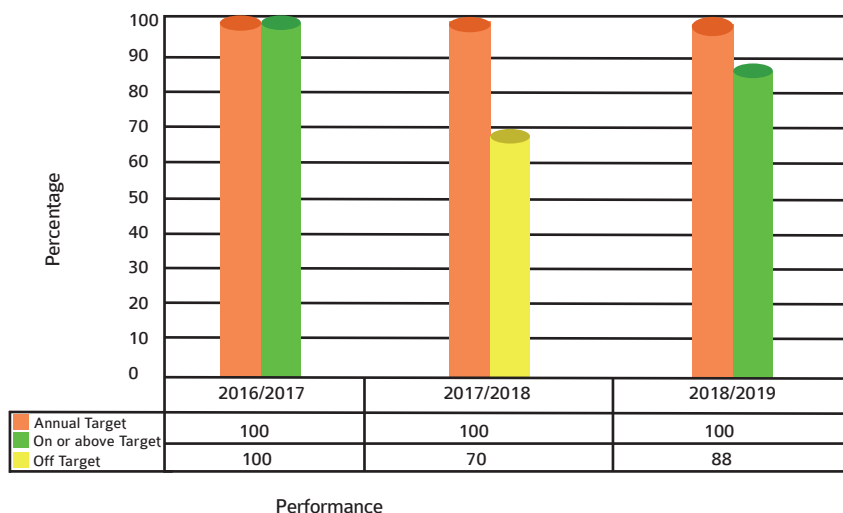
During 2018/19, the University undertook QMS capacity building and awareness and sensitisation of BIUST Staff and established and trained a Core Team for QMS on ISO Standard Understanding; Standard Documentation; Processes and Procedures and QMS requirements, documentation and audit training.

BIUST's commitment to building our future and developing a world class campus continued during 2018/19 with the completion of building projects totalling P529 million. Post contract services for the Access road and Water and sewer reticulation upgrade were 87% completed. The accomplishment of these developments will make significant inroads into laying the future for a sustainable and more conducive campus for students and staff.

New proposed NDP11 capital development projects are at the pre-contract stage which include concept development and technical evaluation and have achieved 60% progress against a target of 80%. These projects, which will require a total capital outlay of P800 million, include:

- a) Expansion of the Faculty of Science and Faculty of Engineering and Technology
- b) Teaching and Learning Centre and Library and Research Centre
- c) Student Centre and Refectory
- d) Data Centre

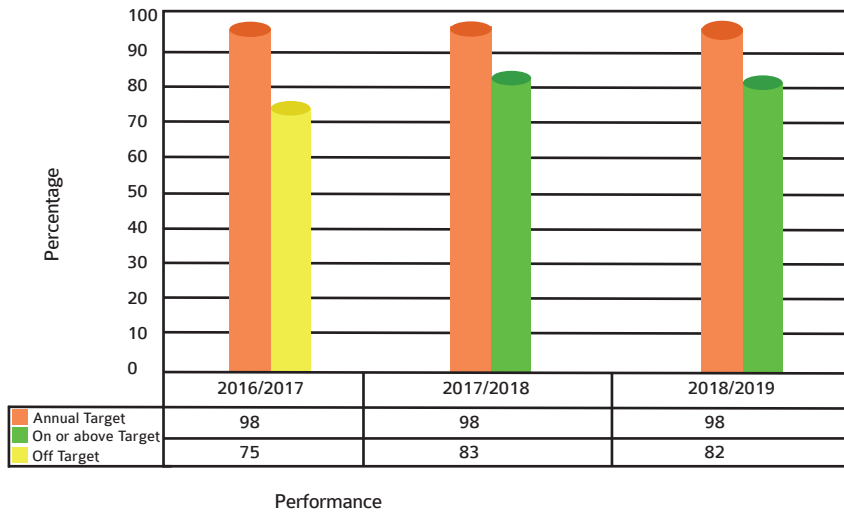
Chart 8: Capital Development Project Delivery



Strategic Goal 7: Enhancing Institutional Capabilities to Drive Performance

During 2018/19, the University continued to pursue its objective to attract, develop retain highly qualified skilled and talented staff and making BIUST a place where people want to work. A total of 59 new staff (26 academic, 33 support) were recruited during 2018/19 while the staff attrition rate was 3.6% which is well below the industry norm of 5%. This resulted in the staff compliment increasing from 432 (2017/18) to 474 (2018/19) with 82% of the staff establishment posts being filled. The continuing challenge is the recruitment of academic staff which due to the BIUST requirement for a doctoral degree and the highly specialised nature of the academic programme, requires the University to recruit from the international market and to compete globally for high quality academic staff. Despite the difficult financial climate, the University continued to improve the knowledge, skills and competencies of its staff with a total of 14 Teaching Instructors currently pursuing Doctoral Studies; one (1) Technician pursuing Bachelor Degree studies and several members of staff having undergone short term training during the course of the year.

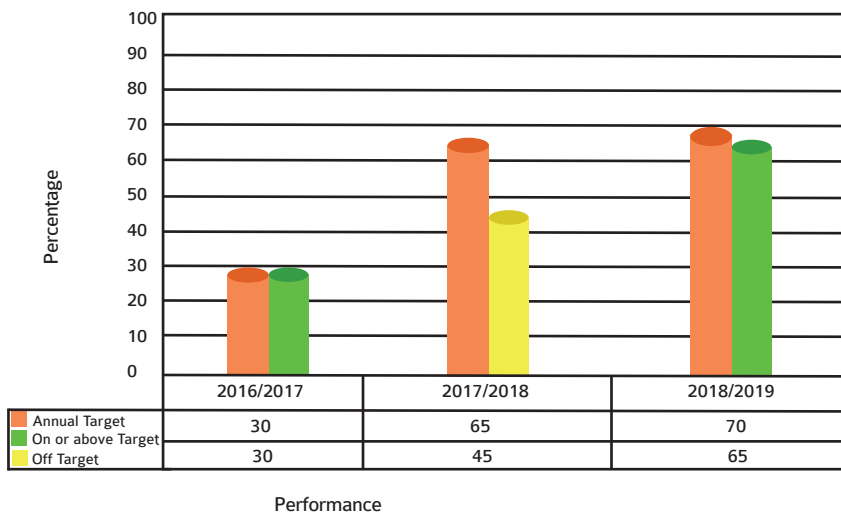
Chart 9: Staff in post as % of establishment



BIUST is committed to the provision of multiple and flexible opportunities to acquire knowledge and access to information services to enhance the academic mission of the University (teaching and learning, research and innovation and engagement) and to enhance student and staff performance. This is undertaken through the provision of Library and Information and Communications Technology Services.

During 2018/19, the University Library grew the library collection including paper and electronic resources by 44% from the previous year (2017/18) while the University advanced its ICT capacity and capability with 65% of the University Community with 24/7 on-campus/off-site access to the ICT Network. The improved ICT coverage and access to knowledge resources through the library through e-Research and e-Learning portals and systems has strengthened the University’s Teaching and Learning and Research and Innovation and improve operational effectiveness and efficiency.

Chart 10: ICT Staff/Student 24/7 Network access





Manaledi Primary School pipul demonstrating PBL at STEM 2018



Advanced Manufacturing Lab



BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

(Established in terms of the Botswana International University of Science and Technology Act 57:05)

NATURE OF BUSINESS

the objects of the University are :

- a) to provide higher education and training;
- b) to undertake, promote and facilitate research and scholarly investigations;
- c) to advance and disseminate knowledge and skills through teaching, learning and practical skills training;
- d) to contribute to national and international scientific and technological development;
- e) to support and contribute to the realizations of national economic and social development;
- f) to contribute to the cultural and social life of the community; and
- g) to advance the intellectual and human resources capacity of the international community

EXECUTIVE MANAGEMENT

Professor O. Totolo	Vice-Chancellor
Distinguished Professor D Siginer	Deputy Vice Chancellor (Academic Affairs)
Professor E. Lungu	Acting Deputy Vice-Chancellor (Research and Innovation)
Mr D Katzke	Deputy Vice Chancellor (Finance and Administration)

MEMBERS OF THE COUNCIL

Name	Designation
Mr. B B Bolele	Chairperson
Dr H. Fidzani	Vice Chairperson
Professor O. Totolo	Vice Chancellor
Distinguished Professor D Siginer	Deputy Vice-Chancellor (Academic Affairs)
Professor E. Lungu	Acting Deputy Vice-Chancellor (Research and Innovation)
Mr D Katzke	Deputy Vice-Chancellor (Finance and Administration)
Dr T. Mooko	Member
Mr T Johnson	Member
Professor E. Atekwana	Member
Mr M. Mpathi	Member
Dr S G. Maphanyane	Member
Mr J Mokgosi	Member
Professor. F Toteu	Member
Ms D. Setshogo	Member
Professor J. Chuma	Member (Joined 08/11/2018)
Professor W. Masamba	Member (Joined 08/11/2018)
Professor E. Shemang	Member (End of contract 30/11/2018)
Dr B. Batlokwa	Member (End of contract 08/12/18)
Kgosi M. Maforaga	Member
Professor T. Oladiran	Member (End of contract 30 /11/2018)
Dr G Malatsi	Member (Joined 08/11/2018)
Mr E Government	Member
Mr W Mankanku	Member
Mr G. Nkape	Member

REGISTERED OFFICE

Plot 10071
Palapye

BANKERS

Bank Gaborone Limited, Banc ABC, First National Bank of Botswana Limited, Stanbic Bank Botswana, Standard Chartered Bank of Botswana.

INDEPENDENT AUDITORS

Mazars – Certified Auditors

The members of Botswana International University of Science and Technology Council are responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the University as at the end of the financial year and the results of its operations and cashflows for the period then ended, in conformity with the BIUST Act and International Financial Reporting Standards and in the manner required by Section 19 of the Botswana International University of Science and Technology Act, 57:05. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards and in the manner required by Section 19 of the Botswana International University of Science and Technology Act, 57:05 are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members of the University Council acknowledge that they are ultimately responsible for the system of internal financial control established by the University and places considerable importance on maintaining a strong control environment. To enable the members of the University Council to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout 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 in all 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 endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within redetermined procedures and constraints.

The members of the University Council 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 members of the University Council have reviewed the University's cashflow forecast for the year to March 31, 2018 and, in light of this review and the current financial position, is satisfied that the University has or had access to adequate resources to continue in operational existence for the foreseeable future.

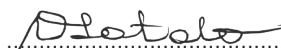
The external auditors are responsible for independently auditing and reporting on the University's annual financial statements. The annual financial statements have been examined by the University's external auditors and their report is presented on page 26 to 28.

The annual financial statements set out on pages 24 to 53, which have been prepared on the going concern basis, were approved by the council on...~~08-08-2019~~...and were signed on their behalf by:

Approval of financial statements



.....
Chairperson



.....
Vice Chancellor

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

The following statements are presented in compliance with the requirements of the Botswana International University of Science and Technology Act 57:05.

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INDEPENDENT AUDITOR'S REPORT

To the Council Members of Botswana International University of Science and Technology.

Opinion

We have audited the annual financial statements of Botswana International University of Science & Technology set out on 7 to 33, which comprise the statement of financial position as at March 31, 2019, and the statement of comprehensive income, statement of changes in accumulated funds 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 present fairly, in all material respects, the financial position of Botswana International University of Science & Technology as at March 31, 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the BIUST Act 57:05.

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.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<i>Existence and capitalisation of constructed assets under property plant and equipment.</i>	
<i>The university accounts for the Property, plant and equipment at cost less accumulated depreciation and any accumulated impairment losses. The carrying amount of Property, plant and equipment as at 31 March 2019 is P 1,287,232,837.</i>	<i>We reviewed the Property, plant and equipment report and schedule for the current year and confirmed that the accounting was in accordance with International Financial Reporting Standards.</i>

CERTIFIED AUDITORS

PLOT 139 GABORONE INTERNATIONAL FINANCE PARK GABORONE BOTSWANA • PO BOX 401805 GABORONE BOTSWANA
TEL: +267 395 7466 • FAX: +267 395 7477 • gbe.info@mazars.co.bw • www.mazars.co.bw

A FULL LIST OF PARTNERS IS AVAILABLE ON REQUEST OR AT WWW.MAZARS.CO.BW



Praxity
MEMBER
GLOBAL ALLIANCE OF
INDEPENDENT FIRMS

The carrying value of capital work in progress as at 31 March 2019 is P 204,854,177. Due to the high value of the work in progress we considered it to be a matter of significance to the current period of audit.

Capitalisation of assets should be accounted in accordance with the accounting policy. During the year there was transfer from work in progress to Land and building amounting to P 1,989,613 and impairment of capital work in progress of P 2,091,287.

Extensive procedures were performed on the physical verification of the Property, plant and equipment with tests for impairment on the assets. We reperformed recalculation of the depreciation expense for the year. We tested for authenticity on a sample of additions that were made during the year.

We performed verification of the additions to capital work in progress and confirmed the authenticity.

Since the transfers from the capital work in progress forms part of Property, plant and equipment we tested capitalisation process with the capitalisation policy and verified with the completion certificates to confirm the transfer to assets.

Responsibilities of Council members for the Annual Financial S

- The council members are responsible for the preparation and fair presentation of the annual financial statements in accordance with Entity specific basis of preparation and the requirements of the BIUST Act, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by council members.
- Conclude on the appropriateness of council member's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 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.

Mazars

Mazars
Certified Auditors
Partner: Shashikumar Velambath
19980076

12-08-2019

(Gaborone)

BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
 STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 31 March 2019

	Note	2019 P	2018 P
Government Subvention	5	419,072,208	366,342,199
Tuition and other student fee revenue	6	62,971,337	60,331,735
Other Income	7	7,560,152	6,059,483
Amortisation of Capital Grants	18	63, 627 663	57,051,435
Gross Operating Income		553,978,753	489,784,852
Staff Costs	8	(325,305,862)	(286,951,223)
Other Operating Expenses	9	(223,462,068)	(225,588,092)
Deficit/(Surplus) for the Year from Operating Activities		4,463,431	(22,735,464)
Finance Income	10		890,641
Surplus (Deficit) for the Year		4,463,431	(21,844,823)
Total Comprehensive Income/(Loss)		4,463,431	(21,844,823)

	Note	2019	2018 P
ASSETS			
Non-current Assets			
Intangible Assets	11	76,257	1,408,391
Property, Plant and Equipment	12	1,287,232,837	1,304,715,250
Capital Work In Progress	12	204,854,178	146,903,335
		1,492,163,272	1,453,026,976
Current Assets			
Inventory	13	1,005,528	1,166,449
Other Receivables	14	27,942,035	18,863,116
Cash and Cash Equivalents	15	109,506,179	17,946,153
		138,453,743	37,975,718
Total Assets		1,630,617,016	1,491,002,694
FUNDS AND LIABILITIES			
Capital Grant and Reserves			
Capital Grants	18	1,395,347,336	1,249,407,868
Accumulated Funds		107,695,291	103,231,860
		1,503,042,627	1,352,639,729
Non-current liabilities			
Current Liabilities			
Retention Payable	19	18,393,014	15,764,325
Trade and Other Payables	20	109,181,374	122,598,641
Total Funds and Liabilities		1,630,617,016	1,491,002,694

BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS
 for the year ended 31 March 2019

	Capital grants P	Accumulated fund P	Total P
Balance at 1 April 2017	1,102,798,352	114,489,748.00	1,217,288,100
Grants received during the year (Note 18)	163,000,000	-	163,000,000
Amortisation of capital grants (Note 18)	(57,051,435)	-	(57,051,435)
Transfer from Subvention	40,660,951		40,660,951
Prior period retained earnings adjustment Library Books (Note 28)		10,586,935.00	10,586,935
Surplus for the year		(21,844,823)	(21,844,823)
Balance at 31 March 2018	1,249,407,868	103,231,860	1,352,639,729
Balance at 1 April 2018	1,249,407,868	103,231,860	1,352,639,729
armotisation of capital grant	(63,627,663)		(63,627,663)
Grants received during the quarter (Note 18) - Development Projects	167,912,936		167,912,936
- designated funds	22,419,833		22,419,833
Transfer from Subvention	19,234,362		19,234,362
Surplus for the year		4,463,431	4,463,431
Balance at 31 March 2019	1,395,347,336	107,695,291	1,503,042,627

Note	2018 P	2017 P	
Cash flows from operating activities:			
Cash generated from operations	22	(13,182,249)	9,474,772
Net cash flows generated from operating activities		-13,182,249	9,474,772
Cash flows from (to) investing activities:			
cash from recurrent funding capital expenditure	5	19,234,362	40,660,951
Interest income	10	-	890,641
Additions to property, plant and equipment	12	(105,048,571)	(281,848,782)
Additions to intangible assets	11	-	(173,600)
Proceeds from disposal of Property, plant and equipment		223,716	24,334
Net cash utilised in investing activities		(85,590,493)	(240,446,456)
Cash flows from financing activities:			
Capital grants	18	190,332,774	163,000,000
Net cash generated from financing activities		190,332,774	163,000,000
Net change in cash and cash equivalents		91,560,027	(67,971,684)
Cash and cash equivalents at beginning of year		17,946,153	85,917,837
Cash and cash equivalents at end of year	15	109,506,179	17,946,153

1. General Information

Botswana International University of Science and Technology ("BIUST") is funded through the Tertiary Education Development Fund, a Special Fund setup by Government in terms of the Finance and Audit Act (CAP:54:01) through Statutory Instrument No57 of 2004. The purpose of the fund as described in the Act is to meet costs of the construction of a second University in Botswana. The purpose of constructing the University is to provide higher education and training to Botswana citizens and international students. The address of its registered office is Plot 10071, Palapye, Botswana

2. Principal Accounting Policies

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

2.1 Basis of Preparation

The annual financial statements of Botswana International University of Science and Technology ("BIUST") have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities.

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

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

In the current year, assets have grouped by asset class and not by asset description as in prior years. This new groupings are as per note 12. The groupings are as follows;

1. computer equipment, office equipment and audio visual, laboratory equipment and other have been grouped to equipment
2. Furniture, domestic furniture and fittings have been grouped to Furniture
3. Land, Buildings have been grouped to Land and Buildings.

New Standards and Interpretations

2.1.1 Standards and Interpretations Effective but not Adopted in the Current Year

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 University are as follows:

University as lessee:

Lessees are required to recognise 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 expensed 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 prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration 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 lessee; 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 any re-measurement of the lease liability. However, 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 re-measured for reassessments or modifications.

Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.

The lease liability is re-measured by discounting revised 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 amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

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, then the lessee 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 lessee 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.

University as lessor:

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 reassessed 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, but 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. 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 new 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-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16

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 be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after January 1, 2019.

The University 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 University's annual financial statements.

IFRS 9 (AC 146) 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 the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) 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 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 as 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 of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through 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 broadening 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 replaced with the principle 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 January 1, 2018.

The University expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the University's annual financial statements.

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 SIC 31 Revenue - Barter Transactions Involving 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 January 1, 2018.

The University expects to adopt the standard for the first time in the 2019 annual financial statements.

It is unlikely that the standard will have a material impact on the University's annual financial statements.

Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers

The amendment provides clarification and further guidance regarding certain issues in IFRS 15. These items include guidance in assessing whether promises to transfer goods or services are separately identifiable; guidance regarding agent versus principal considerations; and guidance regarding licenses and royalties.

The effective date of the amendment is for years beginning on or after January 1, 2018.

The University expects to adopt the amendment for the first time in the 2019 annual financial statements.

It is unlikely that the amendment will have a material impact on the University's annual financial statements.

2 Property, plant and equipment

Property, plant and equipment are included at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to BIUST and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred

Depreciation is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

Buildings	30 years
Computer Equipment	3 years
Motor vehicles	5 years
Office Equipment and Audio Visual	7 years
Laboratory Equipment	7 years
Furniture and Domestic Fittings	7 years
Library Books	1-2 years
Land is not depreciated	

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.3 Capital Work-in-Progress

Properties in the course of construction for administrative purpose are carried at cost less any identified impairment loss. When the properties are ready for use and completion certificate has been issued, they are transferred to property, plant and equipment. Depreciation is not charged when properties are still under construction. Liquidated and Ascertained damages related to delayed projects have been netted to the capital cost of the projects.

2.4 Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.5 Intangible Assets

Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Purchase costs that are directly attributable software products controlled by BIUST are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- there is an ability to use the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;

Intangible assets are amortized over three (3) years.

Directly attributable costs that are capitalised as part of the software product include the software purchase costs. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Computer software costs recognised as assets are amortised over their estimated useful lives, which do not exceed five years

2.6 Subvention and Other Receivables

Subvention and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of subvention and other receivables are established when there is objective evidence that BIUST will not be able to collect all amounts due according to the original terms of receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the subvention and other receivables are impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

When a subvention and other receivables are uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited as other income in the statement of comprehensive income.

2.7 Prepayments

Prepaid expenses are recognised on time proportion basis. Payments made during the current year for expenses in respect of the succeeding year are deferred as prepaid expenses and are carried on the statement of financial position

2.8 Capital Grants

Capital grants comprise grants received from the Government of Botswana to be utilised towards capital expenditure. Funds received are credited to capital funds and the related assets are capitalised. All other capital expenditure is financed through the annual subvention from the Government of Botswana. Assets acquired from subvention are capitalized and an equivalent amount is transferred to capital grants. An amount equal to the depreciation charge of the fixed assets funded by the capital grants is recognised as income (amortisation) in the statement of comprehensive income. Subsequent movement of fixed assets in terms of sale and impairment are treated accordingly in the capital grants.

2.9 Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

3.0 Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operation from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the operation if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.1 Provisions

Provisions are recognised when BIUST has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

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

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

2.12 Income Taxes

BIUST is exempt from income tax under the Income Tax Act in Botswana

2.13 Revenue Recognition

2.13.1 Government Subvention

Government subventions are recognised at their fair value where there is a reasonable assurance that the subventions will be received and BIUST will comply with all attached conditions.

Subventions relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs they are intended to compensate.

2.13.2

Tuition, residence and book fees are recognised as revenue over the period of instruction, regardless of the timing of a formal bill being issued. Unearned tuition fees are recognised as a current liability. Deposits provided by prospective students are treated as a separate current liability until the amount is earned, at which point in time it is also recognised over the period of instruction. To the extent that revenue is not recoverable, provision is made for the estimated unrealisable amount.

2.13.3 Interest Income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity when it is determined that such income will accrue to BIUST.

2.14 Financial Assets

2.14.1 Classification

BIUST classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date

(a) Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. BIUST's loans and receivables comprise 'tuition, prepayments and other receivables' and cash and cash equivalents in the statement of financial position (Note 13 and 14).

(c) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2.14 Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the BIUST commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the BIUST has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the BIUST's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the BIUST's right to receive payments is established.

There were no financial assets categorised as fair value through profit or loss or available for sale assets at the statement of financial position date

2.14.3 Off-setting Financial Instruments

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

2.14.4 Impairment of Financial Assets

(a) Assets Carried at Amortised Cost

BIUST assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient,

BIUST may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

(b) Assets Classified as Available for Sale

BIUST assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, BIUST uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

There were no financial assets categorised as fair value through profit or available for sales assets as the reporting date

2.15 Related Parties

Related parties comprise the Government, members of the University Council and Senior Management. Transactions with related parties were in the normal course of operations.

2.16 Employee Benefits

For employees BIUST pays gratuity in accordance with the respective contracts of employment. These costs are recognised as part of the staff costs in the statement of comprehensive income.

Employee entitlements to annual leave, bonuses, medical aid, housing benefits and severance benefits are recognised when they accrue to employees and an accrual is made for the estimated liability as a result of services rendered by the employee up to the reporting date.

2.17 Foreign Currency Translation

2.17.1 Functional and Presentation Currency

Items included in the financial statements of BIUST are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is BIUST's functional and presentation currency.

2.17.2 Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

2.18 Capital Management

BIUST's objectives when managing capital are to safeguard the BIUST's ability to continue as a going concern and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. BIUST is funded by Government of Botswana.

BIUST does not monitor capital on the basis of the gearing ratio.

Fair Value Estimation of Financial Instruments

IFRS7 (amendment) for financial instruments that are measured in the statement of financial position at fair value requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

There are no financial assets classified as fair value through profit or loss at the reporting date.

3.0 Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

3.1 Critical Accounting Estimates and Assumptions

BIUST makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within financial year are discussed below

Residual Value and Useful lives of Property, Plant and Equipment

BIUST follows the guidance of IAS16 (revised) and determines the residual values and useful lives of assets at each report date. This determination requires significant judgement. In making this judgement the management evaluates amongst other factors, the purpose for which the respective asset is acquired, market conditions at the reporting date and the practice adopted by similar organisations.

	2019	2018 P
5 Government Subventions		
Government subventions received	438,306,570	407,003,150
Transferred to capital grants for current year	(19,234,362)	(40,660,951)
	419,072,208	366,342,199
6 Tuition and other Student fee revenue		
Tuition	54,377,685	47,025,281
Other Student fees	8,593,652	13,306,454
	62,971,337	60,331,735
General Tuition Fees	54,377,685	47,025,281
Late Registration Fees	17,370	8,380
Application Fees	332,410	344,928
Identity Card Fees	35,385	40,180
Library Fees	2,647	2,160
Transcript fees	12,000	13,260
Student Life Fees	299,325	324,245
Book Fees	-	1,612,092
Course Material Fees	15,399	1,807,355
Student Resident Fees - Under g	7,879,117	9,153,853
	62,971,337	60,331,735
7 Other Income		
Rent Income	5,899,474	5,853,702
Sale of Assets	-	11,723
Miscellaneous Income	1,395,160	18,515
Tender fees	265,518	175,543
	7,560,152	6,059,483
8 Staff costs		
Gratuities and severance	46,970,985	28,652,086
Leave pay	10,442,981	7,829,589
Medical aid contribution	7,268,199	5,765,718
Salaries and wages	217,810,113	207,367,951
Staff training	4,900,692	3,938,003
Other staff benefits	37,912,892	33,397,875
	325,305,862	286,951,223
9 Other operating expenses		
Administrative expenses	84,735,243	98,382,074
Amortisation of intangible assets	1,332,134	1,546,801
Depreciation	62,295,529	55,504,634
Travelling and accommodation expenses	17,839,275	8,666,172
Other expenses	57,259,887	61,469,412
	223,462,068	225,569,092
10 Finance income		
Interest received - bank	-	890,641

11 Intangible asset

Year ended 31 March 2018

Opening net book amount

Additions

Amortisation charge

Closing net book amount

At 31 March 2017

Cost

Accumulated amortisation

Net book amount

Year ended 31 March 2019

Opening net book amount

Additions

Amortisation charge

Closing net book amount

At 31 March 2019

Cost

Accumulated amortisation

Net book amount

**Computer
Software
P**

2,781,592

173,600

(1,546,801)

1,408,391

9,638,299

(8,229,908)

1,408,391

1,408,391

-

(1,332,134)

76,257

9,638,299

(9,562,042)

76,257

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12 Property, plant and equipment

	Land	Buildings	Work in progress	Motor vehicles	Computer equipment
	P	P	P	P	P
Year ended 31 March 2018					
Opening net book amount	1,307,050	928,128,979	71,771,340	11,389,167	20,619,353
Additions	-	2,930,785	194,538,814	8,605,506	8,207,797
CIP Transfer		119,406,820	(119,406,820)		
Disposals				(270,020)	(65,823)
Prior years Adjustment					
Depreciation on Adjustment				270,020	
Depreciation on disposals				(2,777,204)	(11,048,726)
Depreciation		(6,688,628)			
Closing net book amount	1,307,050	1,043,777,955	146,903,334	17,217,469	17,712,602
At 31 March 2018					
Cost	1,307,050	1,067,313,637	146,903,335	25,327,766	51,708,429
Accumulated depreciation		(23,535,682)		(8,110,298)	(33,995,828)
Net book amount	1,307,050	1,043,777,955	146,903,335	17,217,468	17,712,601
Year ended 31 March 2019 re-grouping					
	Land & Buildings	Work in Progress	Motor Vehicle	Equipment	Furniture
Opening net book amount (1 April 2019)	1,045,085,005	146,903,335	17,217,468	231,059,371	8,682,925
Additions	6,726,496.35	62,031,742	2,903,428.63	30,862,114.77	668,630.00
Additions - transfer from CIP	1,989,612.55	(1,989,613)			
Impairment of Capital work in progress		(2,091,287)			
Disposals			(339,122)	(94,841)	
Depreciation	(7,519,428)	-	(3,473,149)	(49,579,899)	(592,773)
Depreciation on disposal reclassification			207,286.31	33,351.45	
				6,985,550.00	(5,577,159)
Closing net book amount	1,046,281,686	204,854,178	16,515,913	219,265,646	3,181,624
At 31 March 2019					
Cost	1,077,336,796	204,854,178	27,892,073	382,748,464	5,801,431
Accumulated depreciation	(31,055,110)	-	(11,376,160)	(163,482,817)	(2,619,807)
Net book amount	1,046,281,686	204,854,178	16,515,913	219,265,647	3,181,624

Furniture P	Office equipment and Audio-visual P	Laboratory equipment and Other P	Domestic furniture and fittings P	Library books P	Total P
2,768,807	10,465,851	175,106,125	1,595,467	2,188,031	1,225,340,169
4,688,664	4,010,179	58,207,907	272,201	386,928	281,848,782
					-
					(335,843)
					-
					270,020
(786,750)	(2,176,562)	(30,480,516)	(233,289)	(1,312,871)	(55,504,545)
6,670,722	12,299,468	202,833,516	1,634,380	1,262,089	1,451,618,585
8,700,734	19,351,335	274,613,500	2,739,993	6,564,353	1,604,530,133
(1,652,189)	(7,429,690)	(71,779,984)	(1,105,614)	(5,302,264)	-152,911,547
7,048,545	11,921,645	202,833,516	1,634,380	1,262,090	1,451,618,585
Library Books					
1,262,089					1,450,210,194
1,856,158.90					105,048,571
					-
					(2,091,287)
					(433,963)
(1,130,281)					(62,295,529)
					240,638
					1,408,391
1,987,967	-	-	-	-	1,492,087,015
Library books					Total
8,420,512					1,707,053,454
(6,432,545)					(214,966,439)
1,987,967				-	1,492,087,015

13 Inventory

	2019 P	2018 P
	1,005,528	1,166,449

14 Other receivables

Tuition fees
 Prepayments, advances and deposits
 Other receivables

7,478,855	644,256
18,915,201	15,024,235
1,547,980	3,194,625
27,942,035	18,863,116

The fair values of other receivables are as follows:

Tuition fees
 Prepayments, advances and deposits
 Other receivables

7,478,855	644,256
18,915,201	15,024,235
1,547,980	3,194,625
27,942,035	18,863,116

The other classes within trade and other receivables do not contain impaired assets.
 The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.
 BIUST does not hold any collateral as security.

15 Cash and cash equivalents

Cash at bank

	2019 P	2018 P
	109,506,179	85,917,837

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

Cash at bank

	2019 P	2018 P
	109,506,179	85,917,837

16 Analyses of financial instruments

(a) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

Loans and receivables:

Assets as per the statement of financial position

Other receivables - excluding prepayments (Note 13)
 Cash and cash equivalents (Note 14)

	2019 P	2018 P
9,026,835	3,838,881	
109,506,179	17,946,153	
118,533,014	21,785,034	

Financial liabilities:

Liabilities as per statement of financial position

Retention payable (Note 19)
 Trade and other payables (Note 20)

18,393,014	15,764,325
109,181,374	122,598,641
127,574,388	138,362,966

17 Analyses of financial instruments (continued)

(b) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates:

Cash at bank and short-term bank deposits		2019 P	2018 P
First National Bank of Botswana Limited	Not rated	97,187,816	12,312,016
First National Bank - Credit Cards	Not rated	(15,721)	(29,741)
BancABC Limited	Not rated	185,559	649,392
Money markets	Not rated	2,329	2,224
Stanbic Bank Botswana Limited	Not rated	11,561,576	4,360,188
Standard Chartered Bank Botswana Limited	Not rated	584,622	652,074
		109,506,179	17,946,153

BIUST keeps deposits cash with major banks with high quality credit standing and limits exposure to any one counter party. These deposits were kept with First National Bank of Botswana Limited, Stanbic Bank Botswana Limited, Standard Chartered Bank Botswana Limited and African Banking Corporation of Botswana Limited, BancABC Limited as per analysis above. There are no credit ratings for banks available in Botswana.

First National Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of First Rand Holdings Limited, a company listed on the Johannesburg Stock Exchange.

BancABC is a subsidiary of Atlas Mara. BancABC has its primary listing on the Botswana Stock Exchange and a secondary listing on the Zimbabwe Stock Exchange. Bank Gaborone and Stanbic Bank are unlisted registered banks while STANLIB is a subsidiary of Stanbic Bank.

None of the financial assets that are fully performing have been renegotiated during the year.

18 Capital Grants

	2019 P	2018 P
Balance at beginning of year	1,249,407,868	1,102,798,352
Grants received - development projects	167,912,936	163,000,000
Grants received - deisgnated projects	22,419,838	-
Transfer from subvention - assets bought from recurrent budget	19,234,362	40,660,951
Amortisation of capital grants	(63,627,663)	(57,051,435)
Balance at end of year	1,395,347,340	1,249,407,868

19 Retention payable	2019 P	2018 P
Balance at beginning of year	15,764,325	4,495,261
Retention during the year	2,628,689	11,269,064
Balance at end of year	18,393,014	15,764,325

Retention payable is recognised initially at fair value and subsequently measured at amortised cost using the effective rate of interest.

20 Trade and other payables	2019 P	2018 P
Accruals and other payables	39,727,904	50,265,433
Deferred income	-	12,066,347
Provisions (Note 21)	69,453,470	60,266,861
	109,181,374	122,598,641

21 Provisions	Gratuity P	Leave Pay P	Total P
Payments during the year	(11,488,235)	5,145,511	16,633,746
As at 31 March 2018	37,081,853	23,185,010	60,266,863
Provision for the year	31,933,591	10,357,635	42,291,226
Payments during the year	(27,636,966)	(5,467,653)	(33,104,619)
As at 31 March 2019	41,378,477	28,074,993	69,453,470

22 Cash flows from operating activities	2019 P	2018 P
Operating (deficit)/ surplus	4,463,431	(21,844,823)
Adjustments for:		
Depreciation on property, plant and equipment (Note 12)	62,295,529	55,504,634
Amortisation of intangible asset (Note 11)	1,332,134	1,546,801
Amortisation of capital grant (Note 18)	(63,627,663)	(57,051,435)
Assets Written Off (impairment of WIP)	2,091,287	
Profit/(loss) on disposal of assets	(30,390)	41,399
Interest Income	-	(890,641)
Profit on disposal of assets	-	10,586,935
Changes in working capital:		
Inventory	160,920	(1,166,449)
Other receivables	(9,078,919)	(14,507,515)
Retention payable	2,628,689	11,269,064
Trade and other payables	(13,417,267)	25,986,801
Cash generated from/(utilised in) operations	(13,182,249)	9,474,772

23 Related party transactions

All transactions with related parties are carried out during the normal course of the University's operations.

The following transactions were carried out with related parties.

	2019 P	2018 P
Senior management salaries and allowances	5,206,894	5,735,563
Council Expenses	386,100	259,579
Government of Botswana - subventions received	438,306,570	407,003,150
Government of Botswana - capital grants received	167,912,936	163,000,000
	611,812,500	575,998,292

Senior management salaries and allowances includes payments made to the Vice Chancellor and Deputy Vice Chancellors. Council expenses relates to sitting allowances and mileage claims paid to eligible members

24 Capital Work In Progress

At 1 April	146,903,335	71,771,341
Additions for the year	62,031,742	194,538,814
Transfers to completed projects	(1,989,613)	(119,406,820)
Impairment of capital work in progress	(2,091,287)	
at 31 March 2019	204,854,178	146,903,335

25 Contingent liabilities

The University council and management confirmed that the contingent liabilities outstanding as at 31 March 2018 amounted to P39,729,796.

26 Commitments

Capital expenditure approved and contracted by the University as at the reporting date is as follows;

	2019 P	2018 P
Building Construction	216,343,976	412,298,860
	216,343,976	412,298,860

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2018 P	2017 P
	60,113,280	95,516,969

Capital expenditure is funded by grants from the Government of Botswana.

27 Financial Risk Management

Financial Risk Factors

BIUST's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and price risk), credit risk and liquidity risk. BIUST's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BIUST's financial performance. Risk management is carried out under policies approved by the management.

Market Risk

Foreign Currency Risk

Foreign currency risk is managed by the finance function. Its objective is to minimise losses arising from BIUST's exposure to various currencies by attempting to match foreign currency denominated current liabilities against current assets of similar currencies to the extent possible.

In the normal course of operation, BIUST enters into transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. There was no significant impact on the deficit for the year due to fluctuation in foreign currency exchange rate with respect of Botswana Pula.

Cash flow and Fair Value Interest Rate Risk

Interest rate risk is managed by the finance function. Its objective is to minimise the cost of financing through the placement of temporary excess funds in high yielding money market investments and cash deposits.

BIUST's interest rate risk arises from short-term deposits and its investment in money market. Short-term deposits and the investment in money market obtained at variable rates expose BIUST to cash flow interest rate risk.

BIUST analyses its interest rate exposure. BIUST calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used.

At 31 March 2019, BIUST had no short term nor any investments.

Price Risk

BIUST is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

Credit Risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used.

Refer Note 13 for disclosure on credit risk. No credit limits were exceeded during the reporting period.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Surplus cash is invested in interest bearing accounts, time deposits, and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide maximum benefit to BIUST.

BIUST's financial liabilities as given in the table below consist of accounts payable with a maturity period of less than 12 months from the reporting date. The analysis of financial liabilities into relevant maturity groupings are based on the remaining period at the reporting date 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 amounts as the impact of discounting is not significant.

At 31 March 2019

Trade and other payables (Note 20)
Retention payable (Note 19)

Less than six months P	Between six and twelve months P	More than a year P
39,727,904	69,453,470	-
-	18,393,014	-

At 31 March 2018

Trade and other payables (Note 20)
Retention payable (Note 19)

Less than six months P	Between six and twelve months P	More than a year P
62,331,780	60,266,861	-
-	15,764,325	-

28 Events after the reporting date

There have been no major event between the reporting date and the date of approval of these financial statements that may require adjustment or disclosure in the financial statements.

CAMPUS GROWTH PLAN TO 2022





Botswana International University Of Science And Technology

Private Bag 16 Palapye, Botswana
Plot 10071, Boseja Ward
Palapye

Tell: (+267) 4900102
Fax: (+267) 4900117
Web: www.biust.ac.bw
Email: info@biust.ac.bw

Facebook: [biustbw](#) 

Twitter: [biustbw](#) 

Youtube: [biustbw](#) 