

# ANNUAL REPORT | 2017/18



# 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

### Stakeholder Perspective

SG 1 Academic Quality & Student Reputation

SG 2 Research & Innovation Excellence

SG 3 Engagement for Development

SG 4 High Performance Organisation

### Financial Perspective

SG 5 Ensuring Financial Sustainability and Growth to Drive Performance

### Internal Process Perspective

SG 6 Improving Institutional Effectiveness to Drive Performance

### Learning and Growth Perspective

SG 7 Developing Capabilities to Drive Performance

## Values

Equity and Diversity - Sincerity and Trust – High Performance and Quality – Change and Innovation – Quest for Knowledge and Understanding



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## ABBREVIATIONS

BIUST	Botswana International University of Science & Technology
BUAN	Botswana University of Agriculture & Natural Resources
BQA	Botswana Qualifications Authority
CSIR	Council for Scientific and Industrial Research (South Africa)
DVC	Deputy Vice Chancellor
ECSA	Engineering Council of South Africa
ERB	Engineering Registration Board
ETP	Education & Training Provider
FET	Faculty of Engineering & Technology
FoS	Faculty of Sciences
HRDC	Human Resource Development Council
ICT	Information and Communications Technology
MoTE	Ministry of Tertiary Education, Research, Science and Technology
NCQF	National Credit & Qualifications Framework
SET	Science Engineering & Technology
STEM	Science, Technology, Engineering and Mathematics
SRC	Student Representative Council
QMS	Quality Management System
UB	University of Botswana





Kagiso Molalapata scooped three prizes which include the Chancellor's Award and Best Overall Student in the Faculty of Sciences



## BIUST 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 1700 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.





## BIUST AT A GLANCE

STUDENT ENROLMENTS		
Enrolment	2017/18	2016/17
<b>Qualification Type</b>		
Bachelors	1687	1461
Masters	135	81
Doctoral	59	33
<b>Total</b>	<b>1881</b>	<b>1575</b>
<b>Nationality</b>		
Citizen	1835	1525
International	46	50
<b>Faculty</b>		
Engineering	1129	1103
Science	752	472
<b>Gender</b>		
Male	1256	1068
Female	625	507
<b>Graduates</b>		
Degree Level	<b>2017</b>	<b>2016</b>
Bachelors	158	51
Masters	63	7
Doctoral	3	0
<b>Total</b>	<b>224</b>	<b>58</b>

STAFF		
In Post	2017/18	2016/17
Executive	4	4
Academic	166	153
Management	12	6
Support	250	221
<b>Total</b>	<b>432</b>	<b>384</b>
<b>Nationality</b>		
Citizen	354	330
International	78	54
<b>Gender</b>		
Male	259	225
Female	173	159

ACADEMIC PROGRAMMES
1. Chemical, Materials & Metallurgical Engineering
2. Civil & Environmental Engineering
3. Computer, Electrical and Telecommunications Engineering
4. Mechanical, Energy & Industrial Engineering
5. Mining & Geological Engineering
6. Biological Sciences & Biotechnology
7. Chemical & Forensic Sciences
8. Computer Science & Information Systems
9. Earth & Environmental Sciences
10. Mathematics & Statistical Sciences
11. Physics & Astronomy

RESEARCH FOCUS AREAS		
<b>University Research Focus Areas.</b>		
1. Natural Resource Management		
2. Climate and Society		
3. Frontiers in Science		
4. Innovative Technological Products and Services for Economic Development		
<b>Staff</b>	<b>2017/18</b>	<b>2016/17</b>
Academic Staff Qualifications (% with PhDs)	100	100
Research Income (% of University income)	5	5
Publications per academic staff	0.63	0.5

FINANCES (P'000)		
Summary	2017	2016
<b>Income</b>	490,674	474,535
Grant	407,003	314,937
Tuition	60,331	66 890
Other Revenue	6,949	44,481
Capital Grants (Amortisation)	57,051	57,565
Capital Grants (Transfer)	(40,660)	0
<b>Expenditure</b>	512,520	427,789
Salaries	286,951	242,128
Operations	225,569	165,661
<b>Operating Margin</b>	(21,884)	46,745

OPERATIONAL STRATEGIC PARTNERSHIPS
1. AKITA University (AU), Japan –Staff and Student Exchange Programme
2. University of Cincinnati, USA- Engineers without Borders Programme.
3. University of Botswana (Confucius Institute)- Chinese Programme
4. Universitatea Babes-Bolyai, Cluj-Napoca, Romania- Staff Exchange Programme
5. ERASMUS+ Programme – Student Exchange
6. iThemba Labs for Accelerator Based Science, South Africa – Use of laboratory facilities and equipment.
7. Debswana Diamond Mining Company - Collaborative Research and student internship
8. Botswana Defence Force - Collaborative Research and student internship



### **BERNARD BOLELE** COUNCIL CHAIRMAN

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I am pleased to present, on behalf of the University's Council, this Annual Report in respect of the 2017/18 financial year, to the Honourable Minister in accordance with Section 20 of the BIUST Act. The reporting period marks the sixth year of existence for the University. During this financial year, the University witnessed its second annual Graduation Ceremony officiated by His Excellency, the former President of the Republic of Botswana Lieutenant General Dr. Seretse Khama Ian Khama. This signifies of the continuous support of the Government to the graduating Class of 2017.

This report provides a comprehensive overview of the performance of the University during the 2017/18 financial year and a full audited report of the University's financial operations for the same year. The purpose of the report is to inform the shareholders of the University, (Government of Botswana and the public) on how the Council has discharged its statutory responsibilities for the management and administration of the revenue and property as well as the overall governance responsibilities of the University.

The Report details the mandate and purpose of the University and its strategic intent. The Council has also successfully discharged its other primary responsibilities by approving corporate and departmental business plans.

The responsibility for the integrity of the report is the University's Management as assisted by the Council's Audit and Finance Committees. All University Structures confirm that this Report fairly represents the performance of the University during the period of reporting.

A handwritten signature in black ink, appearing to be 'B. Bolele', written over a horizontal line.

Mr Bernard Bolele  
Council Chairman



# 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 internal 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 2017/18 were:



Dr F. G. Mogae  
Chancellor



Mr B. Bolele  
Chairperson



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



Mr T. Johnson  
Chair, Council Audit  
Committee



Mr J. Mkgosi  
Chair, Council  
Infrastructure Committee



Dr S. Maphanyane  
Chair, Council Finance &  
Risk Committee



Mr L. Selolwane  
Chair, Council Human  
Resource Committee



Professor O. Totolo  
Vice Chancellor



Dist. Professor D. Siginer  
DVC, Academic Affairs



Professor D. Norris  
(Resigned 30 Nov 2017)  
DVC, Research & Innovation



Mr B. Paya  
(Appointed 1 Jan 2018)  
Ag DVC, Research & Innovation



Mr D.B Katzke  
DVC, Finance &  
Administration



Dr. T. Mooko  
Member



Ms. R. Maphorisa  
Member



Professor S. Toteu  
Member



Kgosi M. Maforaga  
Member



Professor E. A Atekwana  
Member



Professor E. Lungu  
Member



Professor T. Oladiran  
Member



Professor E. Shemang  
Member



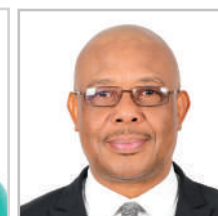
Dr. B. Batlokwa  
Member



Ms D. Setshogo  
(Joined 1 August 2017)  
Member



Ms O. Butale-Mutloane  
(Resigned 31 July 2017)  
Member



Mr. W. Mankanku  
Member



Mr. E. Government  
Member



Mr. C.K. Kenneth  
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 and Risk Committee**

The Committee is responsible for advising Council on 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 all issues relating to employment and conditions of service.

### **Council Senior Staff Appointments Committee**

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

### **University Staff & Appointment Promotions Committee**

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

### **Council Infrastructure Committee**

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

### **Council Planning & Resources Committee**

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

## **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. The purpose of the Report is to provide a coherent overview of the academic governance of the University by the Senate.

## **STUDENT GOVERNANCE**

The Student Representative Council (SRC) forms part of the University governance structures and represents students interests in the Council and Senate. The SRC promotes vibrant student life, including their 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.



Professor O. Totolo  
Vice Chancellor



Distinguished Professor D. Siginer  
Deputy Vice Chancellor, Academic  
Affairs



Professor D. Norris  
Deputy Vice Chancellor, Research  
Development and Innovation  
(Resigned 30 Nov 2017)



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



Mr B. Paya  
Acting Deputy Vice Chancellor,  
Research Development and  
Innovation  
(Appointed 1 Jan 2018)

## SENIOR MANAGEMENT

The Senior Management is led by the Vice Chancellor and include in its membership - Deputy Vice Chancellors, Heads of Faculties and Directorates. 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.





## VICE CHANCELLOR'S REPORT



For the University's financial year, April 01, 2017-March 31, 2018, I present to you, the record of the University's momentous activities and decisions. This Report marks the first time that the University has graduated its first cohort of graduates in both the Faculty of Sciences and the Faculty of Engineering & Technology, and the first Doctoral Degree Graduand. This is a significant milestone for the University and it symbolizes that the University has finally come of age. It bears noting that some of the hopes and aspirations of our country rest on the University annually achieving its mission of educating and training a specialist and talented group of graduates ready to be both professionals and entrepreneurs.

For this reporting period, a lot has been achieved by the University. The Council continues to lead and guide the University, through its wise counsel, decision making and oversight of the University's operations and management.

The University managed to host a graduation ceremony attended in unprecedented numbers and graced by the presence of the then President of The Republic of Botswana, Lt. Gen. Dr. Seretse Khama Ian Khama, who, in a landmark occurrence, delivered the keynote speech at the event. We are grateful for the exceptional support and encouragement that he has given the University over the years and wish him well in his retirement.

In a novel development, the University Council approved the creation of the Presidential Library Collection within the University's Library. This is the first of its kind in Botswana, and we are grateful to the Botswana National Library Services and Botswana National Archives for enthusiastically supporting and nurturing this innovative project. The Presidential Library Collection was officially opened by both His Excellency the former President and the then Vice President, His Honour, Mr. Mokgweetsi Eric Keabetswe Masisi on the sidelines of the University's Class of 2017 Graduation ceremony.

It has been one financial year since we started putting into effect the BIUST Statutes – the internal rules by which we subject our internal workings to a transparent, reliable and objective standard. This has significantly improved the way we conduct the University’s business, make decisions, and project a positive image for the University. We remain committed to observing these rules in spirit and in practice as they are essential to our Strategic Plans, operations, corporate governance and image.

This financial year marks the second year of the implementation of the University’s Strategic Plan. In light of this, in the succeeding pages of this Report, we note how we are increasingly applying the University’s Strategic Plan and reflect on the initial results of it. We highlight progress made thus far and the initiatives the University has embarked on to meet the demands of the Strategic Plan. We believe it is time to start seeing positive results and being able to predict the future as we embark on the final years of the 5-year Strategic Plan. On a different but related matter, we confirm that we continue to work closely with our Ministry of Tertiary Education, Research, Science & Technology (MoTE), its parastatals and our Ministry’s regulatory bodies to assist in advancing our shared Vision and Mission.

This happens against the background that our Ministry is new, has a specific but unique purpose, and continues to be viewed as the lever by which our country and its people can leapfrog from a resource-based economy to a knowledge-based one. We continue to seek innovative solutions and initiatives by which we can help improve the lives of our people while simultaneously imparting relevant knowledge and skills to our student community.

Our current commitment to fiscal discipline, financial prudence and management accountability are unparalleled in the history of the University. It is a source of pride that for the third successive year, we have received an unqualified audit report and have been adjudged fiscally responsible and accountable by an external and independent firm of auditors.

Plans are afoot to begin the next phase of infrastructural developments on the University’s campus. These include the new building for the two Faculties of Sciences, and Engineering and Technology, the Library, Cafeteria, Data Center, Auditorium and Student Hall, to the tune of P764 million. This is consistent with the NDP11 Plans that are to be executed by 2022. We look forward to seeing the landscape and skyline of the University’s campus change

by reason of the extensive construction work that will be undertaken in the not-too-distant future.

These developments will bring the much needed relief and convenience to counteract the insufficient space that the University’s community currently has to contend with on campus.

I wish to conclude by thanking our nation for the encouragement that it continues to show to the University, the Government for being a pillar of strength and a consistent and reliable supporter and funder of the University’s operations, projects and activities, and our communities for placing trust on us to be an agent of change necessary for the development of our country in the 21st century. We are committed to continue earning the support, confidence and trust of all these stakeholders and wish to publicly express our gratitude to them for their selfless acts towards us as a University.



Professor Otlogetswe Totolo  
**Vice Chancellor**











## STRATEGY AND PERFORMANCE

### The BIUST Strategy

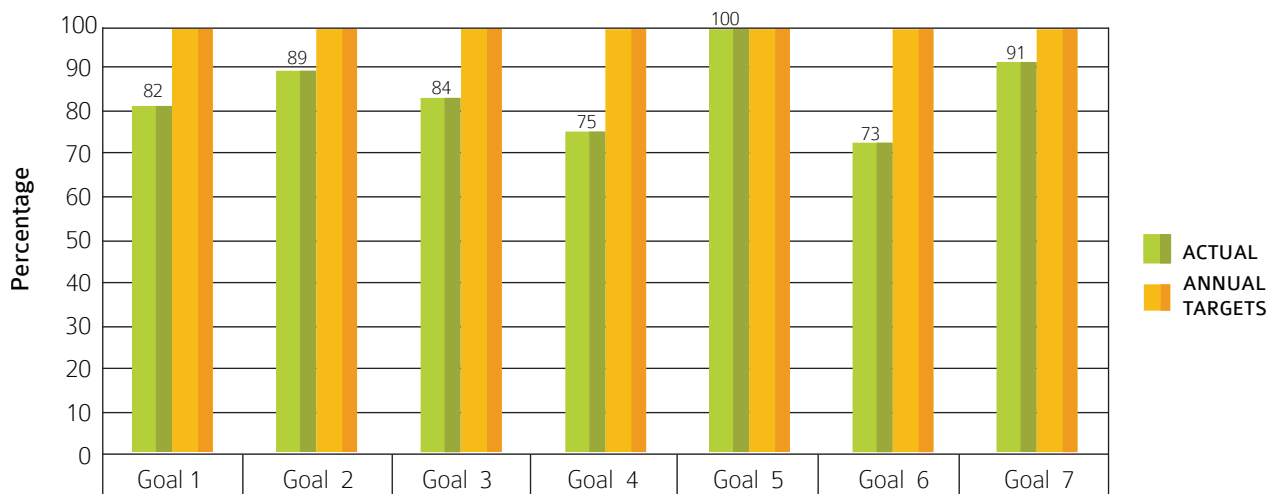
The University's Strategic Plan, *"A Catalyst for Innovation and Transformation"* (2016-2023) was approved by Council on 17th June 2016. The Plan sets out the strategic priorities, goals, objectives, measures and targets that the University will focus its effort on during National Development Plan 11 (NDP11) and beyond.

The strategic plan is centred on the University developing a strong academic value chain comprising 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 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 (SET) University, BIUST must drive the inclusive economic and social development of Botswana towards a knowledge economy and have an international outlook with a strong impact in the region and beyond.

### Performance against the Strategy 2017/18

The University commenced the implementation of the strategic plan on April 1st 2017 and over the reporting period achieved 85% of the annual targets.

**Chart 1: 2017/18 achievement of Annual Strategic Objective(%)**

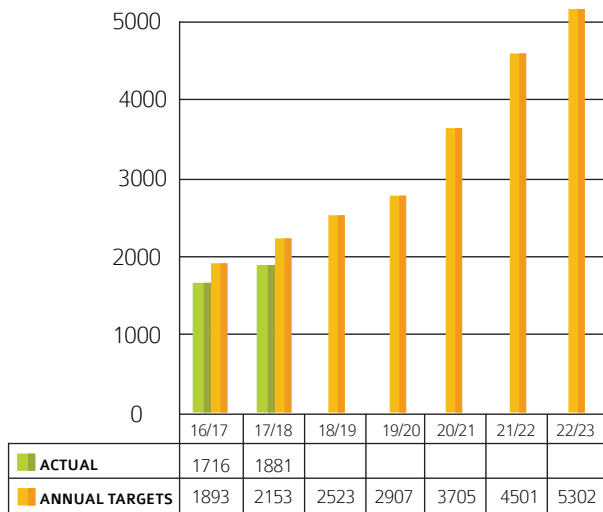


## STRATEGIC GOAL 1: ACADEMIC QUALITY AND STUDENT REPUTATION

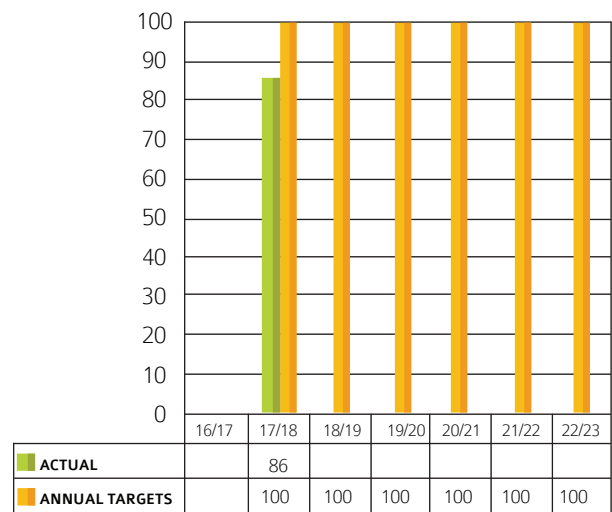
### OBJECTIVES

- S01.** To enrol a diverse cultural, social, economic and international mix of high quality students regardless of their personal, social and economic condition with the ambition and potential to study at a premier research-based University.
- S02.** To ensure quality, academic excellence and the maintenance of high academic standards.
- S03.** To provide responsive and equitable and accredited academic programmes that will create excellent career opportunities nationally and globally.
- S04.** To provide quality teaching that ensures quality learning outcomes.
- S05.** To provide an exceptional student experience that supports personal development and prepares students for life outside the University.

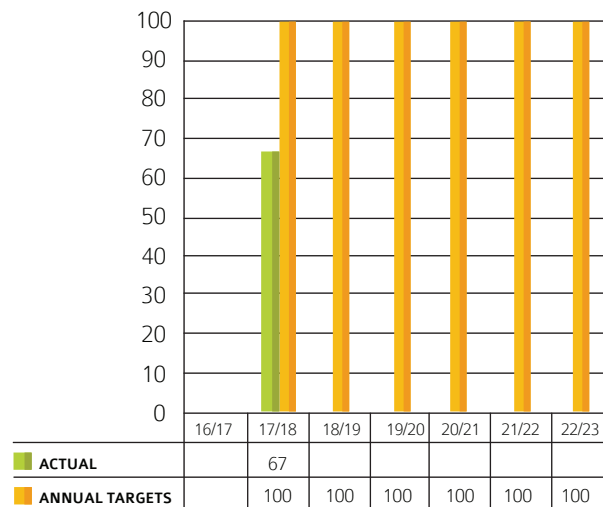
**Chart 2: Number of Students Enrolment**



**Chart 3: Percentage of students Retained**



**Chart 4: Percentage of Students Graduating**





## SUMMARY ACCOMPLISHMENTS 2017/18

### Student Enrolments

Students are at the heart of the University 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. During 2017/18 Council approved a comprehensive and long-term 'Student Enrolment Plan' which set the institutional, faculty and programme level annual enrolment targets to 2024/25.

During 2017/18 the University enrolled 1881 which represented 87% of the annual target student enrolment. This was an increase of 9.6% over the previous year 2016/17. Of the overall students enrolled 89% were registered for Bachelors programmes; 11% Postgraduate programmes; 2.4% were international and 67% male and 33% female. The breakdown of the student enrolment for 2017/18 and the previous year (2016/17) was as follows:

TABLE 1: STUDENT ENROLMENTS 2016/17 – 2017/18				
Category	2017/18	%	2016/17	%
<b>Qualification Type</b>				
Undergraduate	1687	89.6	1461	92.7
Masters	135	7.2	81	5.1
Doctoral	59	3.2	33	2.1
<b>Total</b>	<b>1881</b>		<b>1575</b>	
<b>Nationality</b>				
Citizen	1835	96.5	1525	96.8
International	46	2.5	50	3.2
<b>Faculty</b>				
Engineering	1129	60	1103	70
Science	752	40	472	30
<b>Gender</b>				
Male	1256	66.7	1068	67.8
Female	625	33.3	507	32.2

### Student Graduation

The University held its second graduation ceremony on 10th February 2018, conferring 224 degrees. This was a significant increase from the 58 students who graduated in the previous year and it represents a graduation rate of 67% which is comparable with international benchmarks.

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.

**a) The Faculty of Engineering and Technology (FET)** awarded degrees in a range of subject fields including Civil and Environmental Engineering, Energy Engineering, Geological Engineering; Industrial and Manufacturing Engineering, Measurement and Instrumentation, Mechanical Engineering, Mechatronics and Telecommunications Engineering; Computer Engineering, Mining Engineering.

**b) The Faculty of Sciences** awarded degrees in a range of subject fields including Biological Sciences, Chemistry, Computer Science, Environmental Science, Geology, Information Systems, Pure and Applied Mathematics, Applied Science, Earth and Environmental Sciences and Geology.



The breakdown of the degree awards made at the February 10th 2018 graduation ceremony and the previous year (2016) are as follows:

Degree Level	2017/18	2016/17
Undergraduate	158	51
Masters	63	7
Doctoral	3	0
<b>Total</b>	<b>224</b>	<b>58</b>

### Academic Quality

Academic quality is the main currency of the University on which it builds its reputation and its long term future. Student retention is a key indicator of the quality and relevance of the academic programme and the internal efficiency of the University. The University’s retention rate for 2017/18 was **86%** which, while being below the annual target of 90% was well above national, regional and international benchmarks.

The University made significant progress in preparing for registration by the Botswana Qualifications Authority (BQA) by developing and submitting its application and Institutional Accreditation Portfolio for registration as a Higher Education and Training Provider (ETP). The University comprehensively reviewed its academic programme portfolio paving the way for the registration of its programmes on the National Credit and Qualifications Framework (NCQF). This will subsequently enable national recognition of its programmes by the Engineering Registration Board (ERB) and international accreditation by the Engineering Council of South Africa (ECSA).

### Academic Relevance

Botswana needs well-educated graduates who can enter the labour market in the key fields of Science Engineering and Technology (SET). The University developed a comprehensive Student Enrolment Plan *‘Academic Shape and Size’* (2018) to ensure that academic programme planning is properly informed by agreed strategic decision parameters responsive to the needs of the labour market. Programmes were subsequently reviewed and aligned with the Human Resource Development Council *“Top Occupations in Demand List”* (2017).

The work commenced on aligning the University’s academic programme strategy to ensure that BIUST offers specialised niche programmes appropriate for Botswana to transform into a knowledge economy. A programme review exercise was initiated in response to the Ministry’s request for the rationalisation of programmes between BIUST, the University of Botswana (UB) and the Botswana University of Agriculture & Natural Sciences (BUAN). To further ensure programme relevance Departmental Stakeholder Advisory Boards were established in order to strengthen university-industry linkages and ensure that the programmes are responsive to employer needs and demands.

The students employability is a key indicator of the relevance of the University’s academic programme. A Graduate Tracer Study was undertaken in November 2017 to establish the outcomes of the 58 graduates who graduated in the first Graduation Ceremony. Six months after graduation, **12%** were employed; **48%** were pursuing further studies and **40%** were actively seeking employment/further studies.

### Teaching and Learning

The University is committed to providing students with an exceptional learning experience through programmes that are consistent in terms of purpose, structure, modes of delivery, assessment and learning outcomes, which make optimal use of educational technology and address a diverse range of learning styles. During 2017/18 a pilot e-learning platform was initiated to support teaching and learning which will in the future be expanded to cover all course modules offered by the University.

### Student Experience

The University aims to provide a positive and life-changing student experience with opportunities for students to reach their full potential. During the year under review, the University commenced the operationalisation of the “Student Services Norms and Standards” (Human Resource Development Council) and achieved 40% of the standards against an initial target of 70%. Student hostels were increased to provide 100% on campus student accommodation and the overall efficiency and effectiveness of the services provided to students was enhanced with the following key areas of student life receiving particular attention:

- a) Personal counselling and support.
- b) Health and Wellness.
- c) Residence Life.
- d) Special needs Services

Student governance structures were fully supported by the University and students on their own initiatives developed a good community atmosphere through extra-curricular activities and societies.



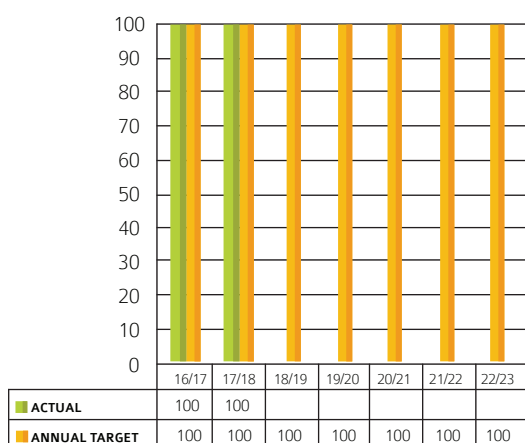
## RESEARCH AND INNOVATION EXCELLENCE

### STRATEGIC GOAL 2: RESEARCH AND INNOVATION EXCELLENCE

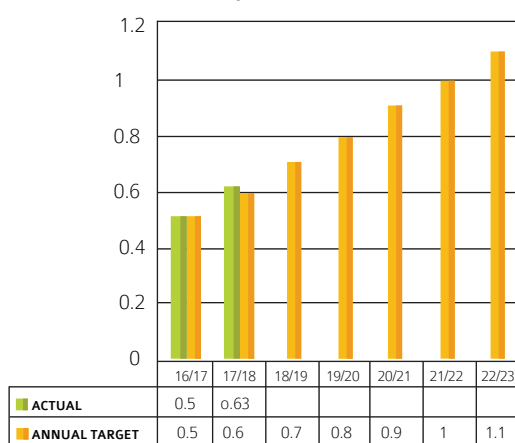
#### OBJECTIVES

- S06.** To develop high quality research that can be transformed into tangible applications and products and provide research services and facilities that can support the needs of industry and society.
- S07.** To establish research groups/focal areas, clusters, platforms and networks in priority areas as defined by the University Research and Innovation Strategy.
- S08.** To create an enabling institutional environment to foster and enhance the output of high quality research and innovation.
- S09.** To deepen the integration of student research (undergraduate and postgraduate) into the academic curriculum and increase postgraduate research output.

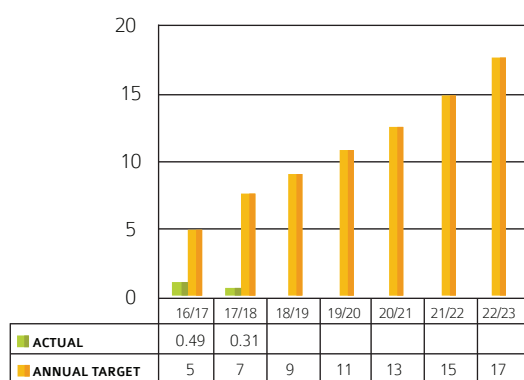
**Chart 5: Academic Staff with Doctoral Degrees (% of Academic Staff)**



**Chart 6: Research Publication Rate per Academic Staff**



**Chart 7: Research Incomes as a Percentage of University Income**



#### SUMMARY ACCOMPLISHMENTS 2017/18

##### High Quality Research

As one of Africa's emerging research-based Science and Technology Universities, BIUST is expected to have a strategic and focused commitment to the creation and dissemination of knowledge in a range of disciplines and fields, undertaken in well-resourced laboratories, libraries and research infrastructure, with the teaching and training of research students at its core. During 2017/18, a research strategy was approved which will ensure the University concentrates its efforts to the creation and dissemination of knowledge in four broad focus areas:

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

The key performance indicators generally utilised to measure university's research performance are (i) the proportion of academic staff with earned doctorates (ii) research publications per academic staff member (iii) research income trends.

##### Academic Staff Qualifications

The proportion of academic staff with earned doctorates is an important indicator of the University's research capacity. All BIUST's academic staff is required, as a condition of employment, to be in possession of an earned doctorate. Accordingly, the target of 100%

which was achieved in 2017/18 places the University in the highest of rankings of international best practice for research-intensive universities with a benchmark of 60% being the standard norm.

## Research Output

Research publications are the normal accepted measure of research output. BIUST's ratio of publications per academic staff member rose from 0.5 (2016/17) to 0.63 (2017/18). While research performance will naturally vary across the individual disciplines, best practice internationally for an emerging university is that an overall rate of 0.6 averaged over the last three years and sourced from citation indexes is deemed to be satisfactory.

## Research Income

The value of research income expressed as a percentage of the University's overall revenue is an important measure of research intensity. Research grants and funding contributed P 1,540,953.34 (0.31%) of the University's overall income. This was a decrease from P. 2,314,917.64 (0.49%) the previous year and below the institutional target of 7% set for 2017/18.

The list of external funding sources are as follows

- i. SIMONS** - Research Graduate Studies 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** - Network of Excellence in Renewable Energy Technologies for Development.
- iii. UNESCO** - Organisation of Women in Science for Developing Countries (OWSD)-UNITED NATIONS.
- iv. University of Aberden** - (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 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 Intergrated 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. Debswana Diamond Mining Company** - Collaborative research and student intenship
- ix. Botswana Defence Force** - Collaborative research and student intenship



## STRATEGIC GOAL 3: ENGAGEMENT FOR DEVELOPMENT

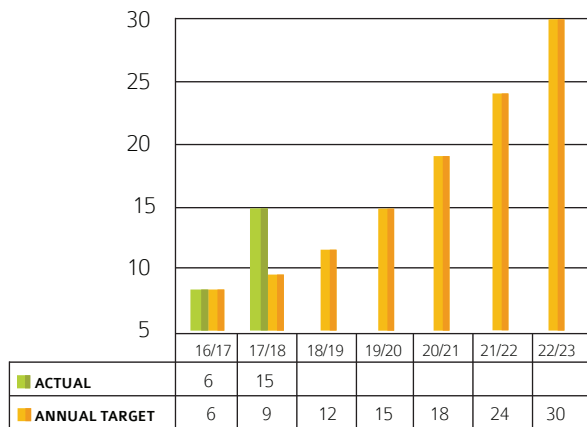
### OBJECTIVES

**SO10.** To be the engine of development in Science, Engineering and Technology through engagement with the economic, social, educational and industrial transformation of the community and the nation.

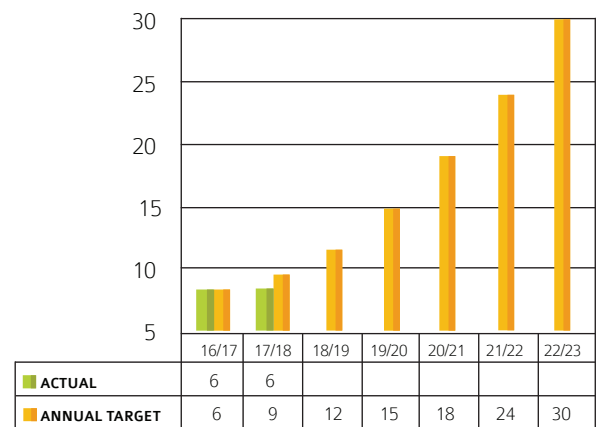
**SO11.** To enhance the Southern African regional and international impact of the University.

**SO12.** To establish local, national, and international partnerships that will strengthen the academic and institutional development and advancement of the University.

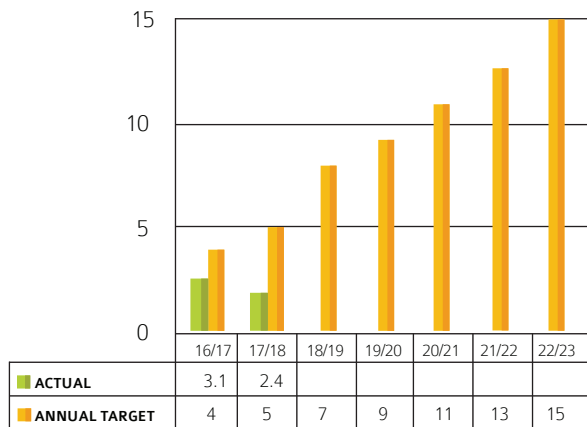
**Chart 8: Number of Operational National Level Projects**



**Chart 9: Number of Operational National Partnerships**



**Chart 10: Percentage of International Students**



## SUMMARY ACCOMPLISHMENTS 2017/18

### National Engagement.

During 2017/18 the University developed and operationalized a range of national projects. The key benefits of such relationships were that they brought about an understanding of both staff and students of the 'real world'; created a social awareness amongst the student body and leveraged the knowledge, skills and competencies at the University's disposal to contribute to societal and economic development. A sample of the different types of national engagement activities undertaken and the beneficiaries is outlined below:

- Inquiry-based Science Learning** – Serorome Primary School (Palapye) and Manaledi Primary School (Tswapong).
- Local Materials for teaching STEM** – Gumare Teachers.
- STEM Festival** – Francistown
- Science Circuses** – Shakawe, Etsha, Gumare, Paje, Sebina. Mmathethe-Digawana, and Molapowabojang.
- ICT Teacher Training Programme**- Kweneng region; Serowe, Tswapong, Tonota, Bobirwa, Phikwe and Shoshong.
- BIUST Student Mentorship Programme** – Lotsane Senior Secondary School.
- Student Motivational Talks** – Tlogatloga Junior Secondary School; Moseitha Junior Secondary School; Raserura Senior Secondary School; Shanganani Senior Secondary School.
- Manufacturing Competitions** – Lotsane; Swaneng, Madiba Senior Secondary Schools and Moeng College.
- BIUST & Palapye Reading, Writing and Literacy Clinic** – Primary and Secondary school pupils.
- Literacy Project** – Moremi Community Junior Secondary School.



**k) Research & Innovation Symposium** - Palapye

**l) Internship** - 130 Students from the Faculty of Engineering & Technology undertook a 6-months internship programme in various government departments, parastatals and private sectors.

**m) Entrepreneurship Training** - 24 Palapye Rover Scouts were trained on Starting Your Business Entrepreneurship

### **International Engagement**

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.

During the course of 2017/18, BIUST approved a comprehensive range of internationalisation policies and strategic initiatives to foster an international culture and to consciously and explicitly drive the University's international strategy. The University enrolled 46 international students representing 2.5% of the student body and 78 international staff.

The University operationalised the following International Partnerships and Linkages.

**a) AKITA University (AU), Japan** - Staff and Student Exchange Programme

**b) University of Cincinnati, USA** - Engineers without Borders Programme.

**c) Confucius Institute** - Chinese Language 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**

**OBJECTIVES**

**SO13.** To ensure the highest standards of corporate and academic governance.

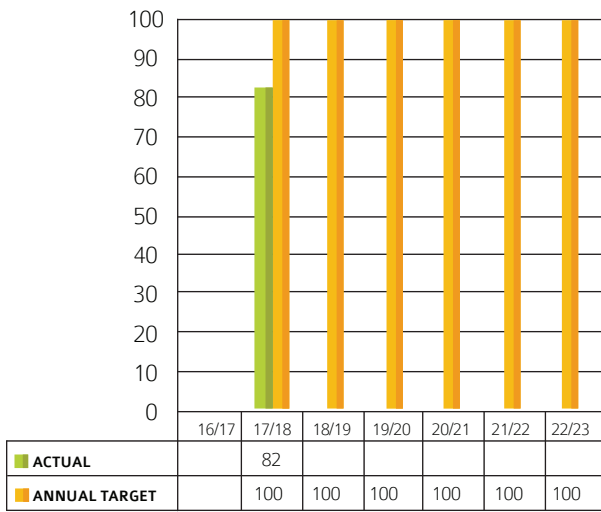
**SO14.** To ensure a strategically focused institution that is driving change.

**SO15.** To ensure the institution is structured and organised as a high performance organisation to effectively deliver on the University’s mandate and strategy.

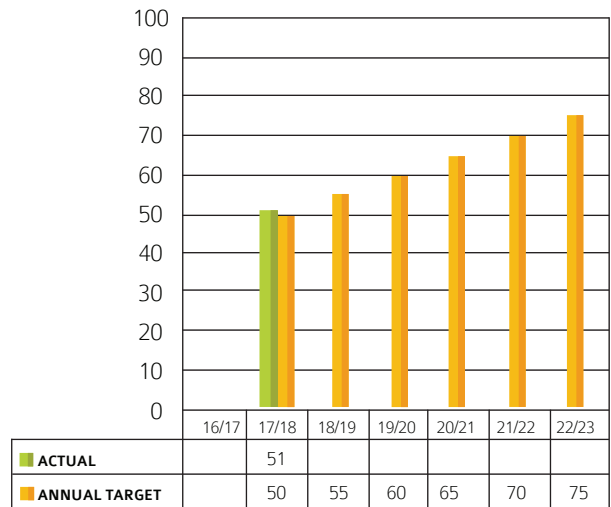
**SO16.** To independently assure the integrity of the institutions internal controls and ensure the proper management of institutional risks.

**SO17.** To ensure ownership of the University mission, vision and strategy through effective marketing, communication and reputation management.

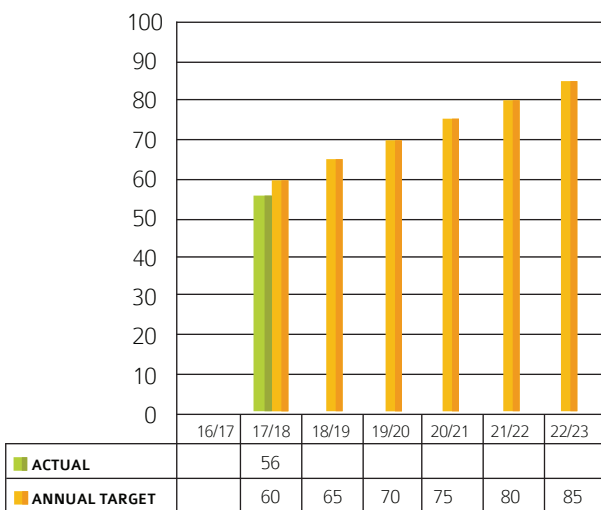
**Chart 11: Implementation of Institutional strategic initiatives (%)**



**Chart 12: Percentage Volume/ ratio of positive media impact**



**Chart 13: Percentage of External Stakeholder with a Positive Percentage**



## **SUMMARY ACCOMPLISHMENTS 2017/18**

### **University Governance**

By the close of 2017/18, the Council was operating efficiently and effectively with the University Statutes operational, the Council Committee Structure comprehensively functioning and the University Governance being effectively supported with a Council Management Services function in place. The Council approved and implemented a set of governance protocols that included standards set for the Conduct of Council Meetings and Documentation, an efficient document flow process between governance and management was set in place and Council Minutes and Resolutions being recorded accurately.

### **University Strategy**

From a base line in 2016 where the University had no strategic or operational plans and no effective planning, the University progressed to a point during 2017/18 with the Strategic Plan that was approved in June 2016 being comprehensively implemented through an Annual Operational Plan linked to staff performance plans. The University put in place the key elements of an effective strategic management system which included in the following areas:

- a) Leadership that was fully engaged in planning activities.
- b) Strategic Management Culture with staff committed to a culture of planning.
- c) Performance Measurement with data collected routinely and measure owners held accountable.
- d) Sustainability with University-wide Planning Structures operationalised and plans and planning processes comprehensively documented.
- e) Capabilities strengthened to enhance planning capacity across the University.

### **Organisational Structure**

During 2017/18 the University engaged an Organisational Design Consultancy to “Develop, implement and monitor a comprehensive organisational design and structure aligned to the institutional goals and operating model.” The objective of the consultancy, to be concluded during 2018/19, is to have in place an optimal organisation design and structure aligned to the University Strategic Plan. This will include job profiles, competency frameworks at all levels; job grading and a remuneration policy and structure.

### **Audit and Risk**

The University’s ‘End of Year’ Audited Financial Statements for the Year ended 31st March 2017 were produced on time in compliance with the requirements of the Botswana International University of Science and Technology Act 57:05 and in conformity with the Companies Act of Botswana and the International Financial Reporting Standards.

### **University Reputation**

As measured through a Perception Survey that was undertaken during 2017/18 and the regular monitoring of the media, there was a visible positive shift in public attitude about the image and the reputation of BIUST. This reflected a positive projection of institutional, staff and student accomplishments and helped to ensure support from the University’s key stakeholders, students, parents, employers.



## FINANCIAL SUSTAINABILITY AND GROWTH

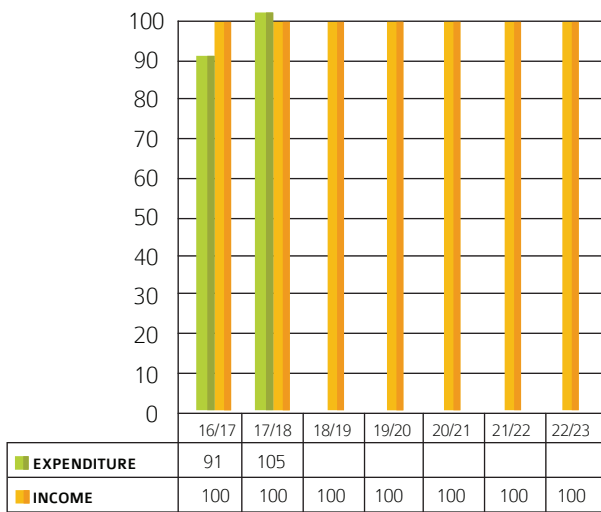
### STRATEGIC GOAL 5: FINANCIAL SUSTAINABILITY AND GROWTH

#### OBJECTIVES

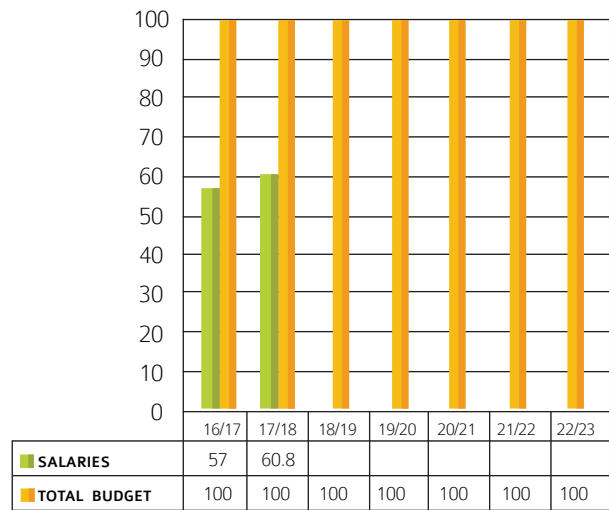
**SO18.** To prudently and effectively manage the institutions financial resources to deliver on its strategic priorities and diversify and grow additional sources of revenue to invest in the University’s future. **SO19** To properly utilise the institutions resources by procuring a comprehensive range of value for money goods and services that supports the University’s mission and purpose and ensuring their proper inventory management.

**SO19.** To properly utilise the institutions resources by procuring a comprehensive range of value for money goods and services that support the University’s mission and purpose and ensuring their proper inventory management.

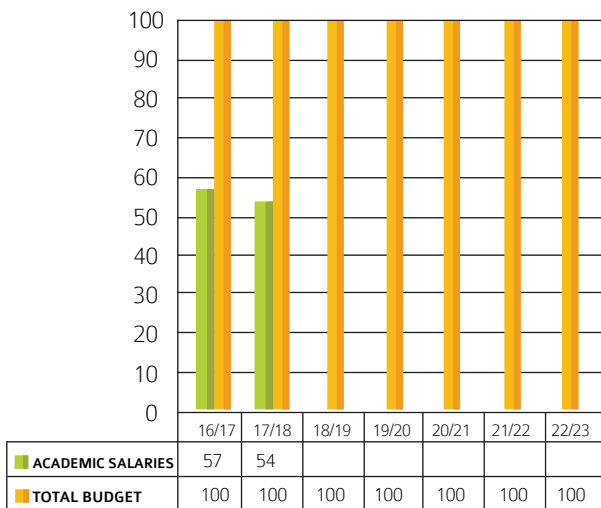
**Chart 14: Percentage of Expenditure vs Income**



**Chart 15: Salaries as a percentage of the Overall University Budget**



**Chart 16: Academic Salaries as a percentage of the Overall University Salary Bill**



## SUMMARY ACCOMPLISHMENTS 2017/18

### University Finances

For the financial year 2017/18, 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, 949,000. The University spent 105% of the budget representing a P21, 844,823 operating deficit which was funded from the prior year surpluses. This compares with the previous financial year 2016/17, where the financial resources of the University comprised an operating grant of P314, 937,030 received from Government, student tuition fees of P66, 890,661, and other revenue of P35, 143,000. The University spent 91% of its budget reporting a surplus of P46, 745,462.

TABLE 3: UNIVERSITY FINANCES (P'000)		
Summary	2017/18	2016/17
Income	490,674	474,535
Grant	407,003	314,937
Tuition	60,331	66 890
Other Revenue	6,949	44,481
Capital Grants (Amortisation)	57,051	57,565
Capital Grants (Transfer)	(40,660)	0
Expenditure	512,520	427,789
Salaries	286,951	242,128
Operations	225.569	165,661
Operating Margin	(21,884)	46,745

### Annual salary costs budget vs Total Budget

The proportion of annual salary costs to total budget is a key indicator of the University's ability to remain sustainable and indicate 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 60.8:39.2 actual for 2017/2018.

### Academic Salaries budget vs Total Salaries budget

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 2017/18 academic year the ratio is 54% (academic salaries) vs. 46% (support salaries).

## ENHANCING INSTITUTIONAL EFFECTIVENESS

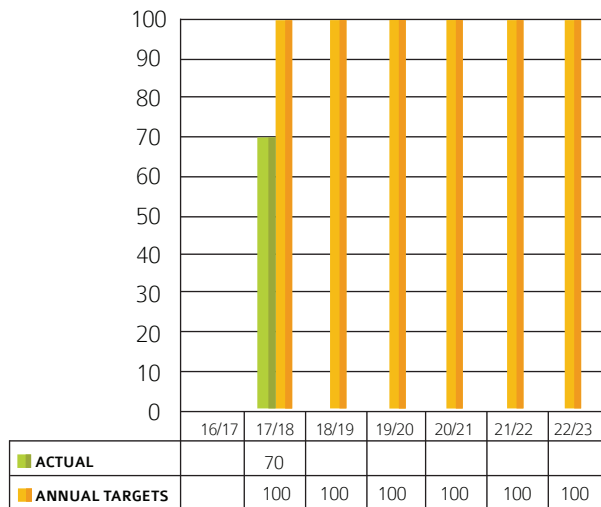
### STRATEGIC GOAL 6: ENHANCING INSTITUTIONAL EFFECTIVENESS

#### OBJECTIVES

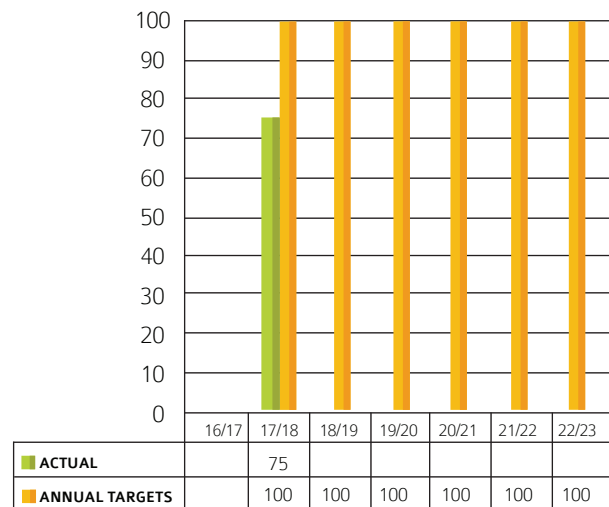
**SO20.** To Strengthen the Institutions Core Systems, policies and processes to ensure efficient effective and quality service delivery that is responsive to stakeholder needs.

**SO21.** To provide and manage state of the art facilities and equipment that fully supports the University’s mission and purpose.

**Chart 18: Percentage Delivery of capital development programme**



**Chart 18: Percentage Delivery of Facilities management programme**



#### SUMMARY ACCOMPLISHMENTS 2017/18

##### Quality Management

During 2017/18, the University established a University-wide Quality Management System (QMS) to embed a quality culture throughout the Institution. This initiative was driven by a new Directorate of Quality Management which was established, staffed and operationalised during the course of the year. The University undertook an audit of all existing policies; developed and established a new Policy Management System and approved a comprehensive range of academic and support policies. These were as required by the Botswana Qualifications Authority (BQA) to register the University as a Higher Education and Training Provider (ETP)

##### University Facilities

During the year under review, the University successfully implemented a facilities management programme and commenced the implementation of the Revised Campus Master Plan (2016). The successful management of the development and maintenance of the University’s academic facilities, student residence, infrastructure, equipment etc. is of strategic importance to the university due to the considerable funding that is being provided by the Government as well as the importance of the programme to the implementation of the institutional strategy.

The Capital Development Programme for 2017/18 which achieved 70% implementation progress included:

- a) Post Contract Services for the Access Road, Hostels and Wardens Houses, Water and Sewer Reticulation Upgrade, Bulk Water Upgrade, Reconstruction of Soccer Field and various retrofitting to facilities.
- b) Pre-contract services for a portfolio of projects identified as priority in the Campus Master Plan were initiated with a budget of P 700 million spanning 2018-2022. The project portfolio included the Student Centre, Research Centre, Data Centre, Library, Refectory, Faculty of Science, Faculty of Engineering, Teaching and learning spaces.



The Facilities Management Programme for 2017/18 which achieved 75% implementation progress included the provision of:

- a) Operations and Maintenance (O & M) in line with policies and service level agreements.
- b) Cleaning, waste management, pest control, landscaping & grounds services in accordance with policies and agreed service level agreements.
- c) Management of BIUST real estate portfolio to ensure optimal use of space and value addition
- d) Safety, Health and Environmental services in accordance with relevant policies and service level agreements.
- e) Fleet management services in accordance with policies and service level agreements.
- f) Campus security services in accordance with policies and service level agreements.



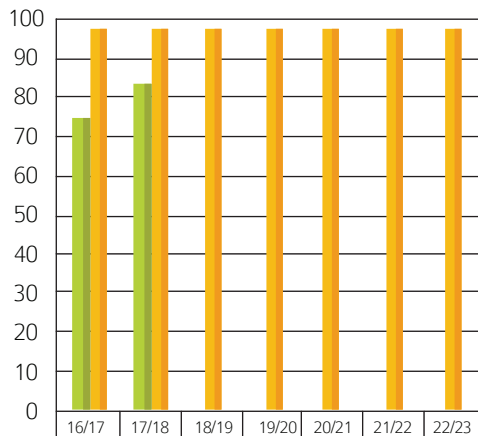
## 5. 9 ENHANCING INSTITUTIONAL CAPABILITIES

### STRATEGIC GOAL 7: ENHANCING INSTITUTIONAL CAPABILITIES

#### OBJECTIVES

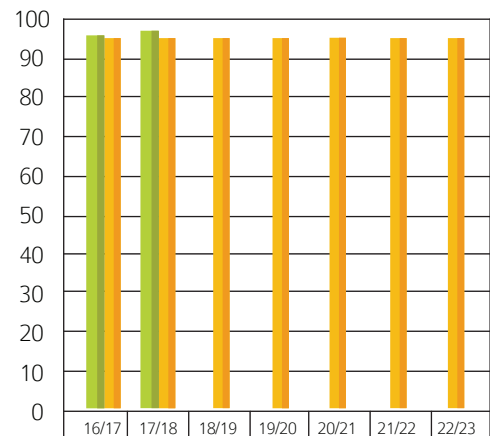
- SO22.** To attract, develop retain highly qualified skilled and talented staff that can deliver on the University mandate and strategy and drive performance.
- SO23.** To improve leadership and management effectiveness and identify and develop future leadership and management capability to drive institutional performance.
- SO24.** To provide multiple and flexible opportunities to acquire knowledge and access to information services to enhance individual and institutional performance.
- SO25.** To develop institutional wide information technology infrastructure and services to enhance individual and institutional performance.

**Chart 19: Percentage of staff in post vs. overall staff establishment**



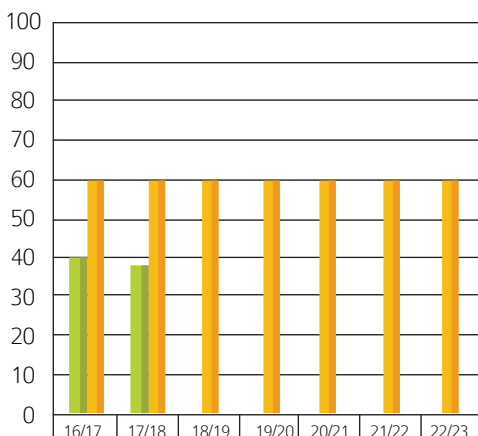
<b>ACTUAL</b>	75	83					
<b>ANNUAL TARGETS</b>	98	98	98	98	98	98	98

**Chart 20: Percentage of staff in Post Retained**



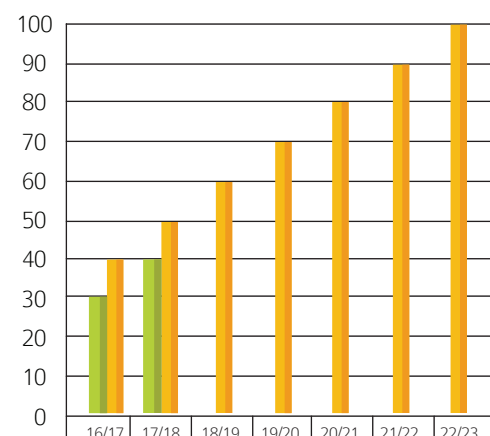
<b>ACTUAL</b>	96	97					
<b>ANNUAL TARGETS</b>	95	95	95	95	95	95	95

**Chart 21 Percentage of Academic Staff vs Total staff**



<b>ACTUAL</b>	40	38					
<b>ANNUAL TARGETS</b>	60	60	60	60	60	60	60

**Chart 22: Percentage of Students with 24/7 ICT Network Access**



<b>ACTUAL</b>	30	40					
<b>ANNUAL TARGETS</b>	40	50	60	70	80	90	100

## SUMMARY ACCOMPLISHMENTS 2017/18

### Staffing

During 2017/18 the University intensified its staff recruitment efforts managing to fill 83% of the establishment posts. Nevertheless staff recruitment continued to be a key challenge for the University with a vacancy rate of 17% of the approved establishment with the biggest challenge being the recruitment of academic staff. This was due in part to the uncompetitive salary scales that the University is able to offer; a lengthy recruitment process which involves meeting new external requirements for professional registration of academic staff particularly in the Faculty of Engineering; and the 'rural' location of the University which makes it more difficult to recruit quality staff.

TABLE 4: UNIVERSITY STAFF

In Post	2017	2016
Executive	4	4
Academic	166	153
Management	12	6
Support	250	221
Citizen	354	330
International	78	54
Male	259	225
Female	173	159
Total	432	384

### Library and Information Services

During 2017/18 the University Library improved the access to library services including electronic resources and established the Presidential Library Collection which was officially opened on February 10th 2018 by the former President of the Republic of Botswana, Lt. General Dr Seretse Khama Ian Khama.

### Information and Communications Technology

During 2017/18 the University advanced its ICT capacity and capability with 45% vs a planned 65% of the University Community with 24/7 on-campus/off-site access to the ICT Network. The improved ICT coverage has supported the provision to both staff and students of electronic resources through e-Research and e-Learning portals and systems, This has in turn helped to strengthen the University's Teaching and Learning and Research and Innovation and improve operational effectiveness and efficiency.









**BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

# **ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2018

**BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**ANNUAL FINANCIAL STATEMENTS**  
**GENERAL INFORMATION**  
for the year ended 31 March 2018

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

**NATURE OF BUSINESS**

- a) to provide higher education and training;
- b) to undertake, promote and facilitate research and scholarly investigations;
- c) 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

**CHANCELLOR**

Dr F. G. Mogae

**EXECUTIVE MANAGEMENT**

Professor O. Totolo	Vice Chancellor
Distinguished Professor D. Siginer	Deputy Vice Chancellor (Academic Affairs)
Professor D. Norris	Deputy Vice Chancellor (Research and Innovation) - Resigned 30 Nov 2017
Mr B. Paya	Acting Deputy Vice Chancellor (Research and Innovation) (Appointed 1 Jan 2018)
Mr. D. B. Katzke	Deputy Vice Chancellor (Finance and Administration)

**MEMBERS OF THE COUNCIL AT 31 MARCH 2018**

<b>Name</b>	<b>Designation</b>
Mr. B. Bolele	Chairperson
Dr. H. Fidzani	Vice Chairperson
Professor O. Totolo	Vice Chancellor
Distinguished Professor D. Siginer	Deputy Vice Chancellor (Academic Affairs)
Professor D. Norris	Deputy Vice Chancellor (Research and Innovation) - Resigned 30 November 2017
Mr. D.B Katzke	Deputy Vice Chancellor (Finance and Administration)
Mr. T. Johnson	Member
Dr T. Mooko	Member
Mr. J. Mokgosi	Member
Mr. L. Selolwane	Member
Mr. E. Government	Member Appointed (01 December 2017)
Professor E. A. Atekwana	Member Appointed (01 August 2017)
Professor E. Shemang	Member
Dr. B. Batlokwa	Member
Ms O. Butale-Mutloane	Member (Resigned 31 July 2017)
Ms D. Setshogo	Member Appointed ( 01 August 2017)
Kgosi M. Maforaga	Member
Professor T.M. Oladiran	Member
Dr. S. Toteu	Member
Dr. S. G. Maphanyane	Member
Mr. N. Seberekinyana	Member
Professor E. Lungu	Member
Ms R. Maphorisa	Member
Mr. W. Mankanku	Member Appointed (01 May 2017)

**REGISTERED OFFICE**

Plot 10071, Boseja Ward  
Palapye

**BANKERS**

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

**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 cash flows for the period then ended, in conformity with Companies Act of Botswana 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 cash flow 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 24-25.

The annual financial statements set out on pages **25** to **58**, which have been prepared on the going concern basis, were approved by the Council on 26-09-2018 and were signed on their behalf by:

Approval of financial statements



.....  
Chairperson



.....  
Vice Chancellor

**BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY**

# **ANNUAL FINANCIAL STATEMENTS**

for the year ended 31 March 2018

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

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### To the Council Members of Botswana International University of Science & Technology

#### Opinion

We have audited the Annual Financial Statements of Botswana International University of Science & Technology set out on pages 6 to 34, which comprise the Statement of Financial Position as at 31 March 2018, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of 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 31 March 2018, 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 financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

#### Other information

The Council Members are responsible for the other information. The other information comprises the supplementary information presented at the end of the financial statements on page 34. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

CERTIFIED AUDITORS

FIRST FLOOR PLOT 104 GABORONE INTERNATIONAL COMMERCE PARK GABORONE BOTSWANA • PO BOX 401805 GABORONE BOTSWANA  
TEL: +267 395 7466 • FAX: +267 395 7477 • gbe@mazars.co.bw • www.mazars.co.bw

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



## Independent Auditor's Report

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### Responsibilities of the Council Members for the Annual Financial Statements

The Council Members are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standards and the requirements of the BIUST Act 57:05 , and for such internal control as the director 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.

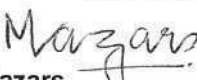
### Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council Members.
- Conclude on the appropriateness of the Council Members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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**  
**Certified Auditors**  
**Practicing Member: Shashikumar Velambath**  
**Practicing number: 19980076**

Date... 28-09-2018  
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	Note	2018	2017
Government Subvention	5	366 342 199	314 937 030
Tuition and other student fee revenue	6	60 331 735	66 890 661
Other Income	7	6 059 483	
Amortisation of Capital Grants	18	57 051 435	57 565 610
<b>Gross Operating Income</b>		<b>489 784 852</b>	<b>439 393 301</b>
Staff Costs	8	(286 951 223)	(242 128 938)
Other Operating Expenses	9	(225 569 092)	(185 661 520)
<b>(Deficit)/Surplus for the Year from Operating Activities</b>		<b>(22 735 464)</b>	<b>11 602 843</b>
Finance Income	10	890 641	2 263 239
<b>(Deficit)/Surplus for the Year</b>		<b>(21 844 823)</b>	<b>13 866 082</b>
Other Comprehensive Income		-	32 879 380
<b>Total Comprehensive (Loss)/ Income</b>		<b>(21 844 823)</b>	<b>46 745 462</b>

	Note	2018	2017 Restated	2016 Restated
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Property, Plant and Equipment	12	1 304 715 250	1 153 568 830	1 067 763 762
Capital Work In Progress	24	146 903 335	71 771 341	
Intangible Assets	11	1 408 391	2 781 592	4 363 003
		<b>1 453 026 976</b>	<b>1 228 121 763</b>	<b>1 072 126 765</b>
<b>Current Assets</b>				
Other Receivables	13	18 863 116	4 355 601	27 756 974
Cash and Cash Equivalents	14	17 946 153	85 917 837	14 961 894
Inventory	15	1 166 449	-	-
		<b>37 975 718</b>	<b>90 273 438</b>	<b>42 718 868</b>
<b>Total Assets</b>		<b>1 491 002 694</b>	<b>1 318 395 201</b>	<b>1 114 845 633</b>
<b>FUNDS AND LIABILITIES</b>				
<b>Capital Grant and Reserves</b>				
Capital Grants	18	1 249 407 868	1 102 798 352	948 877 867
Accumulated Funds		103 231 860	114 489 748	81 782 128
		<b>1 352 639 728</b>	<b>1 217 288 100</b>	<b>1 030 659 994</b>
<b>Non-current liabilities</b>				
<b>Current Liabilities</b>				
Retention Payable	19	15 764 325	4 495 261	6 978 489
Trade and Other Payables	20	122 598 641	96 611 840	77 207 150
<b>Total Funds and Liabilities</b>		<b>1 491 002 694</b>	<b>1 318 395 201</b>	<b>1 114 845 633</b>



BOTSWANA INTERNATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY  
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
 for the year ended 31 March 2018

	Capital grants	Accumulated fund	Total
<b>Balance at 1 April 2016</b>	<b>948 877 867</b>	<b>81 782 128</b>	<b>1 030 659 994</b>
Grants received during the year (Note 18)	200 000 000	-	200 000 000
Amortisation of capital grants (Note 18)	(57 565 610)	-	(57 565 610)
Surplus for the year	-	46 745 462	46 745 462
<b>Balance at 31 March 2017</b>	<b>1 091 312 257</b>	<b>128 527 590</b>	<b>1 219 839 846</b>
restatement	11 486 095	(14 037 842)	(2 551 746)
<b>Restated</b>	<b>1 102 798 352</b>	<b>114 489 748</b>	<b>1 217 288 100</b>
<b>Balance at 1 April 2017</b>	<b>1 102 798 352</b>	<b>114 489 748</b>	<b>1 217 288 100</b>
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	10 586 935
deficit for the year	-	(21 844 823)	(21 844 823)
<b>Balance at 31 March 2018</b>	<b>1 249 407 868</b>	<b>103 231 860</b>	<b>1 352 639 728</b>

	Note P	2018 P	2017 P
<b>Cash flows from operating activities:</b>			
Cash generated from operations	22	9 474 772	86 612 390
<b>Net cash flows generated from operating activities</b>		<b>9 474 772</b>	<b>86 612 390</b>
<b>Cash flows from (to) investing activities:</b>			
Cash from recurrent funding capital expenditure	5	40 660 951	-
Interest income	10	890 641	2 263 239
Additions to property, plant and equipment	12	(281 848 782)	(218 261 973)
Additions to intangible assets	11	(173 600)	-
Proceeds from disposal of Property, plant and equipment		24 334	342 287
<b>Net cash utilised in investing activities</b>		<b>(240 446 456)</b>	<b>(215 656 447)</b>
<b>Cash flows from financing activities:</b>			
Capital grants	18	163 000 000	200 000 000
<b>Net cash generated from financing activities</b>		<b>163 000 000</b>	<b>200 000 000</b>
<b>Net change in cash and cash equivalents</b>		<b>(67 971 684)</b>	<b>70 955 943</b>
Cash and cash equivalents at beginning of year		85 917 837	14 961 894
<b>Cash and cash equivalents at end of year</b>	<b>14</b>	<b>17 946 153</b>	<b>85 917 837</b>

## **1. General Information**

Botswana International University of Science and Technology ("BIUST") is funded through the Tertiary Education Development Fund, a Special Fund set up by Government in terms of the Finance and Audit Act (CAP:54:01) through Statutory Instrument No 57 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.



## **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.

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 principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.



The effective date of the standard is for years beginning on or after 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

### 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 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

## **3.0 Financial Risk Management**

### **3.1 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.

#### **(a) Market Risk**

##### **(i) 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 in foreign currency exchange rate with respect of Botswana Pula.

**(ii) 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 2018, BIUST had no short term nor any investments.

**(iii) Price Risk**

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

**(b) 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.

**(c) 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.

	Less than six months P	Between six and twelve months P	More than a year P
<b>At 31 March 2018</b>			
Trade and other payables (Note 20)	62 331 780	60 266 861	-
Retention payable (Note 19)	-	15 764 325	-
	Less than six months P	Between six and twelve months P	More than a year P
<b>At 31 March 2017</b>			
Trade and other payables (Note 20)	96 611 840	-	-
Retention payable (Note 19)	-	4 495 261	-

### 3.2 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.

### 3.3 Fair Value Estimation of Financial Instruments

IFRS 7 (amendment) for financial instruments that are measured in the statement of financial

- 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.

#### **4.0 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

#### **4.1 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.



## 5 Government Subventions

Government subventions received  
 Transferred to capital grants for current year

## 6 Tuition and other Student fee revenue

Tuition  
 Other Student fees

General Tuition Fees  
 Student Books  
 Late Registration Fees  
 Application Fees  
 Identity Card Fees  
 Library Fees  
 Transcript fees  
 Student Life Fees  
 Book Fees  
 Course Material Fees  
 Student Resident Fees - Under G

## 7 Other Income

Rent Income  
 Sale of Assets  
 Miscellaneous Income  
 Tender fees  
 Externally funded

## 8 Staff costs

Gratuities and severance  
 Leave pay  
 Medical aid contribution  
 Salaries and wages  
 Staff training  
 Other staff benefits

## 9 Other operating expenses

Administrative expenses  
 Amortisation of intangible assets  
 Depreciation  
 Travelling and accommodation expenses  
 Consumables-Academic  
 Staff Research Support Grant  
 Graduate Student Research Support  
 Seminars Workshops & Conference  
 Books/ Publications  
 Electronic Resources  
 Other expenses

## 10 Finance income

Interest received - bank

	2018 P	2017 P
Government subventions received	407 003 150	314 937 030
Transferred to capital grants for current year	(40 660 951)	-
	<b>366 342 199</b>	<b>314 937 030</b>
<b>6 Tuition and other Student fee revenue</b>		
Tuition	47 025 281	66 890 661
Other Student fees	13 306 454	24 879 660
	<b>60 331 735</b>	<b>91 770 321</b>
General Tuition Fees	47 025 281	47 552 161
Student Books	-	19 338 500
Late Registration Fees	8 380	3 360
Application Fees	344 928	276 050
Identity Card Fees	40 180	7 980
Library Fees	2 160	3 098
Transcript fees	13 260	20 458
Student Life Fees	324 245	532 935
Book Fees	1 612 092	3 932 655
Course Material Fees	1 807 355	4 519 159
Student Resident Fees - Under G	9 153 853	15 583 965
	<b>60 331 735</b>	<b>91 770 321</b>
<b>7 Other Income</b>		
Rent Income	5 853 702	5 015 681
Sale of Assets	11 723	-
Miscellaneous Income	18 515	297 418
Tender fees	175 543	406 473
Externally funded		2 280 148
	<b>6 059 483</b>	<b>7 999 720</b>
<b>8 Staff costs</b>		
Gratuities and severance	28 652 086	19 498 048
Leave pay	7 829 589	14 059 862
Medical aid contribution	5 765 718	4 781 791
Salaries and wages	207 367 951	174 584 817
Staff training	3 938 003	1 386 640
Other staff benefits	33 397 875	27 817 780
	<b>286 951 223</b>	<b>242 128 938</b>
<b>9 Other operating expenses</b>		
Administrative expenses	98 382 074	72 143 041
Amortisation of intangible assets	1 546 801	1 581 411
Depreciation	55 504 634	55 984 197
Travelling and accommodation expenses	8 666 172	7 720 077
Consumables-Academic	11 111 713	9 222 099
Staff Research Support Grant	13 911 098	7 586 040
Graduate Student Research Support	5 403 727	495 708
Seminars Workshops & Conference	4 078 927	1 939 809
Books/ Publications	15 393 393	11 556 853
Electronic Resources	2 700 857	6 413 626
Other expenses	8 869 698	11 018 658
	<b>225 569 092</b>	<b>185 661 520</b>
<b>10 Finance income</b>		
Interest received - bank	<b>890 641</b>	<b>2 263 239</b>

**11 Intangible asset**

**Year ended 31 March 2017**

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 2018**

Opening net book amount

Additions

Amortisation charge

**Closing net book amount**

**At 31 March 2018**

Cost

Accumulated amortisation

**Net book amount**

Computer Software P
4 363 003
-
(1 581 411)
<b>2 781 592</b>
9 464 700
(6 683 108)
<b>2 781 592</b>
2 781 592
173 600
(1 546 801)
<b>1 408 391</b>
9 638 299
(8 229 908)
<b>1 408 391</b>

	Land P	Buildings P	Work in progress P	Motor vehicles P	Computer equipment P
<b>Year ended 31 March 2016</b>					
Opening net book amount	1 496 810	463 711 125	201 280 982	9 407 580	18 138 482
Additions	-	107 753 960	135 835 022	4 336 752	10 169 460
CIP Transfer	-	332 048 066	(332 048 066)	-	-
Disposals	(189 760)	(9 227 633)	-	-	(312 039)
Reclass	-	(150 643)	-	-	(653 490)
Depreciation on Reclass	-	21 405	-	-	-
Depreciation on disposals	-	289 966	-	-	231 322
Depreciation	-	(5 708 061)	-	(1 693 951)	(7 092 861)
<b>Closing net book amount</b>	<b>1 307 050</b>	<b>888 738 185</b>	<b>5 067 938</b>	<b>12 050 381</b>	<b>20 480 874</b>
<b>restatement adjustment (note 22)</b>	-	-	-	-	-
<b>Restated</b>	<b>1 307 050</b>	<b>888 738 185</b>	<b>5 067 938</b>	<b>12 050 381</b>	<b>20 480 874</b>
<b>At 31 March 2016</b>					
Cost	1 307 050	899 232 415	5 067 938	16 701 252	35 409 995
Accumulated depreciation	-	(10 494 230)	-	(4 650 871)	(14 929 121)
<b>Net book amount</b>	<b>1 307 050</b>	<b>888 738 185</b>	<b>5 067 938</b>	<b>12 050 381</b>	<b>20 480 874</b>
<b>Year ended 31 March 2017</b>					
Opening net book amount	1 307 050	888 738 185	5 067 938	12 050 381	20 480 874
Additions	-	45 752 438	66 703 403	1 873 810	10 200 736
Disposals	-	(8 820)	-	(1 582 782)	(653 730)
Reclass	-	-	-	-	(1 390 546)
Depreciation on Reclass	-	-	-	-	998 615
Depreciation on disposals	-	2 927	-	1 174 790	527 814
Depreciation	-	(6 355 751)	-	(2 127 032)	(9 544 410)
<b>Closing net book amount</b>	<b>1 307 050</b>	<b>928 128 979</b>	<b>71 771 340</b>	<b>11 389 167</b>	<b>20 619 353</b>
<b>restatement adjustment (note 22)</b>	-	-	-	-	-
<b>Restated</b>	<b>1 307 050</b>	<b>928 128 979</b>	<b>71 771 340</b>	<b>11 389 167</b>	<b>20 619 353</b>
<b>At 31 March 2017</b>					
Cost	1 307 050	944 976 033	71 771 341	16 992 280	43 566 454
Accumulated depreciation	-	(16 847 054)	-	(5 603 113)	(22 947 102)
<b>Net book amount</b>	<b>1 307 050</b>	<b>928 128 979</b>	<b>71 771 341</b>	<b>11 389 167</b>	<b>20 619 352</b>
<b>Year ended 31 March 2018</b>					
<b>Opening net book amount</b>	<b>1 307 050</b>	<b>928 128 979</b>	<b>71 771 340</b>	<b>11 389 167</b>	<b>20 619 353</b>
<b>Additions</b>	-	<b>2 930 785</b>	<b>194 538 814</b>	<b>8 605 506</b>	<b>8 207 797</b>
<b>CIP Transfer</b>	-	<b>119 406 820</b>	<b>(119 406 820)</b>	-	-
Disposals	-	-	-	(270 020)	(65 823)
Prior years Adjustment	-	-	-	-	-
Depreciation on Adjustment	-	-	-	-	-
Depreciation on disposals	-	-	-	270 020	-
Depreciation	-	(6 688 628)	-	(2 777 204)	(11 048 726)
<b>Closing net book amount</b>	<b>1 307 050</b>	<b>1 043 777 955</b>	<b>146 903 335</b>	<b>17 217 469</b>	<b>17 712 602</b>
<b>At 31 March 2018</b>					
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)
<b>Net book amount</b>	<b>1 307 050</b>	<b>1 043 777 955</b>	<b>146 903 335</b>	<b>17 217 468</b>	<b>17 712 601</b>

Furniture	Office equipment and audio-Visual	Laboratory equipment and other	Domestic Furniture and fittings	Library Books	Total
P	P	P	P	P	P
9 710 136	4 550 643	71 488 439	1 831 522	6 068 913	<b>787 684 632</b>
984 336	6 092 214	68 237 184	495 794	10 645 533	<b>344 550 255</b>
-	-	-	-	-	-
(8 648 293)	(502 002)	(5 440 129)	(1 185 316)	-	<b>(25 505 172)</b>
285 676	653 490	-	(135 033)	-	-
69 608	-	-	(91 013)	-	-
2 294 651	123 295	317 348	1 275 965	-	<b>4 532 547</b>
(1 629 581)	(1 253 611)	(13 018 418)	101 600	(5 168 429)	<b>(35 463 312)</b>
<b>3 066 533</b>	<b>9 664 029</b>	<b>121 584 424</b>	<b>2 293 519</b>	<b>11 546 017</b>	<b>1 075 798 950</b>
-	-	-	-	<b>(8 035 188)</b>	<b>(8 035 188)</b>
<b>3 066 533</b>	<b>9 664 029</b>	<b>121 584 424</b>	<b>2 293 519</b>	<b>3 510 829</b>	<b>1 067 763 762</b>
4 420 863	11 990 844	140 346 229	3 140 833	5 859 734	1 123 477 153
(1 354 330)	(2 326 815)	(18 761 805)	(847 314)	(2 348 904)	(55 713 390)
<b>3 066 533</b>	<b>9 664 029</b>	<b>121 584 424</b>	<b>2 293 519</b>	<b>3 510 829</b>	<b>1 067 763 762</b>
3 066 533	9 664 029	121 584 424	2 293 519	3 510 829	1 067 763 762
1 399 363	595 327	77 168 174	213 191	14 355 532	218 261 973
(368 751)	(56 570)	(1 108 811)	(904 629)	-	(4 684 093)
(1 439 405)	2 811 554	-	18 398	-	-
521 536	(1 503 877)	284	(16 558)	-	-
147 833	15 722	319 834	345 553	-	2 534 472
(558 301)	(1 060 334)	(22 857 780)	(354 006)	(13 126 584)	(55 984 199)
<b>2 768 807</b>	<b>10 465 851</b>	<b>175 106 125</b>	<b>1 595 467</b>	<b>4 739 777</b>	<b>1 227 891 916</b>
-	-	-	-	<b>(2 551 746)</b>	<b>(2 551 746)</b>
<b>2 768 807</b>	<b>10 465 851</b>	<b>175 106 125</b>	<b>1 595 467</b>	<b>2 188 031</b>	<b>1 225 340 169</b>
4 012 070	15 341 155	216 405 593	2 467 792	6 177 424	1 351 330 653
(1 243 263)	(4 875 304)	(41 299 468)	(872 325)	(3 989 393)	(115 403 550)
<b>2 768 807</b>	<b>10 465 851</b>	<b>175 106 125</b>	<b>1 595 467</b>	<b>2 188 031</b>	<b>1 225 340 169</b>
<b>2 768 807</b>	<b>10 465 851</b>	<b>175 106 125</b>	<b>1 595 467</b>	<b>2 188 031</b>	<b>1 225 340 169</b>
<b>4 688 664</b>	<b>4 010 179</b>	<b>58 207 907</b>	<b>272 201</b>	<b>386 928</b>	<b>281 848 782</b>
-	-	-	-	-	-
-	-	-	-	-	(335 843)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	270 020
(786 750)	(2 176 562)	(30 480 516)	(233 289)	(1 312 871)	(55 504 545)
<b>6 670 722</b>	<b>12 299 468</b>	<b>202 833 516</b>	<b>1 634 380</b>	<b>1 262 089</b>	<b>1 451 618 585</b>
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



### 13 Other receivables

Tuition fees	644 256	2 163 826
Prepayments, advances and deposits	15 024 235	2 183 302
Other receivables	3 194 625	8 473
	<b>18 863 116</b>	<b>4 355 601</b>

The fair values of other receivables are as follows:

Tuition fees	644 256	2 163 826
Prepayments, advances and deposits	15 024 235	2 183 302
Other receivables	3 194 625	8 473
	<b>18 863 116</b>	<b>4 355 601</b>

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.

### 14 Cash and cash equivalents

Cash at bank

	<b>2018</b>	<b>2017</b>
	<b>P</b>	<b>P</b>
	<b>17 946 153</b>	<b>85 917 837</b>

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

Cash at bank

15 Inventory

	<b>2018</b>	<b>2017</b>
	<b>P</b>	<b>P</b>
	<b>17 946 153</b>	<b>85 917 837</b>
	<b>1 166 449</b>	<b>0</b>

### 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)

	<b>2018</b>	<b>2017</b>
	<b>P</b>	<b>P</b>
	3 838 881	2 129 206
	17 946 153	85 917 837
	<b>21 785 034</b>	<b>88 047 043</b>

#### Financial liabilities:

##### Liabilities as per statement of financial position

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

	15 764 325	4 495 261
	122 598 641	96 611 840
	<b>138 362 966</b>	<b>101 107 101</b>

**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**

Cash in Hand			5 000
First National Bank of Botswana Limited	Not rated	12 312 016	81 967 815
First National Bank - Credit Cards	Not rated	(29 741)	(32 267)
BancABC Limited	Not rated	649 392	624 238
Money markets	Not rated	2 224	-
Stanbic Bank Botswana Limited	Not rated	4 360 188	2 816 450
Standard Chartered Bank Botswana Limited	Not rated	652 074	536 601
		<b>17 946 153</b>	<b>85 917 837</b>

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 BancABC Limited as per the analysis above. There are no credit ratings 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**

**Balance at beginning of year (restated)**

Grants received	
Transfer from subvention	
Disposal of assets in the normal course of business	
Prior year restatement	
Amortisation of capital grants	
<b>Balance at end of year</b>	

	2018 P	2017 P
Balance at beginning of year (restated)	1 102 798 352	948 877 867
Grants received	163 000 000	200 000 000
Transfer from subvention	40 660 951	
Disposal of assets in the normal course of business		11 486 095
Prior year restatement		(57 565 610)
Amortisation of capital grants	(57 051 435)	
<b>Balance at end of year</b>	<b>1 249 407 868</b>	<b>1 102 798 352</b>

**19 Retention payable**

**Balance at beginning of year**  
 Retention during the year  
**Balance at end of year**

2018 P	2017 P
4 495 261	6 978 492
11 269 064	(2 483 231)
<b>15 764 325</b>	<b>4 495 261</b>

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**

Accruals and other payables  
 Deferred income  
 Provisions (Note 21)

2018 P	2017 P
50 265 433	39 987 699
12 066 347	11 331 987
60 266 861	45 292 154
<b>122 598 641</b>	<b>96 611 840</b>

**21 Provisions**

As at 1 April 2015  
 Provision for the year  
 Payments during the year  
 As at 31 March 2016  
 Provision for the year  
 Payments during the year  
 As at 31 March 2017  
 Provision for the year  
 Payments during the year  
 As at 31 March 2018

Gratuity P	Leave Pay P	Total P
19 116 093	9 489 572	28 605 665
15 436 384	5 951 062	21 387 446
(11 488 235)	(5 145 511)	(16 633 746)
<b>23 064 242</b>	<b>10 295 123</b>	<b>33 359 365</b>
21 642 991	14 156 006	35 798 997
(19 429 416)	(4 436 791)	(23 866 207)
<b>25 277 817</b>	<b>20 014 338</b>	<b>45 292 154</b>
28 652 087	3 170 672	31 822 759
- 16 848 052		(16 848 052)
<b>37 081 853</b>	<b>23 185 010</b>	<b>60 266 861</b>

**22 Cash flows from operating activities**

Operating (deficit)/ surplus  
 Adjustments for:  
 Depreciation on property, plant and equipment (Note 10)  
 Amortisation of intangible asset (Note 9)  
 Amortisation of capital grant (Note 14)  
 Profit/(loss) on disposal of assets  
 Interest Income  
 Profit on disposal of assets  
 Changes in working capital:  
 Inventory  
 Other receivables  
 Retention payable  
 Trade and other payables  
**Cash generated from/(utilised in) operations**

2018 P	2017 P
(21 844 823)	46 745 462
55 504 634	55 984 199
1 546 801	1 581 411
(57 051 435)	(57 565 610)
41 399	1 807 333
(890 641)	(2 263 239)
10 586 935	-
(1 166 449)	-
(14 507 515)	23 401 373
11 269 064	(2 483 231)
25 986 801	19 404 692
<b>9 474 772</b>	<b>86 612 391</b>

### 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.

	2018 P	2017 P
Senior management salaries and allowances	5 735 563	6 619 188
Council Allowances	259 579	141 238
Government of Botswana - subventions received	407 003 150	314 937 030
Government of Botswana - capital grants received	163 000 000	200 000 000
	<b>575 998 292</b>	<b>521 697 456</b>

Senior management salaries and allowances includes payments made to the Vice Chancellor and Deputy Vice Chancellors.

### 24 Capital Work In Progress

	2018 P	2017 P
At 1 April	71 771 341	5 067 938
Additions for the year	194 538 814	66 703 403
Transfers to completed projects at 31-March 2018	(119 406 820)	-
	<b>146 903 335</b>	<b>71 771 341</b>

### 25 Contingent liabilities

The University council and management confirmed that the contingent liabilities outstanding as at 31 March 2018 amounted to P32 729 001.80 in relation to rental dispute.

### 26 Commitments

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

	2018 P	2017 P
Building Construction	412 298 860	106 371 423
	<b>412 298 860</b>	<b>106 371 423</b>

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

	2018 P	2017 P
	<b>194 538 814</b>	<b>95 516 969</b>

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



## 27 Events after the reporting date

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

## 28 Prior year adjustment

The University purchased books for the library as well as students course book which was refunded by government. An error occurred by which books bought for students were capitalised between financial periods ended 2014 and 2017. This error affected the note on fixed assets, Capital grant and Retained earnings. The accounting treatment has been corrected on a retrospective basis through adjustment of previously reported balances in accordance with the requirements of IAS 8 : Changes in Accounting Policies, Estimates and Errors. The impact of the corrections are as summarised below:

### An adjustment relating to

Previously reported balance	Capitalised Opex Depreciation charge		Restated	
For the year ended 31 March 2014				
Property plant and equipment				
Library books				
Cost	2,949,844	(180,739)	-	2,769,105
Accumulated depreciation	811,207	-	257,386	(553,821)
<b>Net book Value</b>	<b>2,138,637</b>	<b>(180,739)</b>	<b>257,386</b>	<b>2,215,284</b>
Accumulated Fund	(679,010)	180,739		(498,271)
Capital Grant	(597,692,452)		(257,386)	(597,949,838)
As at 31 March 2015				
Cost	9,489,821	(4,349,121)		5,140,700
Accumulated depreciation	(3,420,908)		1,949,711	(1,471,197)
<b>Net book Value</b>	<b>6,068,913</b>	<b>(4,349,121)</b>	<b>1,949,711</b>	<b>3,669,503</b>
Accumulated Fund	(95,957,579)	4,168,382		(91,789,197)
Capital Grant	(652,518,998)		(1,692,325)	(654,211,323)
As at 31 March 2016				
Cost	20,135,354	(14,275,620)		5,859,734
Accumulated depreciation	(8,589,337)		6,240,432.55	(2,348,904)
<b>Net book Value</b>	<b>11,546,017</b>	<b>(14,275,620)</b>	<b>6,240,433</b>	<b>3,510,829</b>
Accumulated Fund	(96,057,748)	14,275,620		(81,782,128)
Capital Grant	(942,637,434)		(6,240,433)	(948,877,867)
As at 31 March 2017				
Cost	34,490,886	(28,313,462)		6,177,424
Accumulated depreciation	(21,715,921)		17,726,528	(3,989,393)
<b>Net book Value</b>	<b>12,774,965</b>	<b>(28,313,462)</b>	<b>17,726,528</b>	<b>2,188,031</b>
Accumulated Fund	(142,803,210)	-28,313,462		(171,116,672)
Capital Grant	(1,085,071,824)		17,726,528	(1,067,345,296)

The only other adjustments /disclosure will be on those notes that these changes have affected





# CAMPUS GROWTH PLAN TO 2022









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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](http://www.biust.ac.bw)  
Email: [info@biust.ac.bw](mailto:info@biust.ac.bw)

Facebook: [biustbw](https://www.facebook.com/biustbw) 

Twitter: [@biustbw](https://twitter.com/biustbw) 

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