



BEC VALUES

EXCELLENCE

We have passion for quality work and outstanding performance characterised by the use of innovative and creative solutions.

INTEGRITY

We uphold best practice standards, honesty, professionalism and ethical behaviour.

TRANSPARENCY

We are open in all matters of public interest while safeguarding confidential information.

PEOPLE FOCUS

Our people: employees, the community we serve and the nation at large are profoundly important to us. We are thus committed to cultivating a culture that is characterised by mutual respect, professionalism, courtesy, compassion and sharing to build lasting and rewarding relationships.

ABOUT US

The Botswana Examinations Council (BEC) was established by an Act of Parliament (Act No. 11 of 2002) as a body Corporate governed by a Council. BEC is mandated under Section 5 of the Act to conduct School examinations and any other examinations for the Ministry of Education and Skills Development (MoESD) and issue certificates in respect of these examinations.

The national school examinations are; Primary School Leaving Examinations (PSLE), Junior Certificate Examinations (JCE) and the Botswana General Certificate of Secondary Education (BGCSE). BEC's key business activities include the development of an assessment policy, assessment instruments and regulations for the conduct of national schools examination programmes in the general education subsector.

The specific functions and responsibilities of BEC are to:

- advise the Ministry of Education and Skills Development on assessment issues;
- provide appropriate assessment programmes and examination instruments;
- provide examination procedures for all aspects of examinations;
- administer and manage the national examinations and certification processes;
- provide regulatory mechanisms for national examinations;
- accredit all examination centres;
- award qualifications in national examinations;
- maintain competitive standards in national examinations; and
- ensure the maintenance of internationally competitive performance standards.



**BOTSWANA
EXAMINATIONS
COUNCIL**



OUR VISION

To be a provider of accessible and globally competitive qualifications.



OUR MISSION

To provide a credible and responsive assessment and Examination system.



*Advancing learning,
certifying your future.*

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annual report
2015/16

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BEC COUNCIL MEMBERS



- 1. Dr. Joseph Tsonope
Board Chairperson
- 3. Mr. Nasim Miller
- 4. Mr. Lesedi Gaolaolwe
- 5. Mr. Shandukani Hlabano
(Resigned)
- 9. Mr. Dominic Khame
- 10. Dr. Patrick Molutsi

BEC COUNCIL MEMBERS



2. Dr. Gaelebale Tsheko
Vice Chairperson

6. Mr. Richard Matlhare
Permanent Secretary

7. Mrs. Daisy Molefhi

8. Dr. Daniel Tau

11. Mr. Abel Modungwa

12. Prof. Brian Mokopagosi

Executive Secretary



EXECUTIVE MANAGEMENT TEAM



1. Prof. Brian Mokopagosi
Executive Secretary
2. Mr. Letlhokwa Galekhutle
Director, Corporate Services
3. Mrs. Susan Makgothi
Director, Product Development and Standards
4. Mr. Jenamiso Nthele
Director, Human Resource
5. Mrs. Dorcas Morake
Director, Examinations Administration and Certification
6. Dr. Moreetsi Thobega
Director, Research and Policy Development
7. Mr. Canaan Mathendele
Director, Information and Communications Technology

CHAIRPERSON'S FOREWORD

The 2015/16 Annual Report of the Botswana Examinations Council (BEC) is a clear proof of two critical things. Being released timely, the report is an attestation that BEC continues to meet its statutory obligation of releasing the report within six months following the close of the financial year. Secondly, given the content of the report, it shows that against all odds, the BEC was able to successfully deliver on its mandate. The level of performance by all directorates and divisions of the organisation, as well as by the governing Council and its committees ensured that the examinations and results produced were credible. The Council was also able to meet its international responsibilities well.

The challenges that faced the BEC during 2015/16 continued during this reporting year. The approval of the BEC Amendment Bill by parliament did not materialise. The much anticipated transformation of the BEC into a high performance national examinations and assessment authority therefore did not take off. Only a few activities that did not require any enabling legislation were undertaken. The unimproved financial situation of the Council also affected the launch and progress of strategic projects negatively. If this situation remains unattended to, it has the potential to hamper the BEC to deliver its mandate and also places the operations of the organisation at risk. In spite of that, some progress was made with regard to the implementation of ISO 9001 (2008), the Botswana National Examinations Processing System Phase II (BNEPS II) and the National Assessment Programme (NAP).

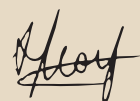
On the positive side, the BEC also demonstrated strong commitment to the prudent and ethical utilisation of the scarce resources available to it. To this day, the BEC remains one of few parastatals that have subjected itself to a comprehensive external investigation of processes and procedures, developed a risk manual and other governance enhancements, all of which are attributable to mature corporate governance leadership.

The BEC 2015/16 report is further proof that the meagre financial resources available were creatively utilised to ensure that the organisation continued to meet its national and international responsibilities. The BEC was able to participate in meetings and conferences of associations in which we are members. Participation in such meetings and conferences provided affordable opportunities for the BEC to benchmark on new initiatives. For the first time, the findings emanating from the research undertaken by the BEC were composed into policy briefs that were shared with key stakeholders. In this way, the BEC was able to meet one of its major responsibilities of providing feedback to the education sub-sector.

We are grateful to the Government of Botswana for continuing to provide the bulk of the resources needed to carry out the basic operations of the Council, and to our other donors for making it possible to continue other activities, which would otherwise not have been possible. Through the generous support of the latter, the BEC was able as in previous years to host the annual excellence awards, where the council awarded the PSLE, JCE, BGCSE candidates who excelled in 2014 examinations. The awards provide an excellent opportunity to showcase the organisation and to build public confidence and reputation.

Many of the accomplishments reported here would never have been possible without the selfless contribution of the Board of the BEC and its committees. The staff of the BEC also contributed commendably to the achievement of the mandate of the organisation.

The report is a summary of the contribution of the BEC to general education in Botswana during the year under review. I commend it to all stakeholders.



Dr Joseph Tsonope
Board Chairperson





EXECUTIVE SECRETARY'S STATEMENT

The Botswana Examinations Council (BEC) has the mandate to conduct schools examinations and any other examinations for the Ministry of Education and Skills Development. Through the conduct of examinations and research that the BEC undertakes, it is expected to provide feedback to the education sector. Further, the BEC is required to conduct high level and credible examinations to ensure that the qualifications offered are internationally competitive.

The 2015 examination results, which were released on schedule, showed that overall performance of candidates at PSLE and JCE was similar to that of the year 2014 while there was a slight improvement at BGCSE. The results also showed that performance in one subject improved significantly at PSLE, three at JCE and nine at BGCSE.

What is contained in this document, are reports of efforts undertaken by the BEC during the 2015/16 financial year to ensure that credible examinations were conducted and quality results produced. The reports indicate that in spite of all the challenges experienced, the Council was able to accomplish much of what it set itself to in the annual business plan. The report covers the six directorates of the BEC, the Office of the Executive Secretary and the five divisions under it. The report also contains the audited financial statements for the year under review.

The year 2015/16 showed important improvements in the quality of our products. This was also the first full year of implementation of the BEC strategy. Improvement of quality at BGCSE was confirmed by Cambridge International Examinations at the post examinations review meeting in Gaborone in April 2016. We also experienced improved stability of our examinations processing system, which resulted in efficient processing and fewer mistakes being made.

The sections that follow also show significant improvement and progress in the implementation of BEC key strategic projects. While little progress is recorded with regard to the BEC Transformation Project largely due to the non-approval of the BEC Amendment Bill, significant progress was experienced in the implementation of the ISO 9001 project and the Botswana National Examinations Processing System (BNEPS) second phase. Towards the end of the year, funds for the implementation of the National Assessment Programme were received, and since then some progress has been made.

As in the preceding year, the report also observes interesting developments in the area of research. The first BEC research policy was developed and approved during the year. Although funding did not allow for full participation in international studies, findings from previous studies and other internal studies were discussed with stakeholders across the country and outcomes summarised into policy briefs.

Specific reports of achievements during the year are contained in sections of the report that follow. The second part of the document contains the audited financial statements.

Brian Mokopakgosi
Executive Secretary

GOVERNANCE STRUCTURES

BEC is governed by a Board referred to as the Council. The Council is appointed by the Minister of Education and Skills Development and consists of fourteen (14) members. The Council members are representatives from the Ministry including its Parastatals, a representative each from the Directorate of the Public Service Management, Botswana Police Service, the Public, the Private Sector, Teacher Organisations, and the BEC Executive Secretary. The Chairperson is an independent non-executive member of the Council who is also appointed by the Minister.

BEC is committed to upholding the principles of corporate governance, independence, transparency, sustainability, accountability and integrity, amongst others. As an examinations body it is essential that BEC subscribes to the principles of good educational measurement and assessment standards.

BEC has divisions of Compliance and Quality Assurance and Internal Audit that help to ensure that internal controls are continually reviewed and adhered to for strengthening corporate governance and institutional integrity.

COUNCIL COMMITTEES

In terms of Section 12 (1) of the BEC Act, Council may appoint committees to assist in the discharge of its duties. The Council committee structure is as depicted in the diagram below:

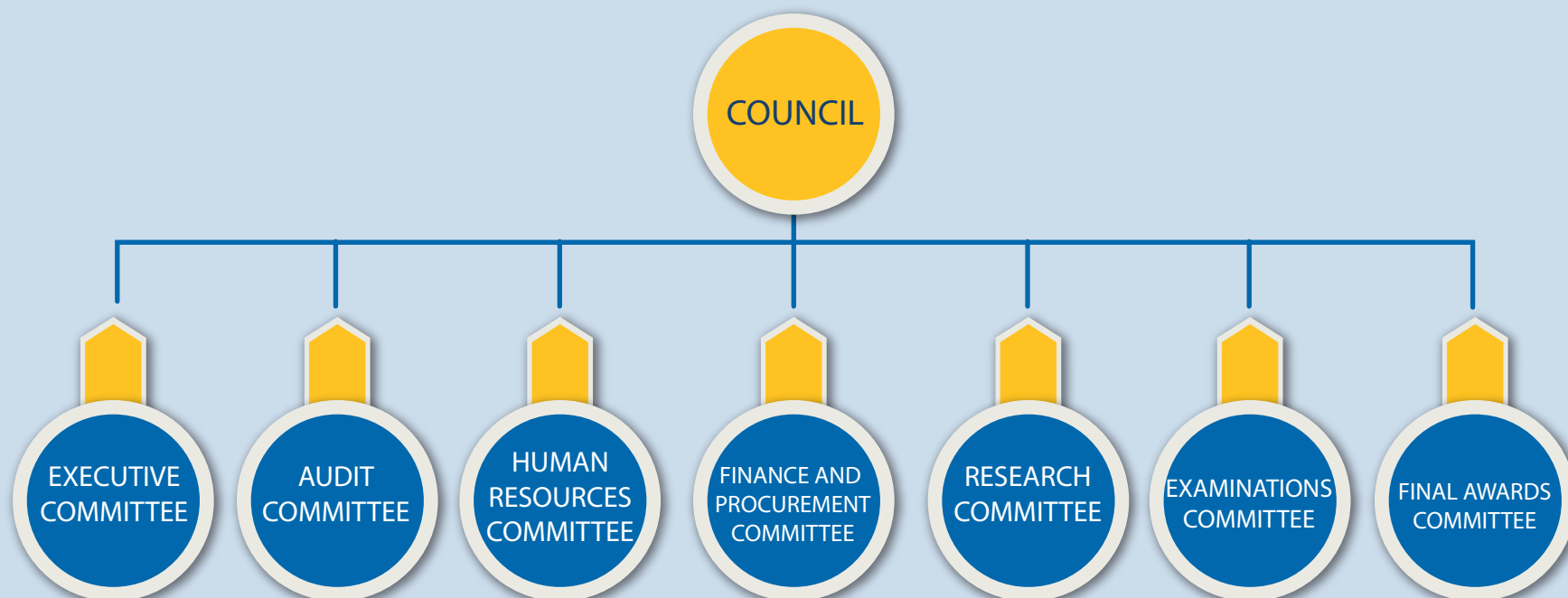


Figure I: Council Committees

GOVERNANCE STRUCTURES

EXECUTIVE COMMITTEE

The committee's mandate is to deal with and make decisions on urgent issues that cannot wait for a full Council meeting. These decisions have to eventually be ratified by the Council. The Committee meets on an ad hoc basis. The Executive Committee is chaired by the Board Chairperson.

AUDIT COMMITTEE

The committee is responsible for audit functions and the risk control strategy of BEC. The committee ensures the integrity of financial reporting and audit processes as well as the maintenance of a sound internal control and risk management system.

HUMAN RESOURCES COMMITTEE

The responsibility of the committee is to monitor, evaluate and make recommendations to the Council with respect to policies and strategic matters related to the BEC human resource.

FINANCE AND PROCUREMENT COMMITTEE

The main functions of the committee are to make recommendations to the Council for the approval of financial policies, the budget, and the financial statements. The committee is also responsible for the procurement of goods and services that are above the limit of the Management Tender Committee.

RESEARCH COMMITTEE

The committee approves the research plan of the organisation on behalf of Council and advises on the conduct of research and policy options emanating from research findings.

EXAMINATIONS COMMITTEE

The committee is tasked with the responsibility of ensuring accessibility, equity and fairness in the conduct of examinations, which include among others decisions on malpractice, special considerations and applications for access arrangements. The committee also approves procedures in paper development and appointment of examinations personnel.

FINAL AWARDS COMMITTEE

The Final Awards Committee is responsible for making recommendations to Council for the award of certificates based on standards determined by the Grading Advisory Committee and the related procedures for certification at PSLE, JCE and BGCSE.

GOVERNANCE STRUCTURES



Figure 2: BEC Organisational Structure

GOVERNANCE STRUCTURES

DIRECTORATES

Examinations work has been grouped into two core business areas within the directorates of Product Development and Standards and that of Examinations Administration and Certification. The other directorates; Corporate Services, Research and Policy Development and that of Information and Communications Technology provide support services required in ensuring that examinations are conducted efficiently and cost effectively. In addition to these directorates, there are stand-alone specialised support divisions. These Divisions are Office of Strategy Management (OSM), Compliance and Quality Assurance (CQA), Internal Audit (IA), Legal Services Division (LSD) and Corporate Communications Division (CCD).

DIRECTORATE OF PRODUCT DEVELOPMENT AND STANDARDS

Is responsible for the development of assessment policy, procedures and instruments as well as maintaining internationally competitive standards. It is also responsible for advising Council on emerging assessment needs within the education system.

DIRECTORATE OF EXAMINATIONS ADMINISTRATION AND CERTIFICATION

Provides regulatory mechanisms and logistics for effective administration of all national examinations and assessments. Furthermore, the directorate administers examinations and tests offered by external organisations and conducts aptitude tests for vocational institutions.

DIRECTORATE OF RESEARCH AND POLICY DEVELOPMENT

Designs, implements and conducts validation studies to inform policy decisions on assessment, operations of the Council and the monitoring of educational and assessment standards.

DIRECTORATE OF CORPORATE SERVICES

Is responsible for the management of financial, procurement, assets, facilities, logistics and the provision of security services.

DIRECTORATE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

Is responsible for providing ICT support services to BEC to ensure effective, efficient, and secure processing and delivery of examinations including the release of results.

DIRECTORATE OF HUMAN RESOURCES

Is responsible for ensuring that the Council is staffed with appropriately qualified and experienced employees for it to execute its mandate. It also provides a wide range of human resources and records management services in a cost effective manner to ensure that the Council's human resources and records are effectively managed.

STAND ALONE SPECIALISED SUPPORT DIVISIONS UNDER THE OFFICE OF THE EXECUTIVE SECRETARY

1. OFFICE OF STRATEGY MANAGEMENT

Is responsible for coordinating the development and implementation of the BEC strategy, its monitoring, evaluation and review.

2. COMPLIANCE AND QUALITY ASSURANCE DIVISION

Is responsible for compliance to standards, processes and procedures and quality audits as well as coordinating the implementation of quality policy.

3. INTERNAL AUDIT DIVISION

Is independent of management and reports directly to the Council's Audit Committee. It is responsible for providing a systematic and disciplined approach to evaluate and improve the efficiency and effectiveness of enterprise wide risk management, internal control systems and governance processes.

4. CORPORATE COMMUNICATIONS DIVISION

Is responsible for corporate marketing, communications and educating customers, stakeholders and the general public on the mandate and major operations of BEC.

5. LEGAL SERVICES DIVISION

Is responsible for strengthening corporate governance in the organisation by putting in place proper corporate governance architecture and ensuring that the organisation complies with all legislation relevant to it. The legal office also provides secretarial services to the Board as well as managing the business of the Board. In this function the office acts as the link between Management and the Board.

BEC 2015/16 STRATEGY PERFORMANCE

BEC 2015/16 STRATEGY PERFORMANCE

INTRODUCTION

2015-2016 was the BEC's second year of implementing its five-year Strategic Plan, which was developed in 2013, and runs from 2014 to 2019. The Council's strategy was reviewed and updated in 2015 to take into account the ever-changing environment the Council operates in. The strategy has created a common goal for each employee and provides areas the organisation needs to excel in towards being a provider of accessible and globally competitive qualifications. Performance results for the 2015/2016 financial year are thus contained in this report.

BEC 2015-2016 MAJOR STRATEGIC ACCOMPLISHMENTS

During the 2015/16 financial year, BEC achieved good results in relation to performance of its strategic measures, despite the on-going resource limitation and consequences of delays in approval of the Amendment Bill. The overall organisational strategy performance for the financial year 2015/16 was at 71%. These results, which are indicated per perspective, reflect the overall performance of the organisation against set targets as well as areas identified for improvement going forward

CUSTOMER PERSPECTIVE

BEC strives to increase value for its customers and stakeholders. In order to measure progress and to hold the organisation accountable, the Council had set itself two objectives which are to Increase Competitiveness and Relevance of our Qualifications and to Increase Access which had respective measures, targets and initiatives. In relation to Increasing Competitiveness and Relevance of our Qualifications, feedback received from BEC customers during the administration of the Customer Satisfaction survey, indicates that customers are satisfied with the services offered to them by the Council.

The customer satisfaction index stood at 83.85%. The positive results emanated from continuous improvement of the Council's customer focused processes as well as the continued engagement of our customers. BEC also contributed to the national policy landscape by producing policy briefs with recommendations for improved policies.

With regard to improving access by catering for and attracting diverse clientele, BEC continued to vigorously publicise its services to its customers and kept communication platforms such as the toll-free line open for use by customers. Alternative service points such as the introduction of online registration

and online payment at BGCSE level were also provided. The online platform was successfully utilised by private candidates during the 2015 Examination Cycle and has also been rolled out to JCE levels in 2016.

Efforts towards increasing access had a positive impact on the number of candidates accessing products and services which increased by 3.1%. The Council however, experienced a decline of four private schools from taking offered qualifications; these were three schools at JCE level and one school at PSLE. A market survey has been planned for the next financial year to establish the reasons behind the decline among other things that would better inform the Council on its market.

SUSTAINABILITY AND RESOURCES

BEC continued to plan for and control expenditure as well as to generate funds from its products and services. 2015/16 was not a smooth year with regard to the organisation being adequately resourced to execute its mandate. The budget variance recorded at the end of the year was however, -7.07% as a result of foreign exchange relief and the money raised from the private sector and the Ministry for the annual excellence awards. BEC was also able to internally generate funds amounting to 7.22% of the total budget against the 5% target for the year.

BEC 2015/16 STRATEGY PERFORMANCE

BEC 2015/16 STRATEGY PERFORMANCE

The rise in the wage bill due to salary adjustment and Performance Management System rewards resulted in the increase of operational costs by 5.9% against the targeted 4% reduction. To keep track of expenditure and to curb over-expenditure in future, BEC successfully automated procurement procedures and terminated all manual procurement procedures. Moreover, the Council developed the detailed expectation of a Business Development function which when implemented would be responsible for identifying potential revenue streams.

To improve the costing of products and services for enhanced income generation, BEC completed the development of the costing model and initial implementation commenced during the reporting period.

ORGANISATIONAL EFFICIENCY AND EFFECTIVENESS

As part of the strategy on satisfying the needs of customers by providing competitive and relevant qualifications, BEC identified key processes to excel in. These processes were mainly driving the following objectives; Improve Assessment Services and Strengthening Stakeholder Engagement.

During 2015/16, BEC still faced constraints that affected the enhancement of assessment services.

Despite the delayed ISO certification, the organisation was able to implement processes and procedures, achieving 74% compliance to standards, processes and procedures against a target of 75%. Initiatives to improve security measures at examination centres were also implemented, subsequently achieving a 70% reduction in cases of security incidents which include examination malpractices.

The BEC Transformation Project was significantly affected by the delay in the approval of the BEC Amendment Bill, which caused an overall delay in implementation of the Corporate Strategy, which was also aggravated by shortage of resources; it resulted in only 71% of planned work being achieved. Notwithstanding the delays in approval of the Bill, BEC continued to lay grounds for this transformation by engaging key stakeholders in the technical, vocational, education and training sectors, to build common ground. Stakeholder sensitisation workshops were held on the development of the National Assessment Programme. To manage strategy risks, the Enterprise Risk Management Policy and risk management framework were approved for implementation.

To ensure that the Council continued to provide adequate and reliable packaged information that suit the needs of Stakeholders, implementation of the

Corporate Communications Strategy was carried out through the use of various platforms. As a result, there has been a 42.8% reduction in negative media reports on BEC. The Stakeholder Satisfaction rate also reflected these efforts, because it was at 75.68%.

ORGANISATIONAL CAPACITY AND CAPABILITY

BEC continued to build and improve capacities in its information technologies, employees' skills, the working environment and governance frameworks. Improved capacity in these areas has helped the organisation to excel in its processes against all odds and to leverage on the limited resources for improved service delivery.

BEC has successfully automated 43% of its critical processes; all examination levels and examiner management and payment calculations are processed through Malepa now. As a result of the ever increasing ICT security threats globally, BEC experienced some ICT security breaches and to guard against this and any loss of data, encryption was successfully completed. 43% of systems were interfaced against a cumulative target of 32%.

Employees were trained in certain critical areas of Information Technology which resulted in 12%

BEC 2015/16 STRATEGY PERFORMANCE

BEC 2015/16 STRATEGY PERFORMANCE

change in usage of ICT Systems. Some of the training conducted was Business Process Mapping, Information Assurance- ISO 27001 and User training for implemented applications. The Malepa Database Upgrade and Malepa Application Upgrade were completed. Other notable achievements included the adoption of Short Code number 16688 which was successfully used for the release of the 2015 examination results across all mobile operators and Malepa. There was also Payment system integration through Orange Money and Poso Online. This has greatly improved accessibility of products and services and created convenience to clients.

Furthermore, BEC developed and implemented strategies and policies to ensure that the organisation has employees with appropriate knowledge, skills and competencies to drive its mandate. 85% of the Council's employees were found to have appropriate skills matched to their jobs against a target of 97%. Training had been planned to close competency gaps identified, but this was not fully executed due to limited financial resources. However critical needs were identified and training was prioritised in those areas. Succession plans have been developed for 85% of jobs. The Staff Satisfaction Index was at 59.7%. Feedback collected from the survey administered to BEC employees has enabled the organisation

to understand employee issues which would be addressed in the next year. The Total Rewards Management Strategy was implemented, keeping staff turnover to the minimum of 1%.

The BEC employees are fundamental to the organisation achieving its goals. The Council is committed to facilitating and providing adequate and appropriate facilities and resources for improved service delivery. The Council is committed to ensuring that employees are fully motivated and energised to deliver.

During the year under review BEC continued to implement its Conditions of Employment and furthermore developed policies and tools to support the implementation. The physical facilities were also improved to create conducive work environment, and now 55% of our facilities meet set standards. Additionally, BEC implemented Change Management interventions to address its ever changing operational environment.

Through strengthening governance, the desired outcome for BEC is to be a successful organisation known for sound governance principles. One of the Corporate Governance instruments that BEC developed was the Shareholder Compact, which when signed will be an agreement between

Government of Botswana represented by Ministry of Education and Skills Development and Botswana Examinations Council. The Compact is a performance contracting instrument between the Ministry and the BEC. It is designed to monitor performance, facilitate alignment to the Ministry, clarify the responsibilities of Boards and the Ministry and indicates the undertakings by the Ministry and BEC for successful execution of the mandate. This was further strengthened by execution of both the internal and external audits.

BEC AT A GLANCE



BEC AT A GLANCE

BEC HIGHLIGHTS DURING THE YEAR UNDER REVIEW



His Excellency the President Dr Seretse Khama Ian Khama presenting the Golden Star Award to Dimpho Mme Gosenyang at the 6th Annual Excellence Awards ceremony.



2014 BGCSE Top Achievers posing for picture with MoESD Minister Dr Unity Dow, BEC Executive Secretary Prof. Brian Mokopagosi, BEC Chairman Dr Joseph Tsonope and former Permanent Secretary (MoESD) Mr Richard Matlhare at the Awards ceremony.

BEC'S EXCELLENCE AWARDS CONTINUES TO IMPRESS

The Annual Excellence Awards staged by Botswana Examinations Council in collaboration with the Ministry of Education and Skills Development continued to impress, as 36 deserving students from across all basic education levels: Primary School Leaving Examination (PSLE), Junior Certificate Education (JCE) and Botswana General Certificate of Secondary Education (BGCSE) received different prizes for their outstanding academic performance during the 2014 national examinations.

Unlike in previous years, during the 6th Annual Excellence Awards ceremony, which was held on the 16th of July 2015, only the top ten best students from each category received awards as well as the best two special needs students at each of the three levels, that is, the best visually impaired and best hearing impaired students at PSLE, JCE and BGCSE levels. The Council trimmed all subject based awards, three from PSLE, five from JCE and 29 from BGCSE. This allowed the Council to stay relevant with its aim of awarding excellence to encourage good performance during the national examinations.

As it is the norm, His Excellency the President of the Republic of Botswana Lt. General Dr. Seretse Khama Ian Khama graced the Awards ceremony and implored the recipients to be pacesetters not only in academic performance, but also in positive attitude and behaviour. He stated that awards recipients were a testimony that they have overcome the challenges that others succumb to while in school. His Excellency implored the top achievers to continue to be exemplary in the next phase of their schooling.

BEC INTRODUCES ONLINE REGISTRATION AND PAYMENT BY BGCSE PRIVATE CANDIDATES

One of the highlights of the year under review was the implementation of the Botswana General Certificate of Secondary Education (BGCSE) online registration and payment. Botswana Examinations Council (BEC) rolled out online registration and payment of national examinations by BGCSE private candidates in 2015 through partnership with Orange Botswana a private mobile network organisation. As one of many functions that are being implemented using the MALEPA System, the online registration was executed as part of the Botswana National Examinations Processing System (BNEPS).

The Online registration enables payment of examinations fees via Orange Money where private candidates are required to have Internet access, an Orange Money account and sufficient Botswana Orange network coverage.

BEC PRESENTS AT THE EDUCATED AND INFORMED NATION PILLAR EVALUATIVE CONFERENCE



European Union Technical Policy Advisor to BEC Professor Roy du Pre`

BEC participated at the Vision 2016 Educated and Informed Nation Pillar Evaluative National Conference held in Francistown on 24th – 25th February 2016, where the BEC Director of Research and Policy Development Dr. Moreetsi Thobega and the European Union Policy Advisor to BEC Professor Roy du Pre` presented papers.

Dr.Thobega's presentation was on the Evaluation of Progress on the Educated and Informed Nation Pillar: Access, Quality and Relevance. He touched on historical perspective of the Pillar, Botswana's achievement on targets of the Pillar and opportunities as the country moves forward. Professor du Pre`s presentation was titled 'Botswana and the Knowledge Based Economy: How near or far are we from being a Knowledge Based Society'. He shared what he termed the basic ingredients of what should be done by a country planning to become a Knowledge Based Society – the role of research and innovation; engagement and co-operation between economic sectors; the path from productivity to innovation.

The Educated and Informed Nation Pillar Evaluative Conference was attended by stakeholders from all over the country.

MR. JAN WEIGER DELIVERS AN E- ASSESSMENT PUBLIC LECTURE



Director of CITO, Institute for Educational Measurement, Mr. Jan Weigers giving a lecture.

During the year under review BEC hosted the Director of CITO, Institute for Educational Measurement, Mr. Jan Weigers who gave a Public Lecture 'É-assessment Innovation for the 21st Century'. This attested to the commitment BEC has and also served as testimony of how much the Council values research, innovation and technological advancement to enhance assessment quality of products and services.

CITO has more than 2000 freelancers who work for educational institutions, government and private companies and has offices in Germany, USA and Turkey, agencies in Japan and Korea, and has international consultancy and training in many countries such as Nigeria, Ghana, Singapore, Vietnam, Brazil, Kazakhstan, Azerbaijan, UK and Germany.

The main objective of the public lecture was to share with Batswana the benefits of computer based testing. Mr.Weigers told those present at the Public Lecture that it took CITO ten years to develop Questify, an E-assessment software that is now in its fifth generation version. Weigers emphasised that through this software students are able to write any kind of examination through computers, online or offline.The software also caters for special needs students. For instance, it has calculators with sound and magnifying glasses and symbols. Weigers also stated that Questify has the ability to eliminate a lot of assessment errors.

BEC staff, University of Botswana Academics, BOCODOL, HRDC, BQA and Ministry of Education and Skills Development officials attended the lecture.

BEC AT A GLANCE

SOUTHERN AFRICAN QUALITY ASSURANCE NETWORK (SAQAN) LAUNCH



Director Research and Policy Development Dr. Moreetsi Thobega giving a presentation at the SAQAN launch conference.

The establishment of Botswana Qualifications Authority (BQA), Human Resources Development Council (HRDC), BEC Transformation, the approval of Education and Training Strategic Sector Plan (ETSSP) are major inputs and process alignment activities targeting quality education, pointed out BEC Executive Secretary Professor Brian Mokopakgosi and BEC Director of Research and Policy Development Dr. Moreetsi Thobega.

Presenting a paper entitled “Quality Practices in General Education: What can Higher Education Learn” during the Southern African Quality Assurance Network (SAQAN) launch conference in Gaborone on the 28th October 2015, the two BEC officials stated that global discourse in education gravitates around two issues being access and quality.

The presentation highlighted the growth of BEC in the area of research especially on assessment and examinations issues thus feeding into the Botswana’s Vision 2016 pillar of “An Educated and Informed Nation”. The lecture discussed an array of quality assurance practices in general education and challenged high education institutions to consider adopting some of them.

BEC DISSEMINATES 2014 NATIONAL EXAMINATIONS RESULTS ANALYSIS



Participants at the 2014 National Examinations results dissemination workshop.

With the aim to provide interactive feedback on the performance of the 2014 national examinations, Botswana Examinations Council (BEC) Directorate of Research and Policy Development (RPD) held the 2nd information dissemination workshops across the country between the months of May and September 2015. The first information disseminations workshops were held in 2013.

During the workshops, although appreciating the BEC efforts, participants highlighted the need to have the dissemination workshops earlier, probably in April, to give teachers enough time to prepare their students for examinations and requested that teachers should be equipped with skills on assessment issues especially item writing.

A total of 444 participants from Kgalagadi, Kgatleng, Southern, North West, North East, Ghanzi, Chobe and Gaborone educational regions attended the workshops.

KNEC PAYS BEC A COURTESY VISIT



Kenyan Examinations Council CEO Dr. Joseph Kivilu and Dr. Assupta Malei (Head of Research, KNEC) during a curtesy call to Botswana Examinations Council.

The Kenyan National Examinations Council (KNEC) Chief Executive Officer Dr. Joseph Kivilu together with KNEC Head of Research Dr. Assupta Malei paid a courtesy visit on Botswana Examinations Council on Thursday, 26th November 2015 to share experiences in the conduct of examinations.

The Kenyan duo were welcomed by BEC Executive Secretary, Professor Brian Mokopakgosi and two of his Executive Management Team members; namely the Director of Research and Policy Development Dr. Moreetsi Thobega and the Director of Examinations Administration and Certification Mrs. Dorcas Morake. Professor Mokopakgosi presented to them the mandate of the Botswana Examinations Council and also highlighted some of the main projects that the Council was undertaking at the time such as BEC Transformation and the development of a National Assessment Programme.

The KNEC CEO stated that just like Botswana, they conduct both Primary and Secondary examinations and that they administer examinations on behalf of examinations bodies such as Cambridge International Examinations. They moreover administer Diploma examinations in Colleges.

The KNEC officials were in the country to attend the Southern and Eastern Africa Consortium for Monitoring Educational Quality (SACMEQ) conference.

BEC STANDS WITH THE FAMILIES OF THE DECEASED MATSHA COLLEGE STUDENTS



Princess Marina Hospital Chief Public Relations Officer Donnell Kutlape (left) receiving water for Matsha's College students from BEC employees.

Botswana Examinations Council (BEC) on the 20th November 2015 attended the memorial service of seven of the Matsha College students who met their demise on their way home after writing their final BGCSE examination. The memorial service was held in Salajwe one of the villages of the deceased. It was reported that the truck that was transporting the students had a tyre bust and overturned.

After the memorial service, attended by amongst others His Excellency Lieutenant General Dr. Seretse Khama Ian Khama, Cabinet Ministers, Members of Parliament and Senior Government Officials, the BEC team of four officials led by the then acting Executive Secretary Dr. Moreetsi Thobega visited the three families of the deceased students from Salajwe and delivered written messages of condolence from the BEC Executive Secretary Professor Brian Mokopakgosi. Dr. Thobega explained to the families of the deceased that BEC as the custodian of national examinations, which the students wrote before their untimely passing, felt the need to stand with them.

BEC employees joined hands with the whole nation to contribute towards offering assistance to the bereaved families and to those who were still admitted in hospitals. BEC staff members raised over P10,000.00 (Ten Thousand Pula) for the tragedy. The employees also made a donation of bottled water to the students who were admitted at Princess Marina Hospital.

BEC AT A GLANCE

BEC PARTICIPATES IN THE VISION 2016 NATIONAL STAKEHOLDER CONFERENCE



Corporate Communications Officer, Karabo Morule assisting a client at the Vision 2016 National Stakeholder fair.

The Botswana Examinations Council attended the Vision 2016 National Stakeholder Conference and Exhibition which was held in Gaborone on the 28th - 30th July 2015. The purpose of this conference was to reflect on the journey, which started in 1996 when the government of Botswana and its people set goals to achieve by 2016. The National Stakeholder Conference and Exhibition was held under the theme "The journey so far: In Pursuit of prosperity for all by 2016".

Officiating at the conference His Honour the Vice President Mokgweetsi Masisi said significant progress had been achieved across the seven pillars of the vision. He further stated that universal access to primary education reached 93.1% in 2013, while Adult literacy rates improved from 69% in 1993 to 84.1% in 2009.

The Vice President pleaded with participants and the nation at large to take pride in what had been achieved so far, adding that all should rejoice because the celebration of Vision 2016 will take place in the year in which Botswana will be celebrating 50 years of independence.

BEC PARTICIPATES AT THE SHAKAWE SENIOR SECONDARY SCHOOL CAREER FAIR



Assistant Minister of Education and Skills Development, Hon. Moiseralea Goya interacting with BEC employees at the Shakawe Secondary School Career Fair.

Botswana Examinations Council took part in the Shakawe Senior Secondary School Career Fair held on the 20th - 21st August 2015. Officially opening the school's Career Fair, Assistant Minister of Education and Skills Development, Honorable Moiseralea Goya urged the students to put more efforts in their studies to improve their school's results. He said although the school was doing extremely well in extracurricular activities regionally and nationally, efforts were needed to bring the school academic results to a desirable level.

The Career Fair offered students a platform to chart the way forward in their quest for further studies and future careers. The Career Fair attracted private and public institutions such as Botswana Examinations Council (BEC), Human Resource Development Council (HRDC), Local Enterprise Authority (LEA), ABM University, Limkokwing University and the Department of Tertiary Education Financing (DTEF).

BEC PARTICIPATES IN THE 10TH BOTSWANA CONSUMER FAIR



Assistant Corporate Communications Officer, Keoitse Mogotsi assisting students at the 10th Botswana Consumer fair.

The Botswana Examinations Council participated in the 10th Botswana Consumer fair. Held under the banner theme 'Shop Discover and Explore', the consumer fair is the biggest fair in Botswana. It has recorded the highest attendance of more than 60 000 people, therefore making it the biggest platform for exhibitors to network, display and sell products off the stands.

The Botswana Consumer Fair provided an opportunity for BEC to meet with its stakeholders from around the country and conduct public education sessions. It also gave the Council a chance for face-to-face interaction, dissemination of information about BEC's mandate, products, services and ongoing activities.

The fair attracted over 550 exhibitors including 30 local companies, 21 exhibitors from 11 countries including China, Egypt, Japan, Kenya, Lesotho, Namibia, Nigeria, Pakistan, South Africa, Swaziland and Zambia, representing 3.8% of total number of exhibitors.

BEC GEARS UP FOR 50TH ANNIVERSARY INDEPENDENCE CELEBRATIONS



BEC Staff participating at the 49th Independence celebrations march.

BEC joined other government departments, parastatals and the business community for the 49th Independence celebrations at the National Stadium on the 30th September 2015.

The 49th Independence celebrations marked the official countdown to the Golden Jubilee celebrations to be held on September 30th 2016 as well as the end of the National Vision 2016. It was at the 49th Independence day celebrations that the Vision torch was launched by the President of the Republic of Botswana, His Excellency Lt. General Dr. Seretse Khama Ian Khama. He handed it over to the Minister of Youth Sports and Culture Hon. Thapelo Olopeng, who then passed it on to the Chairperson of BOT50 Celebrations Committee Mr. Boyce Sebetlela.

BEC is working around the clock to ensure that it plays a notable role in the build up to the 50th Independence Celebrations with more emphasis on the pillar of An Educated, Informed Nation of Vision 2016.

REVIEW OF OPERATIONS

COMPLIANCE AND QUALITY ASSURANCE

During the financial year 2015-2016 the Compliance and Quality Assurance Division of Botswana Examinations Council had a number of projects. These projects are ISO 9001:2008 Implementation Project, Quality Assurance and Enterprise Risk Management.

ISO 9001:2008 IMPLEMENTATION PROJECT

BEC has established, documented and continues to implement a quality management system (QMS) in line with the requirements of the ISO 9001:2008 International Standard. The Council has begun to benefit from this initiative especially in terms of improved customer focussed processes, process efficiency and optimisation.

During the 2015/2016 financial year, 22 members of the BEC Management Team attended BOS ISO 9001:2008 Awareness Course on 26th – 27th May 2015. Two other staff members also attended a course on Implementation of QMS. 99% of the documents have been reviewed, approved and implementation is on-going. A workshop was also conducted on 19th – 21st October 2015 to roll out the plan and enable the implementation team members to have adequate skills for conducting QMS internal audits. As a result, 43% of the planned QMS internal audits have been conducted.

QUALITY ASSURANCE

As part of BEC's quality assurance initiative, a Cambridge International Examinations (CIE) inspection visit was carried out in Botswana for two weeks commencing on 22nd October 2015 and involved inspections at 17 Centres and a visit to the BEC headquarters. The outcome of the inspection indicated that on the overall the BEC conducted the examinations in a satisfactory manner and in accordance with set standards. Centres were

awarded one of four different ratings, depending on the inspector's assessment of the Centre's understanding and implementation of four key dimensions of examinations administration:

- Key Times and Full Centre Supervision (where applicable)
- Security Arrangements
- The Conduct of Examinations
- The Standard of the Examination Room/Set Up

The inspections focussed exclusively on matters that fall under these headings and the report does not, therefore comment on any other issues relating to the examinations process (for example, health and safety considerations), which may be the direct responsibility of BEC or individual schools.

Although Cambridge were pleased to note that 47% of centres received a rating of Completely Satisfactory or Satisfactory with Minor Points, one Centre was awarded a rating of Serious Deficiencies. The BEC has put in place corrective measures to address these concerns and continues to implement action plans to ensure that the process of examinations administration continually improves.

ENTERPRISE RISK MANAGEMENT

In its endeavour to effectively assess and monitor all risks across the organisation, the BEC has developed a Risk Management Framework. This framework is

intended to provide a foundation and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.

The implementation of the Risk Framework and the Risk Policy has however met some challenges in that it was found to be not aligned to the BEC Corporate Strategy. This has therefore resulted in the need for further training of personnel. It has also become critical that a corporate risk register aligned to the BEC Corporate Strategy be developed.

REVIEW OF OPERATIONS

2015 EXAMINATIONS

ASSESSMENT SYLLABI

There were no new syllabi developed at all the three levels PSLE, JCE and BGCSE. However, review of the following BGCSE syllabi was started for implementation on the dates indicated in Table 1.

| SYLLABUS | PROPOSED IMPLEMENTATION DATE |
|----------------------------------------------------------|------------------------------|
| Commerce | November 2018 |
| Business Studies | November 2018 |
| Agriculture | November 2018 |
| Food & Nutrition Fashion & Fabrics Home Management | November 2018 |

Table 1: Reviewed BGCSE Syllabi and implementation dates

QUESTION PAPER AND MARK SCHEME DEVELOPMENT

BEC engaged setters, reviewers, question paper evaluation committees and an editor to develop different test instruments – such as written papers, practical briefs, project briefs and coursework.

There was training for paper setting facilitated by Cambridge for BGCSE Agriculture, Computer Studies and Accounting.

2015 EXAMINATIONS

The 2015 examinations cycle ran through from January 2015 to March 2016. Three examinations of Primary School Leaving Examination (PSLE), Junior Certificate Examination and Botswana General Certificate of Secondary Education (BGCSE) were conducted during the cycle and each of the three was successfully completed. The main highlight of the cycle was the efficient processing of the results by the Malepa application making it possible for the timely release of the results. For the first time the SMS platform was operated from the Malepa application.

At least for the past two (2) years the processing of data for all the three examinations levels, PSLE, JCE and BGCSE was done through the Malepa application. The processing of the examination using Malepa application started with BGCSE in 2012, followed by PSLE in 2013 and lastly JCE in 2014.

The BEC examined candidates in seven (7) subjects at PSLE, seventeen (17) at JCE and twenty seven (27) localised subjects at BGCSE. The papers testing literacy and numeracy were developed for the Standard 4 attainment tests. Table 2 shows the number of subjects, components and the different tests per level.

REVIEW OF OPERATIONS

| LEVEL | NO. OF SUBJECTS | WRITTEN PAPERS | | PRACTICAL PAPERS | COURSEWORK | TOTAL NO. OF COMPONENTS | NO. OF QUESTION PAPERS ADMINISTERED |
|------------|-----------------|----------------|---------------------------|------------------|------------|-------------------------|-------------------------------------|
| Standard 4 | 3 | 3 | | 0 | 0 | 3 | |
| PSLE | 7 | 9 | | | | 9 | 384 705 |
| | | MC | Open ended and structured | | | | |
| | | 6 | 3 | | | | |
| JCE | 17 | 38 | | 3 | 8 | 49 | 861 310 |
| | | MC | Open ended and structured | | | | |
| | | 11 | 27 | | | | |
| BGCSE | 27 | 55 | | 8 | 13 | 76 | 577 271 |
| | | MC | Open ended and structured | | | | |
| | | 8 | 47 | | | | |

Table 2 Number of subjects, components and tests per level.

In addition to the 27 localised subjects, the 2015 BGCSE also examined candidates on three borrowed subjects from Cambridge. In 2014 there was a total of 78 components at BGCSE compared to 76 in 2015. This is because Moral Education ceased to be examined as from 2015.

REGISTRATION

Since 2012, BGCSE registration has been done online for all school candidates and the same facility was extended to JCE centres during the year under review. In 2015, sixty seven (67) JCE centres were trained for online registration but out of these, sixty four were able to register online. The rest of the JCE centres and all the PSLE centres continued to use the OMR forms.

REVIEW OF OPERATIONS

CANDIDATURE

A total of 42 553 candidates sat the PSLE, a decrease of 0.57% from the previous year. Of this number, 21 299(50.1%) were females 21 254 (49.9%) were males.

Forty one thousand nine hundred and thirty eight (41 938) candidates sat for the JCE, which is an increase of 3.4% from the 2014 candidature. Out of this number, two thousand and two 2 002 were Back-to-School candidates. There were 20 621 (49.2%) male candidates and 21 317 (50.8%) female candidates.

A total of 38 796 candidates sat for the 2015 BGCSE examination, of which 16 483 (42.49%) were males and 22 313 (57.51%) females. There was an increase of 1 412 in candidature representing 3.78% compared to the previous year. The 2015 BGCSE cohort included 6569 (16.9%) back to school candidates.

| EXAMINATION LEVEL | TOTAL CANDIDATURE | SCHOOL CANDIDATES | PRIVATE CANDIDATES | NO OF CENTRES |
|-------------------|-------------------|-------------------|--------------------|---------------|
| PSLE | 42 745 | 42 553 | 0 | 831 |
| JCE | 41 938 | 32 263 | 2 002 | 241 |
| BGCSE | 38 796 | 25 640 | 10 160 | 74 |

Table 3 Summary of the 2015 Candidature by level and centres

CONDUCT OF THE EXAMINATIONS

The PSLE was administered from the 7th October to the 14th October 2015, the JCE from the 1st September to 6th November 2015 and BGCSE from the 5th October to the 13th November 2015. Prior to the examinations, training was conducted for invigilators and regional examination administrators.

During the examination 40 Regional Examinations Administrators (REAs) were engaged to monitor the conduct of examinations at PSLE, 30 at JCE and eight at BGCSE. All the centres administering PSLE and JCE were inspected for compliance to the examination regulations. This resulted in reduced number of mal-administration cases across the three examination levels.

| EXAMINATION LEVEL | REGIONAL EXAMINATIONS ADMINISTRATORS | NO. OF CENTRES INSPECTED |
|-------------------|--------------------------------------|--------------------------|
| PSLE | 40 | 831 |
| JCE | 30 | 241 |
| BGCSE | 8 | 70 |

Table 4 Summary of Regional centres and no of centres inspected



REVIEW OF OPERATIONS



MARKING AND MODERATION

After the sitting of examinations, candidates' scripts were transported to the BEC Headquarters for marking. Some scripts were marked through the use of optical mark reader machines while others were marked physically by examiners.

A total of 261 BGCSE examiners were trained for the 2015 examination cycle. All the trainees passed the training and were engaged for the 2015 marking. Fewer examiners were trained for Setswana components and the syllabus continues to

experience shortfalls during marking.

Examiners were recruited on a competitive basis through advertising on the local media. PSLE marking was successfully conducted with 1 163 examiners, JCE engaged 2 201 examiners and 423 moderators, while BGCSE engaged 1 230 examiners and 261 moderators.

Table 5 below shows the examination personnel engaged in examination processes and the personnel trained at the different levels.

| EXAMINATION LEVEL | NO. OF EXAMINERS | NO. OF MODERATORS | NO. OF TRAINED EXAMINERS | NO. OF INVIGILATORS TRAINED | NO OF SCRIPTS MARKED |
|-------------------|------------------|-------------------|--------------------------|-----------------------------|----------------------|
| PSLE | 1 163 | 0 | 0 | 0 | 126 405 |
| JCE | 2201 | 423 | 0 | 224 | 516 961 |
| BGCSE | 1230 | 199 | 261 | 262 | 507 730 |

Table 5 Examination personnel for the 2015 examinations

CANDIDATES WITH SPECIAL NEEDS

Access and Equity

Centres were given a chance to apply for permission to make special arrangements for candidates with long-term disabilities and challenges to enable them to fully access BEC examinations and assessments. The candidates who also had challenges beyond their control during the examinations were granted special consideration.

REVIEW OF OPERATIONS

The following table shows the number of candidates who applied for access arrangements before the 2014/2015 examinations.

| ACCESS ARRANGEMENTS | NUMBER OF CANDIDATES | | | | | |
|----------------------------------------|----------------------|------|------|------|-------|------|
| | PSLE | | JCE | | BGCSE | |
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| Modified Papers and extra time | 60 | 47 | 223 | 270 | 12 | 7 |
| Extra time | 97 | 130 | 182 | 28 | 84 | 87 |
| Enlarged print | 20 | 20 | 18 | 28 | 21 | 24 |
| Reader | 14 | 51 | 74 | 53 | 2 | 8 |
| Separate room | 48 | 62 | 189 | 113 | 80 | 56 |
| Prompter | 0 | 0 | 0 | 0 | 0 | 0 |
| Braille | 13 | 4 | 9 | 14 | 9 | 7 |
| Assistive technology devices | 11 | 2 | 9 | 17 | 15 | 11 |
| Rest breaks | 6 | 6 | 4 | 8 | 5 | 13 |
| Oral response and writer/scribe | 14 | 50 | 102 | 60 | 12 | 13 |
| Alternative to Practical (Agriculture) | 0 | 0 | 0 | 8 | 0 | 0 |
| Preferential sitting | 15 | 7 | 0 | 22 | 0 | 0 |
| Sign language interpreter | 10 | 16 | 0 | 0 | 0 | 0 |
| Exemption from Setswana | 0 | 0 | 0 | 17 | 0 | 0 |

Table 6 Access arrangements types at PSLE, JCE, and BGCSE in 2015

The following table shows the number of candidates who applied for both special arrangements and special consideration during the 2014 and 2015 examinations across the three levels.

| | PSLE | | JCE | | BGCSE | |
|-----------------------|------|------|------|------|-------|------|
| | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 |
| Access Arrangements | 209 | 294 | 260 | 354 | 113 | 105 |
| Special Consideration | 12 | 33 | 55 | 97 | 27 | 45 |

Table 7 Summary of candidates who applied for Access arrangements and Special considerations in 2015

REVIEW OF OPERATIONS

MAL-ADMINISTRATION AND MAL-PRACTICE CASES

The 2015 examination cycle recorded seven cases of mal-administration compared to ten in 2014 and six cases of malpractice compared to eight in 2014.

| EXAMINATION LEVEL | NATURE OF INCIDENT | 2014 | 2015 |
|-------------------|--------------------|------|------|
| PSLE | Mal-administration | 1 | 2 |
| | Malpractice | 1 | 0 |
| JCE | Mal-administration | 4 | 1 |
| | Malpractice | 6 | 5 |
| BGCSE | Mal-administration | 5 | 4 |
| | Malpractice | 1 | 1 |
| TOTAL | | 18 | 13 |

Table 8 Summary of Mal-practice and Mal-administration inn 2014 and 2015

GRADING

The standard setting meetings for the seven syllabi of the 2015 PSLE took place from 16 to 19 November. The number of judges taking part in standard setting was twenty per syllabus. The normal standard setting procedure was followed and judges came up with recommended cut-off scores to be applied for grading.

The standard setting exercise was followed by grading meetings which took place from 25th to 26th November 2015. The recommended cut-off scores were presented to the Grade Advisory

Committee. For this year, the Grade Advisory Committee (GAC) comprised of Product Development and Standards (PDS) management and PSLE grading committee members. The normal procedures and deliberations of the GAC were executed culminating in agreed cut-off scores to be applied for the 2015 examination.

JCE and BGCSE grading meetings took place from the 11th to 13th January and from 25th to 29th January 2015 respectively. The weeks preceding each of the grading sessions were dedicated to

the pre-grading stages of the process whereby Subject Officers interrogated all pieces of statistical evidence and professional judgement of the principal examiners.

Both the Principal Examiner’s report and the Subject Officer’s report from the pre-grading sessions were presented to the Grading Advisory Committee. During the meeting, the findings and recommendations of both the principal examiners and subject officers were further interrogated and firm decisions on cut-off scores to be applied in 2015 made.

The Grading Advisory Committee (GAC) considering the JCE and BGCSE thresholds comprised of members from BEC, representatives of Cambridge (only at BGCSE), Botswana College of Open and Distance Learning (BOCODOL), Department of Inspectorate and the Department of Curriculum Development & Evaluation.

The committee considered and approved the awarding of all the 17 JCE syllabi and the 27 BGCSE syllabi.

Grade review at BGCSE was conducted from the 1st to the 5th February 2016.

REVIEW OF OPERATIONS

2015 EXAMINATION OUTCOMES

PSLE

PERFORMANCE AT SUBJECT LEVEL

For 2015, candidates' performance in each of the subjects save for Agriculture, did not show significant differences from the performance of the previous cohort. Performance in Agriculture continued to improve as was the case in 2014.

The Table below captures the cumulative percent of candidates obtaining Grade C or better for each subject in 2014 and 2015 PSLE and differences.

| SUBJECT | CUMULATIVE % GRADE C OR BETTER | | |
|----------------|--------------------------------|-------|----------|
| | 2014 | 2015 | DIFF (%) |
| Setswana | 84.41 | 82.27 | -2.14 |
| English | 61.94 | 63.30 | 1.36 |
| Mathematics | 61.93 | 62.97 | 1.04 |
| Science | 50.83 | 50.65 | -0.18 |
| Social Studies | 56.44 | 55.98 | -0.46 |
| Agriculture | 42.49 | 47.45 | 4.96 |

Table 9 Cumulative percentage of candidates obtaining grade C or better for each subject in 2014 and 2015

OVERALL PERFORMANCE

Performance at qualification level in 2015 showed similar outcomes as those of 2014. The proportion of candidates obtaining an overall Grade C or better increased by 0.60% from 69.30% in 2014 to 69.90% in 2015.

The percentage of candidates obtaining Grade A was 14.70% compared to 14.20% of 2014. In 2015, 32.50% of the candidates obtained an overall Grade B compared to 31.60% in 2014. There was a slight decrease of 1.6% for candidates obtaining overall grade D compared to 2014.

JCE

PERFORMANCE AT SUBJECT LEVEL

Most subjects showed an insignificant shift in cumulative percentage of candidates obtaining grade C or better. Agriculture, French and Moral Education were the only subjects obtaining a significant increase in cumulative percentage of candidates at grade C or better.

OVERALL PERFORMANCE



GRADE A - 0.50 %

GRADE B - 8.90 %

GRADE C - 24.70 %

Diagram 1. Overall Percentage of JCE Candidates who obtained each of the Grades

REVIEW OF OPERATIONS

A decline in performance of 7.83% at grade C or better was recorded in Science from 20.54% in 2014 to 12.71% in 2015.

Design and Technology showed a decline of 3.41% from 15.66% in 2014 to 12.25% in 2015. Art is the only subject where 50% of the candidates obtained Grade C or better. Most subjects had between 20% and 30% of candidates obtaining Grade C or better, indicating low quality of candidates.

The cumulative percentage of candidates obtaining grade E or better remained more or less the same in nine subjects. Moral Education was the only subject which recorded an increase in the cumulative percentage of candidates achieving grade E or better.

OVERALL PERFORMANCE

Generally, the overall JCE results of 2015 were more or less the same as those of 2014 across all grades. In 2015, 34.10% of the candidates attained Grade C or better compared to 35.10% in 2014. Only one candidate satisfied the criteria for the award of Merit, when in 2014 two candidates obtained merit. The percentage of candidates attaining Grade A in 2015 was 0.50% compared to 0.90% in 2014. Candidates attaining Grade B decreased insignificantly from 10.00% to 8.90%. About 24% of candidates attained Grade C in 2015, as was in 2014. The proportion of candidates at grade D was about the same as last year. The percentage of candidates graded E or better remained at about 83%.

BGCSE

The 2015 results generally showed an improvement in both quantitative and qualitative terms when compared to 2014. The quantitative aspect was measured by the number of syllabi recording positive changes in the proportion of candidates achieving Grade E or better, whilst the qualitative was measured by the number of syllabi recording positive changes in the proportion of candidates achieving Grade C or better. Despite this observed improvement, it ought to be noted that four of the syllabi, Science Single Award, History, Literature in English and Food & Nutrition recorded significant declines in the proportions of candidates meeting minimum requirements for grade G compared to 2014.

Two syllabi (Mathematics and History) recorded significant improvement in the proportion of candidates achieving grade E or better, whilst two others (Social Studies and Computer Studies) recorded significant declines in the proportion of candidates achieving grade E or better. For the remaining twenty syllabi, the proportion of candidates achieving grade E or better was at the same level as that of 2014. This was an improvement over 2014 as the number of syllabi for which performance declined reduced from nine to two. The following nine syllabi recorded improvement in the proportion of candidates achieving grade C or better; Setswana, Mathematics, Development Studies, Literature in English, Religious Education, Art & Design and the

three Home Economics syllabi. Thus the number of syllabi for which performance improved at this level increased from three to nine.

RESULTS ENQUIRIES

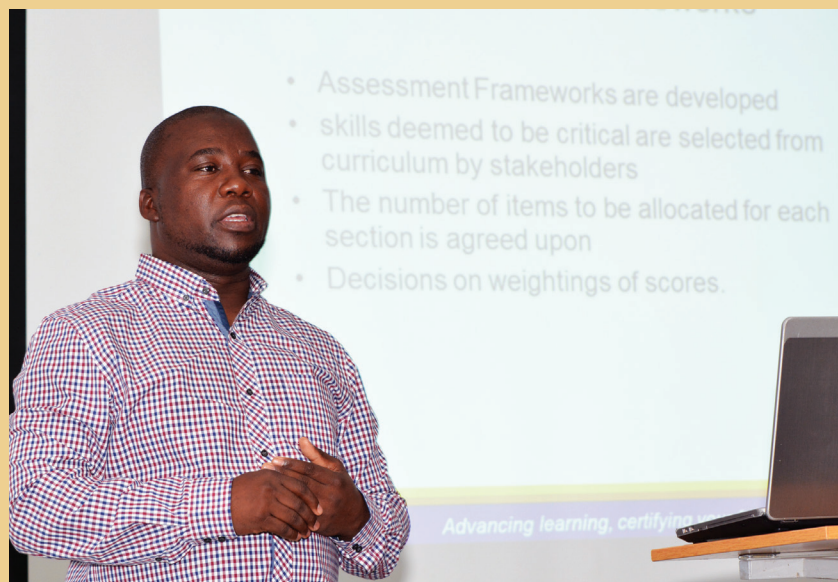
A total of four hundred and sixty two (462) results enquiries were received for all the examination levels. The enquiries related to candidates who required re-marking of their scripts as well as those who were awarded an X. All enquiries were resolved.

BGCSE ACCREDITATION

The 2015 BGCSE was accredited by Cambridge based on evidence from Grading Report and the Cambridge Inspection of Centres Report that was carried out during the examination session in October/November 2015. Cambridge agreed grading and grade review process as well as the component and overall grade thresholds and subject outcomes determined by the BEC. They accredited grading in all subjects with confidence.

REVIEW OF OPERATIONS

RESEARCH



Research Officer Boipuso Mosalagotla giving a presentation on the Design of the National Assessment Programme (NAP) during a stakeholder engagement conference.



Stakeholders during the NAP stakeholder engagement conference.

In the current reporting period, BEC engaged in various research activities that were meant to drive its core mandate of developing and administering examinations.

BEC RESEARCH POLICY

The BEC Board approved the first research policy for the organisation. The policy describes the context within which research at BEC takes place. Contextually BEC research is "Research and Development" (R&D), oriented in that it informs improvement of the practice of assessment. The focus of BEC research is mainly on issues that drive the core mandate of BEC. However, research that informs policy and practice at sectorial level is also within focus.

The policy gives guidance on archiving of research products and how BEC data shall be issued to the public. It further highlights that BEC owns copyrights of all BEC research products. Lastly, the policy encourages partnerships and collaboration with institutions and agencies with common interests to BEC.

NATIONAL ASSESSMENT PROGRAMME (NAP)

The Botswana Examinations Council started the process towards the implementation of a National Assessment Programme (NAP). The National Assessment Programme (NAP) was conceptualised as a way of monitoring achievement in education and by extension, monitoring the quality of Botswana's education. It is intended to be a dipstick test on the quality of the education system; a nation's report card. It purports to assist learners, teachers and parents to solve problems they encounter in the teaching and learning process.

The proposed programme shall set-up structures for monitoring and evaluating performance of Botswana's education system. The project implementation is in two phases, being the **pre-establishment phase** and the **programme development phase**. The **pre-establishment phase** of the project involves stakeholder sensitisation and needs assessment for such a programme. So far, stakeholder sensitisation exercise has been completed.

REVIEW OF OPERATIONS

RESEARCH Cont'd

TIMSS 2011 REPORTS PUBLICATION

The Botswana Examinations Council (BEC) has in book form, reports of the 2011 Trends in International Mathematics and Science Study (TIMSS) and Progress in International Reading Literacy Study (PIRLS). Four reports were published; namely PIRLS Standard 6, prePIRLS Standard 4, TIMSS Standard 6 and TIMSS Form 2.

The publications were distributed to various stakeholders and organisations. These provide valuable reference material for researchers and policy makers in the Botswana education system.

TIMSS 2015 PROGRESS

TIMSS 2015 project is a four year project which started in 2013 and will end in 2016. Each year, different project milestones are performed leading to report writing in the final year, which in the reporting year were weighting and scaling of the data, and completion of curriculum questionnaire which explains Botswana's Mathematics and Science curriculum.

The questionnaire helps the TIMSS data analysis office to understand the country's curriculum and learner achievement and the need for any review of the curriculum as a result of TIMSS findings.

Since the TIMSS assessments do not match exactly each country's curriculum, the Test-Curriculum Match Analysis was performed to identify items included in the assessments that are outside the scope of the curriculum.

This helps in estimating our achievement results if such items were not included in the test. Finally, the encyclopaedia chapter about Botswana Education system was written. Just like the curriculum

questionnaire, it helps TIMSS office to understand the outcome of the results. To improve the quality of the TIMSS national report, pilot test data was analysed and report writing modelled on its findings.

DISSEMINATION OF COMPREHENSIVE RESULTS ANALYSIS REPORTS - 2014

In 2015, BEC conducted another round of the dissemination of comprehensive results analysis. The dissemination was for the 2014 PSLE, JCE and BGCSE comprehensive reports to regions and Ministry of Education and Skills Development (MOESD) Management between the months of May to September 2015. Participants of the workshops included BEC staff, Regional Education Officers, school heads, and teachers.

The participants appreciated the reports and recommended that they should be done earlier; that is, by April to give them enough time to prepare their students for the next examinations. They also requested teachers to be equipped on assessment issues especially item writing skills.

The recommendations from the stakeholders were shared with the relevant directorates or departments in BEC and the Ministry of Education and Skills Development.

INSTITUTIONAL PROJECTS Customer satisfaction survey

The purpose of the study was to get feedback from stakeholders and customers regarding the quality of products and services BEC was offering. Generally the stakeholders and customers were satisfied with BEC products and services; the average Customer Satisfaction Index (CSI) for customers was at 83.9% and that of stakeholders was at 75.7%. The customers' expectations on various quality service dimensions

were above 80% except for 'responsiveness' which was at 75.5%. For stakeholders only four items had indices lower than the average index namely: Responsiveness; Accuracy, correctness in products; Consultation of stakeholders and overall products and services at BEC.

Employee satisfaction

The study measured the level of employee satisfaction and perceptions on different issues that concern them, like leadership and governance activities, team work in the organisation, training and development, work environment, recruitment and selection, managing performance, job orientation, remuneration, loyalty and commitment.

BEC employees have low overall satisfaction index of 59.7% compared to the customers and stakeholders. The small value was contributed by dissatisfaction in issues concerning them directly; like training and development; work environment; recruitment and selection; PMS; job orientation, loyalty and commitment; and remuneration.

All these attributes accounted for the satisfaction index ranging from 44% to 54% which are lower than the overall satisfaction index value of 59.7%.

Alignment between teaching practices, enacted curriculum and assessment in the BGCSE Mathematics and Design and Technology

The study assessed the degree of alignment between assessment tools, curriculum content standard and teaching practices in schools. The analysis of teachers teaching practices, assessment tools and curriculum content standards has revealed that the relationships between core educational components are important for students' achievement to be improved.

REVIEW OF OPERATIONS

RESEARCH Cont'd

From curriculum content standard, it was established that the curriculum was over loaded with content but the resources at schools were not sufficient to enable full implementation of the curriculum content standard. As a result there was a gap between the intended curriculum and the enacted curriculum at schools.

The school heads reported that the resources that aid teaching were insufficient. There were shortage of books, chairs, funds and teaching class rooms. Even though the teachers reported being able to cover the curriculum, their emphasis on developing the students' cognitive abilities was limited.

The range of knowledge was generally met, implying that the span of knowledge expected from students by curriculum content standard is the same as the span of knowledge required from students by assessment tools for correctly answering the items.

The items set in the examination corresponded with cognitive skills required by the objectives of curriculum content standard. The distribution of items set within specific learning objective was found to be skewed to some objectives than others and this is in agreement with the requirements stipulated in the schemes of assessment where some areas are given more emphasis than others.

Statistical moderation

BEC uses school – based assessments (SBA) to assess curriculum objectives that cannot easily be assessed by paper-pencil tests at the end of the programme. BEC engages moderators to standardise the school marks to enhance reliability.

The moderation exercise is expensive thus the study is trying to examine the validity of statistically moderating school based marks and come up with a model that could be used. The Victorian College Education (VCE) Model from Australia was tried on four JCE subjects. The results showed that there was a high correlation between the teacher and moderator mark.

Comparative analysis between the use of regression model and mean of criterion variable method to predict missing scores

Often assessments targeting candidate's ability are faced with missing data in form of scores. Statistical procedures are normally employed to solve this problem but their reliability has not been fully explored.

This study investigates performance of two statistical methods mainly Regression Analysis and Mean of Criterion Variable (MCV) Method, commonly used to yield missing examinations data. The results revealed that regression analysis was better since it

provided estimated scores which were statistically not different from the actual scores being predicted. Also the correlation between actual scores and predicted scores was higher compared to that of MCV method. The study recommended the use of regression analysis when estimating missing scores.

REVIEW OF OPERATIONS

CORPORATE SERVICES

The Council experienced yet another difficult financial year mainly exacerbated by brought forward liabilities that included amounts payable to examination markers. In addition expenditure grew by 6% compared to the previous financial year, largely attributable to foreign exchange losses on the British Sterling and general inflationary adjustments.

It is expected that the situation would stabilise within a period of two years, as Council reviews pricing of its products and embarks on a rigorous cost cutting strategy. The cost cutting measures expected to be fully utilised in the coming year include; remote candidate registration via the internet, use of Government owned facilities for examinations related events and automation of some key processes such as communication with the schools and procurement. The charging of private centres for PSLE examinations is also expected to be in full swing, together with an output based remuneration for examiners.

SERVICES AND FACILITIES

The trauma of having to put up with very old and dilapidated facilities continued during 2015/16 financial year because of insufficient funding. The most affected areas are office furniture, air conditioning, motor vehicles some of which were inherited from Government way back in 2007.

Some parts of the BEC building require maintenance. e.g. carpets, furniture, walls, airconditioners to mention but a few. Council is disturbed that it could not accommodate remedial measures to any of these concerns in the 2016/17 financial year budget without negatively affecting the examination process and as would be expected the examinations process prevailed. However there is hope that 2017/18 financial year would be different and some movement may be seen in this area.

PROCUREMENT

This is the second financial year following the implementation of the procurement manual that aligned BEC procurement process with the PPAD Act and regulations. It is particularly pleasing to note that uptake by all staff at all levels was positive and without any noticeable resistance.

Building on the success of this initiative Council then embarked on a procurement automation project that emphasised full integration with the accounting systems and in-built system controls. These new functionalities which will significantly enhance financial accountability include:



PPADB representative Mr. Molefhe Mokopagosi giving a presentation on the PPADB procurement processes during a seminar jointly organised by PPADB and BEC.



BEC staff listening to the deliberations during a seminar jointly organised by PPADB and BEC.

REVIEW OF OPERATIONS

CORPORATE SERVICES Cont'd

Commitment Accounting

This functionality provides advanced financial management by reporting of budgetary position taking into account outstanding purchase orders. Commitment Accounting summarises outstanding purchase orders by General Ledger (GL) account and populates an elected budget-set with the commitment values.

Management now has access to critical “available to spend” values using the embedded Financial Reporter (FR). FR can easily highlight GL cost-centres approaching budget limits or failing to consume budget.

Funds Availability

Adds real-time budget checking and budget override functions to Purchasing Workflow, these additions provide BEC with customisable tools where budgetary management is a critical element of the procurement process. Funds Availability extends the Purchasing Workflow module with greater sophistication in managing the procurement process to comply with the BEC financial rules.

Workflow Documents

Allows users of the system to attach files to the requisition document when necessary. Rapid access to all relevant information enables streamlined workflow processes and process improvements. Where BEC has complex approval process, documents can easily be attached to the requisition for review prior to approval in the process.

The automated procurement system successfully went live in February 2016 and the full benefits are expected to start trickling in during financial year 2016/17.

INFORMATION AND COMMUNICATIONS TECHNOLOGY

During the year under review the Botswana Examinations Council's (BEC) Information and Communication Technology Directorate worked on Security Awareness Campaign, Automation of Procurement Workflow and Established Electronic Payment Channels for Candidates Registering for Exams Online.

During 2015-2016 financial year BEC partnered with First National Bank of Botswana (FNBB) to enable payment of 2016 JCE and BGCE examinations for private candidates through the Bank's electronic channels; Online banking, Mobile phone banking, ATM with deposits, FNB App and through the branches.

The partnership between BEC and FNBB offers private candidates the convenience of using a variety of FNB's edge technology electronic channels. Whilst online banking, Mobile phone banking, ATM with Deposits, FNB App, *174# Mobile Transact all provide reliability and convenience, they are designed to cater for the different customer segments, allowing customers to choose the one that best suits their lifestyle.

As Customers have become less tolerant of long queues service providers have a duty to meet the customers' expectation by continuously innovating solutions that save them time. Online Registration helps the BEC customers to focus more on studying and revising for their examinations only instead of spending more time travelling to BEC for examinations administration such as registering and paying for their examinations.

The partnership also provides BEC with a cost effective revenue collection method. Rather than relying only on cash payments from students, which often times necessitated cross-country travel, FNBB's electronic channels have bridged the gap between the payee and the payer. This is also ideal for BEC

to reconcile its accounts through referencing that is provided with every payment transaction.

Candidates are expected to first register for the examinations using the BEC Examination Processing System. The system then issues candidates with a Provisional Statement of Entry showing the candidate's details; the amount to be paid; BEC Banking details; and an application number which the candidate should use to pay, either immediately or at a later time.

REVIEW OF OPERATIONS

HUMAN RESOURCES

RECRUITMENT AND RETENTION

In 2014-2015 it was reported that a number of positions in the establishment at both senior management and other levels had been filled. Owing to financial challenges some positions which were vacant that year could not be filled during 2015-2016 financial year. Inadequate budget allocations compelled the Council to freeze all of them. This has negatively impacted on the effective and efficient management of operations of some of the directorates especially the newly created Directorate of Human Resources which had two critical positions frozen. Some temporary positions that were created to provide short term relief were converted to full time positions in some directorates. Table 10 below shows the number of frozen positions per directorate.

| DIRECTORATE NAME | APPROVED ESTABLISHMENT | IN POST | VACANT (Frozen) | TOTAL (SUM: IN POST, VACANT) |
|----------------------------------------------|------------------------|-----------------------------|-----------------|------------------------------|
| CORPORATE SERVICES | 55 | 48 | 7 | 55 |
| EXAMINATION ADMINISTRATION AND CERTIFICATION | 47 | 46 | 1 | 47 |
| PRODUCT DEVELOPMENT AND STANDARDS | 45 | 40 | 5 | 45 |
| HUMAN RESOURCE | 22 | 19 | 3 | 22 |
| INFORMATION AND COMMUNICATIONS TECHNOLOGY | 20 | 18 | 2 | 20 |
| EXECUTIVE SECRETARY'S OFFICE | 16 | 14 | 3 | 17 |
| RESEARCH AND POLICY DEVELOPMENT | 16 | 13 | 3 | 16 |
| TOTAL | 221 | 198 | 24 | 222 |
| | | 222 | | |
| | | TOTAL OF IN POST AND VACANT | | |

Table 10 Shows the number of frozen positions per Directorate.

In 2014/15 it was reported that the Council's decision to revise allowances across cadres had been effective in filling vacancies in critical positions. This also improved the retention of personnel and the turnover rate had been reduced to 1%. In 2015-2016 financial year the turnover rate was further reduced to less than 1%. There is however a risk that the competitiveness of the Council's pay packages may be eroded by the dire financial situation that has

made it difficult for the Council to pay performance rewards at the rates stipulated in the performance management manual.

The Council was also not able to implement the exercise to reduce pay disparities as directed by Council in 2013. These difficulties can only lead to depressed pay progression within the Council. With regard to examinations personnel in Table 11 below,

the Council was not able to revise examination fees due to financial constraints. It is therefore important that the Council should make every effort to ensure that salary related issues are attended to, to ensure that actual salaries received by employees are competitive to avoid a rise in staff turnover and also ensure that fees for examination personnel are competitive.

| EXAMINATION LEVEL | NO. OF REA's | NO. OF GRADING PERSONNEL | NO. OF EXAMINERS | NO. OF MODERATORS | NO OF EXAMINERS TRAINED | NO. OF INVIGILATORS TRAINED | NO. OF SCRIPTS MARKED |
|-------------------|--------------|--------------------------|------------------|-------------------|-------------------------|-----------------------------|-----------------------|
| PSLE | 40 | 140 | 1163 | 0 | 0 | 0 | 126 405 |
| JCE | 30 | 0 | 2201 | 457 | 0 | 224 | 516 961 |
| BGCSE | 8 | 0 | 1230 | 199 | 261 | 262 | 507 730 |

Table 11 Number of Moderators, Examiners and Regional Examinations Administration recruited in 2015

REVIEW OF OPERATIONS

HUMAN RESOURCES Cont'd

TRAINING AND DEVELOPMENT.

The 2014-2015 report indicated that training conducted was focused on supporting projects. In addition there were employees on training at the University of Botswana and those who were sponsored to attended seminars, conferences and workshops.

This situation continued into 2015-2016. Table 12 below shows training activity for 2015-2016 financial year which is more or less the same as for 2014-2015. This situation is not helpful in developing a robust and productive work force and a lot of effort needs to be made to ensure that there is proper funding of the Council.

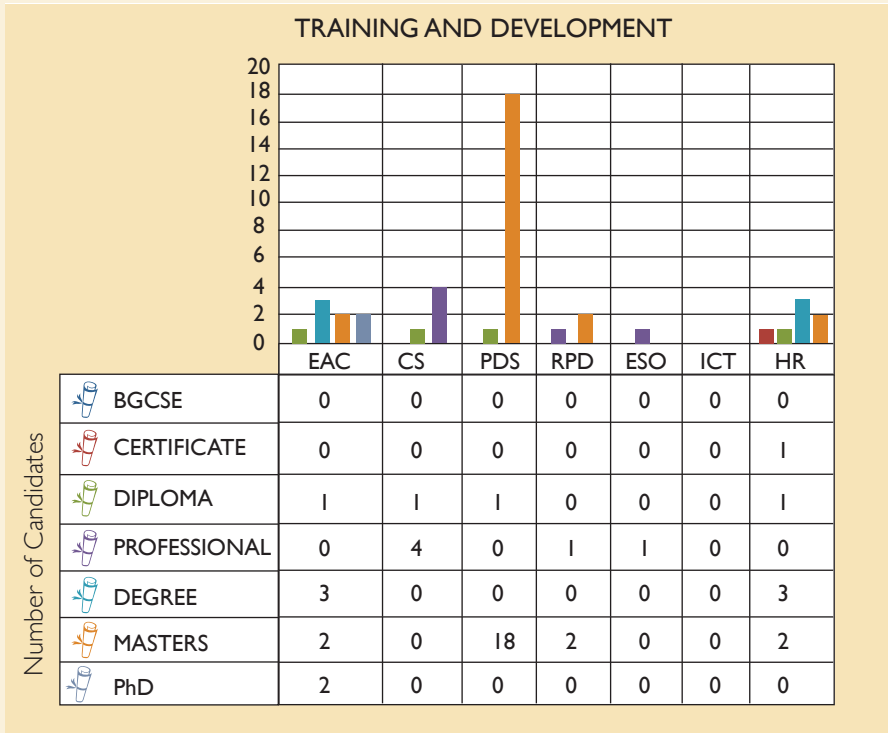


Table 12 represents statistics of Training and Development activity for 2015-2016

WORKING ENVIRONMENT

In order to improve the working environment the Council has long committed itself to building productive relations with employee representatives and staff unions for both full time and part time employees. In 2014-2015 significant progress was recorded with a number of meetings between BEC and BOPEU, and between BEC and BOSETU/BTU. This trend was continued in 2015-2016.

The most significant strides were the revision of the Recognition Agreement between BEC and BOPEU and a memorandum of agreement between BEC and BOSETU/BTU. The only setback was that by the end of the year the parties had not formally signed the agreements. Financial education workshops were held with the participation of financial institutions but other staff welfare activities were not conducted due to financial challenges and lack of capacity within the Directorate.

The employee relations atmosphere did not experience much movement. It is however expected that with the implementation of the exercise to reduce pay disparity, inflation adjustments, implementation of performance rewards and the strengthening of the employee relations office, the situation will improve significantly in the following year.

2017/2018 OUTLOOK

As we move into the next financial year, it is critical that we build on our past successes under difficult circumstances, and turn current challenges into opportunities. We begin the next financial year with hope that the financial situation of the BEC will improve; that the BEC Amendment Act will be approved by Parliament; that successes will be realised in the implementation of the quality policy; and that the transformation of the BEC into a high performance national examinations and assessment authority will begin in earnest. In short, the progress made in the next financial year will depend largely on doing things differently.

BEC TRANSFORMATION

As stated in the preceding financial year, the transformation of the BEC goes beyond the approval of the amendment bill, and includes the absorption of functions of assessment and moderation of Technical and Vocational Education and Training (TVET). This requires significant injection of funds into the BEC, which neither the BEC nor the government has. BEC will therefore have to carefully identify those areas of transformation that do not require the approval of the bill or huge amounts of money. BEC will need to cut operational costs where possible and engage government on cost sharing as an income generating strategy. Last but not least, BEC will have to develop regional and international partnerships that may lead to pooling of resources and therefore cutting of costs.

IMPROVEMENT OF THE IMAGE OF THE BEC

To date the BEC has paid attention to timely and accurate communication with stakeholders in line with its corporate communication strategy. This has resulted in the reduction in negative reporting on the BEC as reflected in the text. During the next financial year, the stakeholder base will be expanded to include the district, town and city councils, as

well as other opinion makers. These will be briefed on the mandate of the BEC and its operations and challenges. The research that was done will be shared more with stakeholders across all the regions of Botswana.

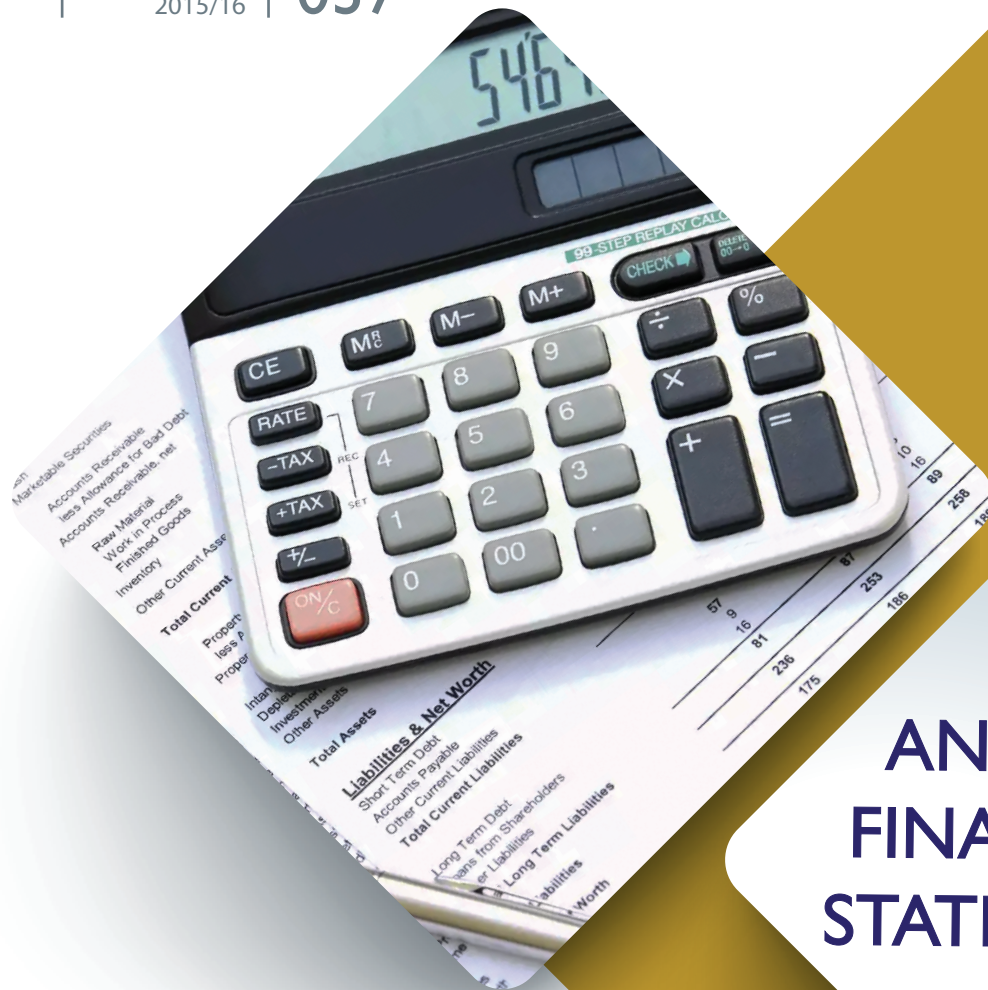
QUALITY EFFORTS

During the year under review, the BEC approved its quality policy and planned to gain ISO 9001 (2008) International standard certification by December 2015. For reasons beyond the control of the organisation, certification did not materialise in December. As we begin the new financial year, concerted effort will be put on the gaining of certification, and immediately thereafter initiating preparations for transition to the 2015 standard.

TRAINING AND DEVELOPMENT

As a knowledge-based organisation, the BEC considers its employees as its highly priced asset. Training of employees to enhance their ability to effectively deliver its mandate and to prepare them for the transformation of the BEC as a high performance national examinations and assessment authority has remained a major priority. Yet this is one area where we have not done so well in the past two

financial years, largely due to inadequate resourcing of the organisation. It is critical that in the coming financial year creative strategies are put in place to generate income for training of employees and therefore make them relevant to the transforming organisation. These could include building strategic partnerships to facilitate staff exchanges and the writing of funding proposals to solicit training funds.



ANNUAL FINANCIAL STATEMENTS



FINANCIAL STATEMENTS

BOTSWANA EXAMINATIONS COUNCIL

(Established under the Botswana Examinations Council Act No. 11 of 2002)

ANNUAL FINANCIAL STATEMENTS

for the year ended 31st March 2016

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FINANCIAL STATEMENTS

THE COUNCIL'S REPORT

for the year ended 31 March 2016

The Council has pleasure in submitting its report and the annual financial statements for the year ended 31 March 2016.

INCORPORATION

Botswana Examinations Council was established under the Botswana Examinations Council Act (No. 11 of 2002).

NATURE OF OPERATIONS

To conduct school examinations and any other examinations for the Ministry of Education and Skills Development and issue certificates in respect of such examinations.

FINANCIAL RESULTS AND POSITION

The Council's financial results and position are reflected in the financial statements set out on pages 6 to 34. The organisation employed 227 employees at the reporting date (2015: 239 employees).

EXECUTIVE SECRETARY: Prof. Brian Mokopakgosi

CHAIRMAN: Dr Joseph Tsonope

MEMBERS OF COUNCIL:

Dr Gaelebale N. Tsheko
Dr Daniel Tau

Dr Patrick D. Molutsi
Mr Abel Modungwa

Mrs Daisy Molefhi
Mr Nasim Miller

Mr Lesedi Gaolaolwe
Mr Dominic Khame

Mr Richard Matlhare (resigned 31 March 2016)
Mr Shandukani Hlabano (resigned 31 March 2016)

BANKERS



Barclays Bank of Botswana Limited



Capital Bank Limited



African Banking
Corporation Botswana Limited



First National Bank of Botswana
Limited



Stanlib Investment
Management Services

REGISTERED OFFICE



Plot 54864
KT Motsete Road
Gaborone

AUDITORS



Plot 67977, Off Tlokweng Road
Fairgrounds Office Park
Gaborone

FINANCIAL STATEMENTS

COUNCIL'S RESPONSIBILITY STATEMENT

for the year ended 31st March 2016

The Council members are responsible for the preparation and fair presentation of the annual financial statements of Botswana Examinations Council, comprising the statement of financial position at 31 March 2016 and the statements of profit or loss and other comprehensive income, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and notes to the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Examinations Council Act, No. 11 of 2002.

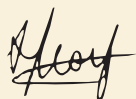
The Council members are also responsible for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

The Council members have made an assessment of the ability of the entity to continue as a going concern and have no reason to believe that the entity will not be a going concern in the year ahead.


The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements of Botswana Examinations Council, as identified in the first paragraph, were approved by the Council members on the 7 September 2016 and signed on their behalf by:



CHAIRPERSON



EXECUTIVE SECRETARY



KPMG, Chartered Accountants
Audit
Plot 67977, Off Tlokweng Road,
Fleisground Park
PO Box 1610, Gaborone, Botswana

Telephone +267 991 2400
Fax +267 997 8281
Web <http://www.kpmg.com/bw>

Independent Auditor's Report

To the members of Botswana Examinations Council

We have audited the financial statements of Botswana Examinations Council, which comprise the statement of financial position at 31 March 2016, and the statement of profit or loss and other comprehensive income, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and notes to the financial statements, as set out on pages 43 to 65.

Council members' responsibility for the financial statements

The Council members are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Examinations Council Act, No. 11 of 2002, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate on the circumstances, but not for the purpose of expressing

an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of, the financial position of Botswana Examinations Council at 31 March 2016, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Botswana Examinations Council Act, No. 11 of 2002.

Other matter

The supplementary schedules set out on pages 66 to 69 do not form part of the financial statements and are presented as additional information. We have not audited these schedules and accordingly, we do not express and opinion on them.

Report on Other Legal and Regulatory Requirements

In accordance with Section 20 of the Botswana Examinations Council Act, No. 11 of 2002, we confirm that:

- We have received all information and explanations which, to the best of our knowledge and belief, were necessary for the performance of our duties;
- The accounts and related records of Botswana Examinations Council has been properly kept;
- The Botswana Examinations Council has complied with all provisions of the Act; and
- The financial statements prepared by the Botswana Examinations Council were prepared on a basis consistent with that of the preceding year except for the adoption of new and revised International Financial Reporting Standards as stated in Note 2.2 of these financial statements.

KPMG

KPMG

Certified Auditors

Practicing Member: Francois Roos (20010078:45)

Gaborone
08 September 2016

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2016

IN PULA

| | Note | 2016 | 2015 |
|------------------------------------------------|------|--------------------|---------------------|
| Revenue | | | |
| Government subvention | | 248 122 563 | 216 050 618 |
| Certification fees | | 208 278 | 333 573 |
| Registration fees | | 13 965 125 | 12 434 494 |
| Remarking fees | | 127 585 | 142 206 |
| | | <u>262 423 551</u> | <u>228 960 891</u> |
| Costs of revenue | | | |
| Direct costs | | (146 821 981) | (126 773 278) |
| Gross surplus | | <u>115 601 570</u> | <u>102 187 613</u> |
| Other Income | | 4 720 419 | 5 721 419 |
| Administrative expenses | | (124 340 308) | (118 006 921) |
| Operating deficit | 5 | <u>(4 018 319)</u> | <u>(10 097 889)</u> |
| Finance income | 6 | <u>1 220 157</u> | <u>206 882</u> |
| Deficit for the year | | <u>(2 798 162)</u> | <u>(9 891 007)</u> |
| Total comprehensive income for the year | | <u>(2 798 162)</u> | <u>(9 891 007)</u> |

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

31st March 2016

IN PULA

| | Note | 2016 | 2015 |
|-------------------------------------|------|--------------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 83 584 701 | 86 701 557 |
| Intangible assets | 8 | 18 351 956 | 19 165 709 |
| | | 101 936 657 | 105 867 266 |
| Current assets | | | |
| Inventories | 9 | 586 600 | 940 044 |
| Trade and other receivables | 10 | 12 779 321 | 8 873 936 |
| Cash and cash equivalents | 11 | 550 585 | 10 935 804 |
| | | 13 916 506 | 20 749 784 |
| Total assets | | 115 853 163 | 126 617 050 |
| FUNDS AND LIABILITIES | | | |
| Reserves | | | |
| Accumulated deficit | | (30 857 763) | (28 059 601) |
| Non-current liabilities | | | |
| Capital grants | 12 | 108 270 685 | 109 755 401 |
| Current liabilities | | | |
| Trade and other payables | 13 | 38 118 026 | 43 989 129 |
| Bank overdraft | 11 | 322 215 | 932 121 |
| | | 38 440 241 | 44 921 250 |
| Total equity and liabilities | | 115 853 163 | 126 617 050 |

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN FUNDS

For the year ended 31st March 2016
IN PULA

| | Accumulated deficit |
|---------------------------------|------------------------|
| Balance at 1 April 2014 | (18 168 594) |
| Total deficit for the year | (9 891 007) |
| Balance at 31 March 2015 | (28 059 601) |
| Total deficit for the year | (2 798 162) |
| Balance at 31 March 2016 | (30 857 763) |

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS

For the year ended 31st March 2016
IN PULA

| | | 2016 | 2015 |
|--------------------------------------------------|------|--------------|-------------|
| | Note | | |
| Cash flows from operating activities | | | |
| Cash utilised in operations | 15 | (10 162 353) | (6 854 133) |
| Cash flows from investing activities | | | |
| Interest received | 6 | 1 220 157 | 206 882 |
| Purchase of plant and equipment | 7 | (1 983 711) | (2 093 343) |
| Additions to intangible assets | 8 | (1 839 821) | - |
| Proceeds from disposal of plant and equipment | 15 | 202 000 | - |
| Net cash utilised in investing activities | | (2 401 375) | (1 886 461) |
| Cash flows from financing activities | | | |
| Capital grants received | 12 | 2 788 415 | (6 761 625) |
| Net decrease in cash and cash equivalents | | (9 775 313) | (1 978 969) |
| Cash and cash equivalents at beginning of year | | 10 003 683 | 11 982 652 |
| Cash and cash equivalents at end of year | 11 | 228 370 | 10 003 683 |

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

SIGNIFICANT ACCOUNTING POLICIES

1 General information

Botswana Examinations Council ("BEC") was established under the Botswana Examinations Council Act (No. 11 of 2002) to conduct school examinations and any other examinations for the Ministry of Education and Skills Development and issue certificates in respect of such examinations. The address of its registered office is Plot 54864, KT Motsetse Road, Gaborone, Botswana. These financial statements represent its statutory financial statements.

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 Examinations Council ("BEC") have been prepared in accordance with International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention except where otherwise stated.

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 reporting date 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 BEC'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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Adoption of standards and amendments to standards in the current financial year

The following standards, amendments to standards and interpretations became effective during the year:

- a) IFRS 14: Regulatory Deferral Accounts
- b) Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations
- c) Amendments to IAS 27: Equity Method in Separate Financial Statements
- d) Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation.
- e) Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- f) Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities, Applying the Consolidation Exception.

The adoption of these amendments did not have a significant impact on these financial statements.

2.3 Adoption of standards in future financial periods

The following are new standards, amendments to standards and interpretations which are not yet effective for the year ended 30 June 2016 and have not been applied in preparing these financial statements:

Amendments to IAS 7: Disclosure Initiative

The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. These amendments are not expected to have a significant impact on the entity's financial statements.

Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments provide additional guidance on the existence of deductible temporary differences, which depend solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

The amendments also provide additional guidance on the methods used to calculate future taxable profit to establish whether a deferred tax asset can be recognised.

Guidance is provided where an entity may assume that it will recover an asset for more than its carrying amount, provided that there is sufficient evidence that it is probable that the entity will achieve this.

Guidance is provided for deductible temporary differences related to unrealised losses that are not assessed separately for recognition. These are assessed on a combined basis, unless a tax law restricts the use of losses to deductions against income of a specific type.

The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted. These amendments are not expected to have any impact on the entity's financial statements.

IFRS 15: Revenue from Contracts with Customers

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with

customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

The standard, which becomes effective for the entity's 2018 financial statements, with early adoption permitted, is currently being evaluated by the entity. The standard is however not expected to have a significant impact on the entity's financial statements due to the nature of its revenue transactions.

IFRS 9 Financial Instruments

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard will have an impact on the measurement bases of an entity's assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application. Early adoption is permitted. The standard may have an impact on the classification and measurement of the entity's financial instruments.

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IFRS 16 Leases

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases standard, IAS 17 *Leases*, and related interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial Position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors.

The standard, which becomes effective of the entity's 2019 financial statements, it is not expected to have a significant impact on the entity's financial statements.

2.4 Property and equipment

Property and equipment is included at historical cost less accumulated depreciation and any accumulated impairment losses. 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 the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in profit or loss 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:

| | |
|--------------------------|----------------------------------|
| • Land and buildings | 50 years (over the lease period) |
| • Furniture and fittings | 10 years |
| • Office equipment | 5 years |
| • Computer equipment | 3 years |
| • Motor vehicles | 4 years |

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 the carrying amounts. These are recognised in profit or loss.

2.5 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.

2.6 Intangible assets

Software and licences

Software and licences are recognised and measured at cost less

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accumulated amortisation and any accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable software products controlled by the entity that will probably generate economic benefits beyond one year and for which the costs can be measured reliably, 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 and;
- It can be demonstrated how the software product will generate probable future economic benefits.

Direct costs include the software development employee costs and other directly related development costs. Costs relating to the acquisition of licences are capitalised and amortised on a straight-line basis over the licence period when available for use.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation shall begin when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. The estimated useful lives for the current and comparative periods are as follows:

BEC Software – 3 years
BEC Website – 3 years

BNEPS Programmes – 10 years; and
BNEPS Licence fee – term of the licence.

2.7 Capital grants

Capital grants comprise grants received from the Government of Botswana utilised towards capital expenditure. Funds received are credited to capital funds and the related assets are capitalised. An amount equal to the depreciation charge of the property and equipment funded by the capital grant is recognised as income in profit or loss. Subsequent movement of property and equipment in terms of sale and impairment are treated accordingly in the capital grants.

2.8 Non-monetary grants

Non-monetary grants comprise grants received from the Government of Botswana in the form of non-monetary assets. Government grants relating to non-monetary grants assets are recognised as income on a systematic and rational basis over the useful life of the asset.

2.9 Financial assets

2.9.1 Classification

The entity 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.

(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.

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(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. The entity's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (note 2.11 and 2.12).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets 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, in which case these are classified as current assets.

2.9.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the entity 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 profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the entity 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 profit or

loss 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 profit or loss as part of other income when the entity'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 profit or loss as 'gains and losses from investment securities'.

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

2.9.3 Offsetting 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.

2.9.4 Impairment of financial assets

(a) Assets carried at amortised cost

The entity 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

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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 the 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 profit or loss. 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, the entity may measure impairment on the basis of an instrument's fair value using an observable market rate.

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 profit or loss.

(b) Assets classified as available for sale

The entity 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, the entity 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 profit or loss on equity instruments are not reversed through profit or loss. 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 profit or loss.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The cost of inventories is based on the average cost basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Obsolete, redundant and slow moving inventories are identified on a regular basis and written down to their estimated net realisable values.

2.11 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the operation if longer), they are classified as current assets. If not, they are presented as non-current assets.

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Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.12 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash on 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 disclosed within current liabilities on the statement of financial position.

2.13 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business 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 measured at amortised cost using the effective interest method.

2.14 Provisions

Provisions are recognised when the entity 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 part of finance cost.

2.15 Foreign currency translation

2.15.1 Functional and presentation currency

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

2.15.2 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 profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other (losses)/gains-net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit

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or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.16 Revenue recognition

2.16.1 Government subventions

Government subventions are recognised at their fair value where there is a reasonable assurance that the subventions will be received and the entity has complied with all required conditions.

Subventions relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate.

2.16.2 Registration, certification and remarking fees

Registration, certification and remarking fees comprises of fees payable by private school candidates and private candidates. These fees are recognised on an accrual basis in the period when examinations are held and/or services rendered.

2.16.3 Finance income

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

2.17 Employee benefits

The entity contributes to a defined contribution pension plan for its

permanent citizen employees. The fund is managed by an independent third party, Alexander Forbes Financial Services Botswana (Pty) Ltd. The contributions are recognised as employee benefit expenses when they are due. A defined contribution plan is a pension plan under which the entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees services in the current and prior periods.

2.18 Income taxes

The entity is exempt from income tax under the Botswana Income Tax Act.

3 Financial risk management

3.1 Financial risk factors

The entity's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Risk management is carried out under policies approved by the Executive 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 the entity'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, the entity enters into transactions denominated in foreign currencies and is exposed to foreign exchange

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risk arising from various currency exposures, mainly with respect to British Pounds. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

At the reporting date, if the functional currency had weakened/strengthened by 1% against the British Pound and South African Rand, with all other variables held constant, the deficit for the year would have been P3 296 (2015: P10 370) and P 1 175 respectively higher/lower, mainly as a result of foreign exchange gains/losses on translation of British Pound and South African Rand-denominated trade payables.

(ii) 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.

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

The entity analyses its interest rate exposure and calculates the impact on profit and loss of a defined interest rate shift for each simulation.

At reporting date, if interest rates on interest-bearing assets had been 0.5% higher/lower with all other variables held constant, the deficit for the year would have been P1 142 (2015: P 50 018) lower/higher, mainly as result of higher/lower interest income on interest-bearing assets.

(iii) Price risk

The entity was not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk during the current or prior financial year.

(b) Credit risk

Credit risk arises from investments in 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 10 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 current accounts, time deposits, and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide maximum benefit to the entity. At the reporting date, the entity held short term deposits of P172 160 (2015: P826 335) and other liquid assets of P378 425 (2015: P10 109 469) that are expected to readily generate cash inflows for managing liquidity risk.

The entity's financial liabilities as summarised 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 balances as the impact of discounting is not significant

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| | Less than six months P | Between six and twelve months P |
|---------------------------------------|------------------------------|---------------------------------------|
| At 31 March 2016 | | |
| Trade and other payables (note 13) | 16 057 071 | - |
| | | |
| | Less than six months P | Between six and twelve months P |
| At 31 March 2015 | | |
| Trade and other payables (note 13) | 31 243 073 | - |

3.2 Capital management

The entity's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, provide benefits to stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The entity does not monitor capital on the basis of gearing ratios.

3.3 Fair value estimation of financial instruments

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 3 - Inputs for the asset or liability that are not based on observable

market data (that is, unobservable inputs).

The fair value of cash equivalents, trade and other receivables and trade and other payables approximate their carrying values due to their short-term nature. The entity had no financial assets classified as fair value through profit or loss on hand at the current or previous reporting date.

4 Critical accounting estimates and judgments

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

The entity 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 the next financial year are discussed below.

Residual values and useful lives of property and equipment

The entity follows the guidance of IAS 16 (revised) and evaluates the residual values and useful lives of assets at each reporting date. This determination requires significant judgement. In making these judgements 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.

Useful lives of intangible assets

The entity follows the guidance of IAS 38 and evaluates the useful lives of these assets at each reporting date. This determination requires significant judgement. In making these judgements management evaluates amongst other factors, the purpose for which the respective asset is developed, market conditions at the reporting date and the practice adopted by similar organisations.

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| 5 | Operating deficit | 2016 | 2015 |
|----------|--------------------------------------------------------------------------|-------------------|-------------|
| | The operating deficit is stated after taking into account the following: | | |
| | <i>Income</i> | | |
| | Unwinding of capital grants | 4 273 131 | 4 096 502 |
| | Profit on disposal of plant and equipment | 166 774 | - |
| | <i>Expenses</i> | | |
| | Auditors' remuneration | | |
| | - For current year services | 275 603 | 181 000 |
| | Amortisation of intangible assets (Note 10) | 2 653 574 | 2 622 616 |
| | Consultancy fees | 1 521 779 | 2 585 634 |
| | Travel and subsistence allowances | 28 752 244 | 30 793 421 |
| | Depreciation (Note 9) | 5 065 341 | 7 491 425 |
| | Exchange loss | 1 269 807 | 52 787 |
| | Salaries and Allowances | 75 492 300 | 64 019 681 |
| | Gratuity | 7 363 762 | 6 512 584 |
| | Leave pay | 2 330 775 | 2 490 297 |
| | Pension costs – defined contribution plan | 5 921 885 | 5 253 559 |
| | Number of employees | 227 | 239 |
| 6 | Finance income | | |
| | Interest received - bank | 1 220 157 | 206 882 |

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7 Property, Plant and equipment

| | Land and buildings | Motor vehicles | Computer equipment | Office equipment | Furniture and fittings | Total |
|----------------------------------------|---------------------|--------------------|---------------------|--------------------|------------------------|---------------------|
| Cost | | | | | | |
| Balance at 1 April 2014 | 86 163 220 | 5 282 912 | 13 401 012 | 9 626 470 | 7 929 849 | 122 403 463 |
| Additions | - | - | 1 748 774 | 344 569 | - | 2 093 343 |
| Balance at 31 March 2015 | 86 163 220 | 5 282 912 | 15 149 786 | 9 971 039 | 7 929 849 | 124 496 806 |
| Additions | - | 1 419 670 | 108 544 | 362 881 | 92 616 | 1 983 711 |
| Disposal | - | (352 256) | - | - | - | (352 256) |
| Balance at 31 March 2016 | 86 163 220 | 6 350 326 | 15 258 330 | 10 333 920 | 8 022 465 | 126 128 261 |
| Accumulated depreciation | | | | | | |
| Balance at 1 April 2014 | (7 605 557) | (3 724 418) | (10 452 301) | (6 370 446) | (2 151 102) | (30 303 824) |
| Charge for the year | (1 723 264) | (795 513) | (2 696 938) | (1 483 753) | (791 957) | (7 491 425) |
| Balance at 31 March 2015 | (9 328 821) | (4 519 931) | (13 149 239) | (7 854 199) | (2 943 059) | (37 795 249) |
| Charge for the year | (1 723 264) | (348 669) | (1 091 552) | (1 108 328) | (793 528) | (5 065 341) |
| Disposals | - | 317 030 | - | - | - | 317 030 |
| Balance at 31 March 2016 | (11 052 085) | (4 551 570) | (14 240 791) | (8 962 527) | (3 736 587) | (42 543 560) |
| Carrying amounts | | | | | | |
| Net book value at 31 March 2016 | 75 111 135 | 1 798 756 | 1 017 539 | 1 371 393 | 4 285 878 | 83 584 701 |
| Net book value at 31 March 2015 | 76 834 399 | 762 981 | 2 000 547 | 2 116 840 | 4 986 790 | 86 701 557 |

Land and buildings comprises of commercial property which is located on Plot 54864 in the Gaborone Administrative District, measuring 1.8501 ha and held under Certificate of Registered Title No. 2423/09 dated 2nd November, 2009. The land was acquired at an original cost of P85 500 000.

The market value of land and buildings was determined by Willy Kathurima Associates (Pty) Ltd, an external independent valuer, having appropriate recognised professional qualifications and recent experience in the location and category of the property being revalued. The valuation was performed on 04 June 2013. The valuer provides the fair value of the entity's land and buildings at least every three years, however Council members consider the fair value of land and buildings at each reporting date. The fair value is determined on the open market value which is the price at which the property might reasonably be expected to be sold at the date of the valuation, assuming an arm's length transaction between a willing seller and a willing buyer and that a reasonable period of time is allowed for the disposal of the property and was determined at P 60 million. The gross replacement value was determined at P 91 million.

No impairment was recognised as the land and buildings is owner occupied and the value in use is considered in excess of the current net book value.

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8 Intangible assets

| | BEC Software | BEC Website | BNEPS Licence Fee | BNEPS Programmes | Total |
|---------------------------------------------------|--------------------|------------------|--------------------|--------------------|---------------------|
| Cost | | | | | |
| Balance at 01 April 2014 and 31 March 2015 | 1 485 323 | 380 226 | 2 355 300 | 23 429 361 | 27 650 210 |
| Additions | 1 839 821 | - | - | - | 1 839 821 |
| Balance at 31 March 2016 | 3 325 144 | 380 226 | 2 355 300 | 23 429 361 | 29 490 031 |
| Accumulated depreciation | | | | | |
| Balance at 1 April 2014 | (1 301 449) | (221 799) | (2 196 879) | (2 141 758) | (5 861 885) |
| Charge for the year | (150 145) | (126 742) | (119 038) | (2 226 691) | (2 622 616) |
| Balance at 31 March 2015 | (1 451 594) | (348 541) | (2 315 917) | (4 368 449) | (8 484 501) |
| Charge for the year | (440 748) | (31 685) | (39 383) | (2 141 758) | (2 653 574) |
| Balance at 31 March 2016 | (1 892 342) | (380 226) | (2 355 300) | (6 510 207) | (11 138 075) |
| Carrying amounts | | | | | |
| Net book value at 31 March 2016 | 1 432 802 | - | - | 16 919 154 | 18 351 956 |
| Net book value at 31 March 2015 | 33 729 | 31 685 | 39 383 | 19 060 912 | 19 165 709 |

Intangible assets relates to costs incurred towards the Botswana National Examinations Processing System ("BNEPS programme), a programme used for the capturing of candidate and examiners information and the administration of payments and receipts relating to examinations, as well as other software acquired by the entity.

Intangible assets are amortised in accordance with policy note 2.6.

Management has evaluated the carrying value of the BNEPS programme by using the PESTEL analysis. The PESTEL ('Political, Economic, Social and Technological Environment') analysis is an internally adopted framework used for evaluating the business environment to the extent that any changes in the PESTEL factors may affect the performance of a business as well as the value of its assets.

In addition, management has considered the following external and internal sources of impairment indicators in the evaluation of the carrying value of intangible assets.

External

- Economic, social and political environment

Internal

- Obsolete or physical damage
- Asset is idle, part of a restructuring or held for disposal
- Worse economic performance than expected

No impairment indicators were identified and these intangible assets continue to provide economic benefits to the entity.

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| | 2016 | 2015 |
|---------------------------------------|-------------------|-----------|
| 9 Inventories | | |
| Consumable stocks - at cost | 586 600 | 940 044 |
| 10 Trade and other receivables | | |
| Prepayments | 657 889 | 46 238 |
| Other receivables | 12 121 432 | 8 827 698 |
| | 12 779 321 | 8 873 936 |

The fair value of receivables is equal to the carrying amounts due to the short term nature of these balances.

As at the reporting date no receivables were past due and not impaired, (2015: nil).

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables as noted above. The entity does not hold any collateral as security.

The carrying amount of the entity's other receivables are denominated in Botswana Pula.

| | 2016 | 2015 |
|-------------------------------------|------------------|------------|
| 11 Cash and cash equivalents | | |
| Cash at bank | 375 925 | 10 106 969 |
| Short term deposits | 172 160 | 826 335 |
| Cash on hand | 2 500 | 2 500 |
| | 550 585 | 10 935 804 |
| Bank overdraft | (322 215) | (932 121) |
| | 228 370 | 10 003 683 |

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

2016

2015

11 Cash and cash equivalents (continued)

For the purpose of the statement of cash flows, cash and cash equivalents at the reporting date comprise the following:

| | | |
|---------------------|----------------|-------------------|
| Cash at bank | 53 710 | 9 174 848 |
| Short term deposits | 172 160 | 826 335 |
| Cash on hand | 2 500 | 2 500 |
| | <u>228 370</u> | <u>10 003 683</u> |

12 Capital grants

Governments grants

| | | |
|-----------------------------------------|-------------------|-------------------|
| Balance at beginning of year | 32 565 988 | 27 937 882 |
| Capital grants received during the year | 2 788 415 | 6 761 625 |
| Unwinding of capital grants | (2 328 580) | (2 133 519) |
| Balance at end of year | <u>33 025 823</u> | <u>32 565 988</u> |

Capital assets granted by Botswana Government

| | | |
|------------------------------|--------------------|--------------------|
| Balance at beginning of year | 77 189 413 | 79 152 396 |
| Unwinding of capital grants | (1 944 551) | (1 962 983) |
| Balance at end of year | <u>75 244 862</u> | <u>77 189 413</u> |
| Total grants at end of year | <u>108 270 685</u> | <u>109 755 401</u> |

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

| | 2016 | 2015 |
|------------------------------------|-------------------|-------------------|
| 13 Trade and other payables | | |
| Trade payables | 2 658 015 | 3 921 765 |
| Accrued expenses | 1 876 713 | 17 176 037 |
| Other payables | 11 522 343 | 10 145 271 |
| Provisions (Note 13.1) | 22 060 955 | 12 040 123 |
| Deferred revenue | - | 705 933 |
| | 38 118 026 | 43 989 129 |

| 13.1 Provisions | Gratuity | Legal Fees | Leave | Total |
|---------------------------------------|-------------------|------------------|------------------|-------------------|
| As at beginning of the year | 7 105 950 | - | 4 934 173 | 12 040 123 |
| Additional provisions during the year | 7 363 762 | 2 690 924 | 2 330 774 | 12 385 460 |
| Payments during the year | (1 791 886) | - | (572 742) | (2 364 628) |
| As at end of the year | 12 677 826 | 2 690 924 | 6 692 205 | 22 060 955 |

The carrying amounts of the entity's trade and other payables denominated in foreign currencies are as follows:

| | 2016 | 2015 |
|-------------------------------------------|----------------|------------------|
| British Pounds 12 939 (2015: GBP 70 332) | 212 091 | 1 036 969 |
| South African Rands 145 895 (2015: R nil) | 117 505 | - |
| | 329 596 | 1 036 969 |

14 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 statement of financial position

| | | |
|---------------------------------------------------|-------------------|-------------------|
| Other receivables excluding prepayments (Note 10) | 12 121 432 | 8 827 698 |
| Cash and cash equivalents (Note 11) | 228 370 | 10 003 583 |
| | 12 349 802 | 18 831 281 |

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

14 Financial instruments (continued)

Other financial liabilities at amortised cost:

Liabilities as per statement of financial position

Trade and other payables excluding provisions
and deferred revenue (Note 13)

2016

2015

16 057 071

31 243 073

(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:

| | | 2016 | 2015 |
|--------------------------------------------------|---------------|----------------|-------------------|
| Cash at bank and short-term bank deposits | Rating | | |
| Barclays Bank of Botswana Limited | Not rated | (61 843) | 326 266 |
| First National Bank of Botswana Limited | Not rated | 115 553 | 8 848 582 |
| Capital Bank Limited | Not rated | 32 208 | 31 990 |
| African Banking Corporation of Botswana Limited | Not rated | 107 565 | 258 924 |
| Stanlib Investment Management Services | Not rated | 32 387 | 535 421 |
| | | 225 870 | 10 001 183 |

The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. 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.

Stanlib Investment Management Services is a subsidiary of Stanbic Bank Botswana Limited, which is a long established bank in Botswana, and a subsidiary of Standard Bank Limited in South Africa, listed on the Johannesburg Stock Exchange.

African Banking Corporation Botswana Limited is a subsidiary of ABC Holdings Limited.

Capital Bank Limited is a subsidiary of First Merchant Bank Limited (FMB), Malawi, a listed company on the Malawi Stock Exchange. FMB has been operating in Malawi since 1995. FMB has a 51% shareholding in Capital Bank, with the remaining shares being held by other parties.

None of the financial assets that are fully performing has been renegotiated in the last year.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

| | 2016 | 2015 |
|-----------------------------------------------------------------------------------------|---------------------|--------------------|
| 15 Cash utilised in operations | | |
| Operating deficit | (4 018 319) | (10 097 889) |
| Adjustment for: | | |
| Depreciation (Note 7) | 5 065 341 | 7 491 425 |
| Amortisation of intangible assets (Note 8) | 2 653 574 | 2 622 616 |
| Unwinding of capital grants (Note 12) | (4 273 131) | (4 096 502) |
| Profit on disposal of motor vehicles | (166 774) | - |
| Changes in working capital: | | |
| Movement in inventories | 353 444 | (518 107) |
| Movement in trade and other receivables | (3 905 385) | (2 742 686) |
| Movement in trade and other payables | (5 871 103) | 487 010 |
| Cash utilised in operations | (10 162 353) | (6 854 133) |
| In the statement of cash flows, proceeds from the sale of plant and equipment comprise: | | |
| Net book amount (Note 7) | 35 226 | - |
| Profit on disposal of property, plant and equipment | 166 774 | - |
| Proceeds from disposal of property, plant and equipment | 202 000 | - |
| 16 Related party transactions | | |
| (a) Transactions with the Ministry of Education and Skills Development | | |
| Government subvention | 248 122 563 | 216 050 618 |
| Capital grants received during the year | 2 788 413 | 6 761 625 |
| Deferred revenue | - | 705 933 |
| (b) Receivables from Ministry of Education and Skills Development | | |
| Back to School Programme | 8 471 624 | 7 590 304 |

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2016

16 Related party transactions (continued)

Key personnel remuneration consists of short term employee benefits paid to council members and senior management. Key personnel remuneration is analysed as follows:

| | 2016 | 2015 |
|--------------------------------------|-----------|-----------|
| Management - basic salary | 3 311 577 | 2 895 630 |
| Management - allowances | 1 817 674 | 1 359 163 |
| Management - gratuity and leave pay | 269 650 | 133 809 |
| Management - total | 5 398 901 | 4 388 602 |
| Sitting allowances – council members | 187 598 | 332 593 |
| | 5 586 499 | 4 721 195 |

17 Commitments

The entity had a capital commitment relating to the continuing development of the Botswana National Examinations Processing System (BNEPS 2) at reporting date.

The total approved budget for this project is P 6 000 000. Total accumulated project expenditure as at the reporting date was P 111 852 and committed funds at the reporting date amounted to P 5 888 148.

18 Going concern

The entity incurred a deficit of P 2 798 162 for the year ended 31 March 2016 and its total liabilities exceeded its total assets by P 30 857 763. The entity is dependent on the Ministry of Education and Skills Development for financial and operational support. The Ministry of Education and Skills Development has approved the Council's 2016/2017 budget and continue to provide financial support to the Council through the payment of government subventions and government grants.

A material uncertainty relating to the entity's ability to continue as a going concern exists if the Ministry of Education and Skills Development is unable to provide continued financial support to the entity.

FINANCIAL STATEMENTS

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2016

| | Note | 2016 | 2015 |
|--------------------------------------|------|-------------|-------------|
| Revenue | | | |
| Revenue | 1 | 262 423 551 | 228 960 891 |
| Cost of revenue | | | |
| Direct costs | 2 | 146 821 981 | 126 773 278 |
| Gross surplus | | 115 601 570 | 102 187 613 |
| Other income | 3 | 4 720 419 | 5 721 419 |
| Administrative expenses | | | |
| Advertising, marketing and publicity | | 887 561 | 1 319 934 |
| AEAA expenses | | 490 | 26 843 |
| Amortisation of intangible assets | | 2 653 574 | 2 622 616 |
| Auditors' remuneration | | 275 603 | 181 000 |
| Bank charges | | 250 970 | 173 044 |
| Consultancy fees | | 1 521 779 | 2 585 634 |
| Depreciation | | 5 065 341 | 7 491 425 |
| Electricity and water | | 1 148 043 | 1 136 857 |
| Excellence awards | | 828 790 | 1 296 784 |
| General expenses | | 796 530 | 440 573 |
| Hotel and accommodation | | 302 169 | 209 028 |
| Insurance | | 1 325 561 | 1 736 537 |
| Legal fees | | 2 762 851 | 49 321 |
| Licenses and subscriptions | | 2 107 092 | 3 375 201 |
| Meals and entertainment expenses | | 226 433 | 370 228 |
| Miscellaneous | | 1 130 | 1 048 |

This schedule is presented solely for the information of the members and is not covered by the audit opinion.

FINANCIAL STATEMENTS

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2016

| Administrative expenses (continued) | 2016 | 2015 |
|-----------------------------------------|--------------------|---------------------|
| Motor vehicle expenses | 553 416 | 695 041 |
| Office cleaning and supplies | 582 441 | 490 823 |
| Printing and stationery | 2 635 910 | 2 346 081 |
| Recruitment costs | 128 047 | 667 279 |
| Repairs and maintenance | 2 462 710 | 3 246 935 |
| Salaries | 91 108 722 | 78 276 121 |
| Security | 695 084 | 548 265 |
| Sitting allowance | 187 598 | 332 593 |
| Staff welfare | 187 990 | 75 536 |
| Telephone, courier, freight and postage | 1 824 036 | 2 472 999 |
| TIMMS expenses | 735 682 | 3 152 724 |
| Training expenses | 704 298 | 319 499 |
| Travel and subsistence allowances | 2 380 457 | 2 366 952 |
| | <u>124 340 308</u> | <u>118 006 921</u> |
| Operating deficit | <u>(4 018 319)</u> | <u>(10 097 889)</u> |

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FINANCIAL STATEMENTS

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2016

| | 2016 | 2015 |
|-----------------------------------|--------------------|-------------|
| 1 Revenue | | |
| Government subvention | 248 122 563 | 216 050 618 |
| Certification fees | 208 278 | 333 573 |
| Registration fees | 13 965 125 | 12 434 494 |
| Remarking fees | 127 585 | 142 206 |
| | 262 423 551 | 228 960 891 |
| 2 Direct costs | | |
| ABE and student expenses | 196 306 | 318 401 |
| Consultancy | 249 441 | - |
| Examiners' meals | 14 176 953 | 10 879 325 |
| External examinations fees | 34 236 617 | 34 863 912 |
| Grading and grade review | 482 086 | 384 957 |
| Invigilation fees | 23 850 032 | 13 022 643 |
| Marking fees | 22 373 981 | 21 442 846 |
| Moderation fees | 2 549 849 | 2 434 503 |
| Other examination administration | 3 127 989 | 1 195 477 |
| Printing costs | 10 060 325 | 4 146 678 |
| Setting-fees | 311 361 | 189 210 |
| Travel and subsistence allowances | 28 752 244 | 30 793 421 |
| Venue hire costs | 6 454 797 | 7 101 905 |
| | 146 821 981 | 126 773 278 |

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FINANCIAL STATEMENTS

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st March 2016

| | 2016 | 2015 |
|-------------------------------------------------------|-------------------|-------------------|
| 3 Other income | | |
| Unwinding of capital grants | 4 273 130 | 4 096 502 |
| Exchange loss | (1 269 807) | (52 787) |
| Profit on disposal of motor vehicles | 166 774 | - |
| Sale of tender documents | 59 500 | 69 050 |
| Sundry income | 1 490 822 | 1 608 654 |
| | 4 720 419 | 5 721 419 |
| 4 Salaries | | |
| Acting allowances | 866 867 | 428 904 |
| Management salary, allowances, gratuity and leave pay | 5 398 901 | 4 388 602 |
| Salaries | 78 921 069 | 68 205 056 |
| | 85 186 837 | 73 022 562 |
| Pension contributions | 5 921 885 | 5 253 559 |
| | 91 108 722 | 78 276 121 |

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NOTES

Handwriting practice lines consisting of 20 horizontal dotted lines.