

value was appropriate, taking into account the nature of BOBS' business as a National Standards Body carrying out quality assurance as opposed to a commercial entity trading and capable of securing a secondary market for its used equipment in the event of closure.

126. **Botswana Open University**

The financial statements of the Botswana Open University for the financial year ended 31 March 2018 were audited by Messrs Grant Thornton, Certified Auditors, who were appointed by the Council in terms of Section 30 (2) of Botswana Open University Act, No. 13 of 2017.

2.0 Accounts

2.1 Audit Opinion

In the opinion of the auditors:

The financial statements presented fairly, in all material respects, the financial position of Botswana Open University as at 31 March 2018, and of its financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the requirements of the Botswana Open University Act, (No. 13 of 2017).

2.2 Financial Results

In the year under review, the University recorded a deficit of P17.74 million, compared to P7.16 million in the previous year. Expenditure increased by 27% from P107.40 million in the previous year to P136.59 million in the year under review. Increases in expenditure were mainly due to bad debts of P12.03 million incurred in the year under review and employee costs which increased by 13% from P71.02 million in the previous year to P80.47 million in the year under review.

Income increased by 18.5% from P100.45 million in the previous year to P118.75 million in the year under review.

The University is funded by Government grants, and in the year under review the grant was P90.55 million, representing 76% of total income, compared to P74.68 million in the previous year. Another notable source of income was student application and tuition fees of P26.42 million.