



BOTSWANA
EXAMINATIONS
COUNCIL

20

ANNUAL REPORT

12/13



OUR VISION

To be a provider of accessible and globally competitive qualifications

OUR MISSION

To provide an effective and responsive quality centred assessment and examinations system

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OUR VALUE

EXCELLENCE

The excellence model provides a framework that can turn the value system into practice through the inculcation of specific cultural attributes. In addition, the model has a provision for an assessment framework that promotes continuous improvement. Excellent organisations achieve superior levels of performance and meet or exceed the expectations of all their stakeholders. The underlying concepts (principles and values) of the excellence model include:

ACHIEVING BALANCED RESULTS

As an Excellent organisation BEC will achieve its mission, and progress towards its vision through planning and achieving balanced results that meet or exceed stakeholder expectations.

VALUE ADDING FOR CUSTOMERS

BEC knows that its customers are the primary reason for its existence and strive to create value for them to meet their needs and expectations.

LEADERSHIP (WITH VISION, INSPIRATION AND INTEGRITY)

BEC will have leaders who shape the future and make it happen, acting as role models for its culture (value system) and ethics.

MANAGING BY PROCESSES

BEC will be managed through structured and strategically aligned processes, using fact-based decision making to create sustained and balanced results.

EMPOWERED PEOPLE

BEC will value its people and create a culture of empowerment for the achievement of personal and organisational goals.

BUILDING PARTNERSHIPS

BEC will seek, develop, and maintain trusting relationships with various stakeholders/partners/strategic alliances to ensure mutual success.

SUSTAINABILITY

BEC will embed within its culture an ethical mind-set, highest standards for organisational behaviour, all of which will enable us to strive for economic, social and business sustainability.

NURTURING CREATIVITY AND INNOVATION

BEC as an excellent organisation generates increased value and levels of performance through continual and systematic innovation by harnessing the creativity of their stakeholders.



ABOUT US



**BOTSWANA
EXAMINATIONS
COUNCIL**

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 school 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 process;
- 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.

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BEC COUNCIL
MEMBERS

01

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DR. JOSEPH TSONOPE

Chairman
November 2011 to 2016

BEC COUNCIL MEMBERS



DR. BAATLHODI MOLATLHEGI
Vice Chairman
1 April 2010 to 31 March 2013



DR. PATRICK MOLOTSI
Member
Appointed for an unspecified period



DR. MOREETSI THOBEGA
BEC Acting Executive Secretary



MRS. DAISY MOLEFHI
Member
1 December 2011 to 30 November 2016



MR. NASIM MILLER
Member
1 December 2011 to 30 November 2016



MR. SHANDUKANI HLABANO
Member
1 April 2010 to 31 March 2013



MR. DAVID RATSATSI
Member
1 April 2010 to 31 March 2013



DR. DANIEL TAU
Member
Appointed for an unspecified period



MR. ABEL MODUNGWA
Member
Appointed for an unspecified period



MRS. GRACE MUZILA
Member
Appointed for an unspecified period



DR. GAELEBA TSHEKO
Member
Re-appointed from 1 April 2011 to
31 March 2016



MRS. MALOTI GABOSITWE
Member
1 April 2010 to 31 March 2013



MR. LESEDI GAOLAOLWE
Member
1 September 2012 to 31 August 2015

EXECUTIVE
MANAGEMENT TEAM

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DR. MOREETSI THOBEGA
BEC Acting Executive Secretary and Director of Research and Policy Development

EXECUTIVE MANAGEMENT TEAM



MRS. SUSAN MAKGOTHI
Director Product
Development and Standards



MR. OAITSE GABADIRWE
Acting Director
Corporate Services



MR. THABO NKALA
Director Information and Communication
Technology



MRS. BAETI CHARUMBIRA
Director Examinations
Administration and Certification

CHAIRPERSON'S
FOREWORD

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DR. JOSEPH TSONOPE
Chairman

It gives me great pleasure to present the Botswana Examinations Council (BEC) Annual Report for the year ending 31st March 2013. In this reporting period, BEC experienced a range of commendable achievements and innovations.

For the first time, Botswana General Certificate of Secondary Examination (BGCSE) was processed locally. The Botswana National Examinations Processing System (BNEPS) was used for the first time to process the examinations and I am happy to report that even though BEC experienced some teething problems from the system, the results were nonetheless released. The implementation of the BNEPS was applauded by CIE personnel during the annual review meeting after they closely followed the processes.

Another innovation in the reporting period was the introduction of the standards-based grading procedure at the Junior Certificate Examination (JCE) level. BEC has been testing the standards-based grading procedure at JCE level since 2006. The procedure was applied for the first time in the 2012 grading; this coincided with the first examination of the revised curriculum that was first introduced in 2010. The standard based grading procedure reflects the quality of performance of candidates and allows for detailed reporting on actual capabilities of candidates.

BEC also successfully hosted the 30th Conference of the Association for Educational Assessment in Africa (AEAA). The Conference attracted about 300 delegates from Africa, United Kingdom, United States and Asia. The main theme of the conference was Reforms in Educational Assessment for Regional Development. At the end of the Conference, BEC Executive Secretary, Dr Serara Moahi was elected the President of AEAA for a year after serving as the Association's Vice President. We congratulate her for that achievement.

One of the major activities and highlights of each year within the BEC is the Annual Excellence Awards that are held in collaboration with the Ministry of Education and Skills Development. The key objective of the awards is motivating candidates to improve their performance during national examinations. The 3rd Annual Excellence Awards were held at Gaborone International Convention Centre on the 31st May 2012. The awards continued to grow in the number of candidates being awarded prizes.

Please, enjoy our annual report and where possible provide us with feedback for future improvement.



Dr. Joseph Tsonope
Chairman

EXECUTIVE
SECRETARY'S REPORT

04

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DR. MOREETSI THOBEGA
BEC Acting Executive Secretary and Director of Research and Policy Development

The 2012/13 reporting period saw Botswana Examinations Council (BEC) continuing with its mandate of conducting national examinations in the general education subsector. However, as we go forward, it is necessary to discuss BEC mandate in the backdrop of the eminent mandate rationalisation and organisational transformation project that is led by the Human Resource Development Advisory Council (HRDAC). BEC rationalisation is a strategic project that will result in the Council being transformed into an assessment institution responsible for all assessment functions including those from Botswana Training Authority.

CONDUCT OF EXAMINATIONS

During the reporting period, BEC released examinations results for Primary School Leaving Examination (PSLE), Junior Certificate Examination (JCE) and Botswana General Certificate of Secondary Education (BGCSE). BEC, through the use of Malepa application within the Botswana National Examinations Processing System (BNEPS) innovation, processed all the three levels of examinations locally. It was the first time BGCSE was processed in Botswana. It is also fitting to acknowledge that due to the use of Malepa application for the first time, BEC experienced some setbacks during processing of the results. The setbacks caused delays in the release of results for all three levels. However, the implementation of the BNEPS was applauded as an achievement by Cambridge International Examinations (CIE) during the annual BEC/CIE review meeting after they had closely monitored the processing of the examinations.

The 2012 JCE was the first examination of the revised Curriculum that was implemented in 2010. A standards-based grading procedure was introduced at this level to coincide with the first examination of the revised curriculum. The standard based grading procedure reflects the quality of performance of candidates and allows for detailed reporting on actual capabilities of candidates.

COMMUNITY ENGAGEMENT AND STAFF WELLNESS

BEC continued to engage in public education campaigns. The public education campaigns were coupled with community social responsibility efforts by partnering with various institutions and offering sponsorships to some activities that BEC perceived beneficial and for a good course. To facilitate for employee satisfaction, programmes targeting their wellness, safety, health and environment were introduced.

CIE ACCREDITATION

BEC maintained a relationship with CIE for the purpose of quality assurance of processes, instruments and maintenance of internationally competitive standards leading to accreditation by the latter.

AEAA CONFERENCE

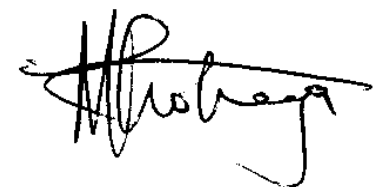
BEC successfully hosted the 30th Conference of the Association for Educational Assessment in Africa (AEAA) during which BEC Executive Secretary, Dr Serara Moahi was elected the President of the association.

OFFICE OF STRATEGY MANAGEMENT MANPOWER

A notable achievement during the current reporting period was that, BEC successfully acquired human resources for the Office of Strategy Management (OSM). OSM drive BEC strategy.

THIRD EXCELLENCE AWARDS

One of the major activities within the BEC's Community Social Responsibility program was the 3rd Annual Excellence Awards, in collaboration with the Ministry of Education and Skills Development aimed at improving performance during national examinations.



Dr. Moreetsi Thobega
BEC Acting Executive Secretary and Director of Research and Policy Development

GOVERNANCE STRUCTURES

BEC is committed to upholding the principles of corporate governance, independence, transparency, sustainability, accountability and integrity, amongst others. As an examination 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.

THE COUNCIL

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 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.

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:

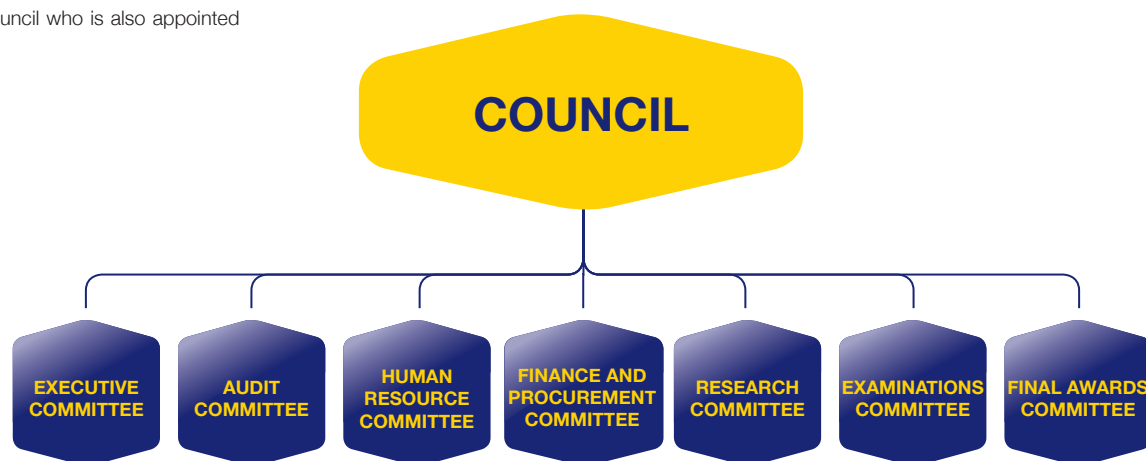


Figure 1: Council Committees' Structure

EXECUTIVE COMMITTEE

The Executive Committee comprises the Chairperson and Vice Chairperson of the Council, the Executive Secretary and two other members of the Council. 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 depending on the needs of the organisation.

HUMAN RESOURCE COMMITTEE

The committee comprises seven members, two of whom are external human resources professionals while five are members of the Council. The Executive Secretary is among the five Council members and is the only executive management member in the committee. The responsibility of the committee is to monitor, evaluate and make recommendations to Council with respect to policies and strategic matters related to the BEC human resource.

FINANCE AND PROCUREMENT COMMITTEE

The committee comprises seven members. Four of these are Council members including the Executive Secretary. Other members are the Director Corporate Services as well as two external members.

The main function of the committee is to make recommendations to the Council for approval of procurement of goods and services that are above the limit of the Management Tender Committee.

RESEARCH COMMITTEE

The Research Committee is responsible for advising Council on the conduct of research and policy options emanating from research findings. In discharging its functions the Research Committee addresses the following specific duties:

- considers and advises Council and Executive Management on research areas to be addressed;
- approves research proposals;
- considers research findings and recommends action to Council;
- suggests policy options that emanate from the research findings to Council and the education system as a whole;
- facilitates the dissemination and utilisation of research findings; and
- considers such other research matters as Council may deem necessary.

AUDIT COMMITTEE

The committee consists of five members, three of whom are Council Members while the remaining two members of the committee are independent members from outside BEC.

The Audit Committee is instrumental in the Council's fulfilment of its oversight responsibilities relating to:

- the integrity of BEC's financial statements;
- BEC's compliance with legal and regulatory requirements;
- the qualifications, independence and performance of BEC's external auditors;
- monitoring the performance of BEC's Internal Audit function; and
- the business practices and ethical standards of BEC.

EXAMINATIONS COMMITTEE

The Examinations Committee is appointed by the Council and has powers to organise and coordinate examinations ensuring accessibility, equity and fairness of examinations. The Committee approves procedures and appointment of examinations personnel and considers investigation reports and recommendations on examinations malpractice and recommends appropriate action to the Council.

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.

CORPORATE GOVERNANCE

ORGANISATIONAL STRUCTURE

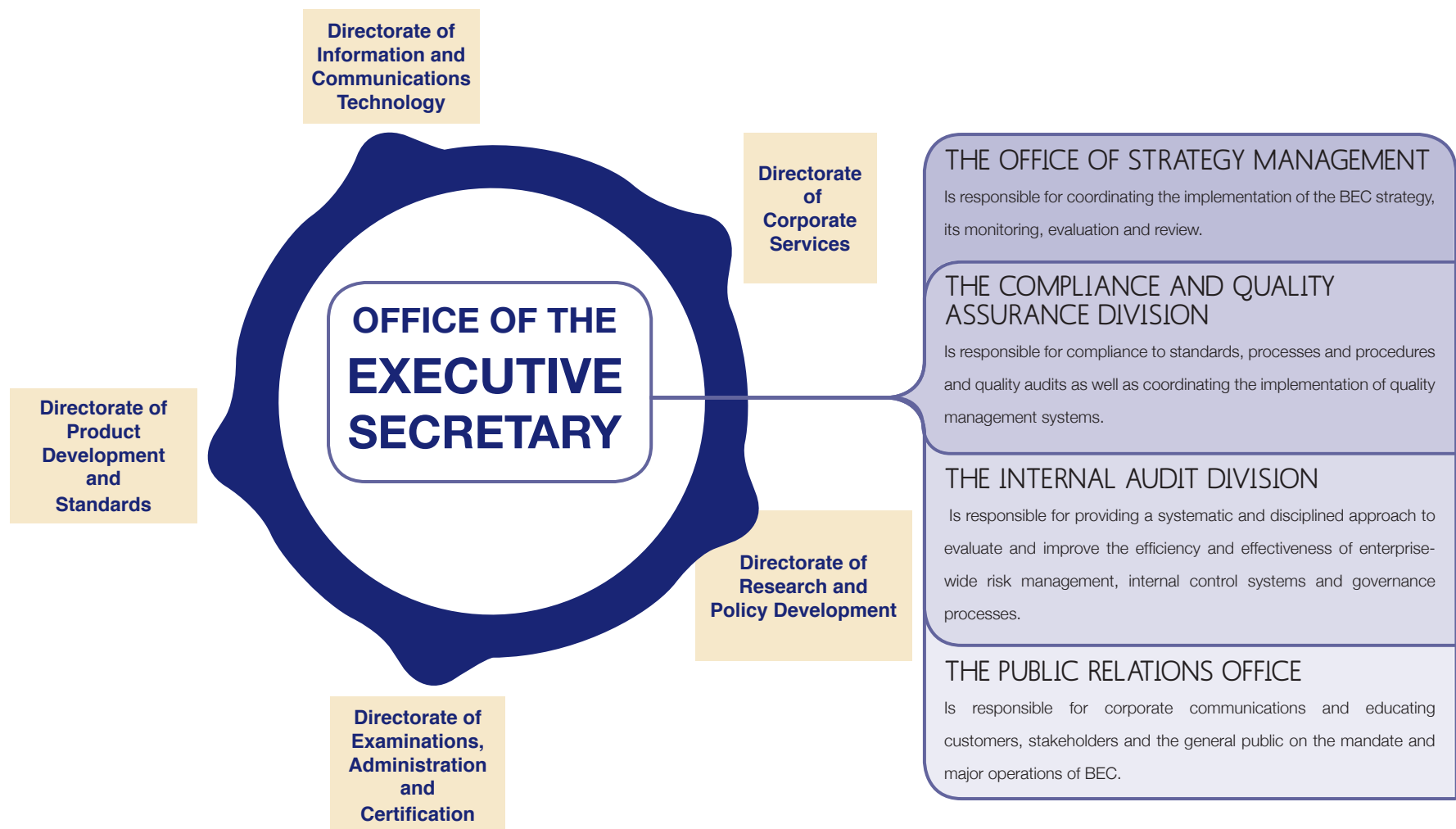


Figure 2: Organisational Structure

CORPORATE GOVERNANCE

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 specialised support Divisions that are stand-alone. These Divisions deal with Strategy Management (OSM), Compliance and Quality Assurance (CQA), Internal Audit (IA) and Public Relations (PR).

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 such as International General Certificate of Secondary Education (IGCSE) offered by Cambridge International Examinations (CIE), Educational Testing Services that offer qualifications in Test of English as a Foreign Language (TOEFL), Scholastic Aptitude Test (SAT) and the Association of Business Executives (ABE). Locally, the directorate also conduct 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, human resources, 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.

HIGHLIGHTS OF 2012/2013

STANDARDS-BASED GRADING PROCEDURE AT THE JUNIOR CERTIFICATE LEVEL

BEC has been working on the introduction of a standards-based grading procedure at the Junior Certificate level from 2006. The procedure was implemented in the 2012 grading session coinciding with the first examination of the revised curriculum that was first introduced in 2010. Following the consultation meetings that were conducted during the piloting exercise in both 2010 and 2011, the grading rules were reviewed.

It became evident from the goals of the current JCE programme and consequently those of the new curriculum that the norm-referenced assessment model that had been employed at this level of education did not provide information on the extent to which the learners had achieved the objectives of the programme.

The new standards based procedure which follows the criterion referenced assessment model reflects the quality of performance of candidates and can allow for detailed reporting on actual capabilities of candidates.

BOTSWANA NATIONAL EXAMINATIONS PROCESSING SYSTEM (BNEPS)

The 2012 BGCSE examination was processed through BNEPS. Previously BGCSE was processed by CIE in the United Kingdom. The introduction of BNEPS enabled BEC to process the BGCSE examination locally and exercise more control over processes which led to reduced dependency on CIE. The implementation of the BNEPS was applauded by CIE personnel during the annual review meeting after they closely followed the processes.

BEC HOSTS 30TH ASSOCIATION FOR EDUCATIONAL ASSESSMENT IN AFRICA (AEAA) CONFERENCE

BEC hosted a successful 30th AEAA Conference at the Gaborone International Convention Centre in the month of August 2012.

The Conference attracted about 300 delegates from across the world. The theme of the conference was, "Reforms in Educational Assessment for Regional Development and the sub-themes were as follows:

- innovative approaches to competency-based assessment;
- equity, access and fairness in assessment for quality education;
- assessment of soft skills in public examinations;
- application of information and communications technology (ICT) in assessment;
- application of item response theory (IRT) in assessment;
- comparability of assessment standards across diverse regional contexts;
- perspectives of reforms in assessment; and
- innovative assessment methodologies and tools for learners with special needs.

During the Conference, BEC Executive Secretary Dr Serara Moahi was elected the President of AEAA for a year after serving as the Association's Vice President.



Mr. Mazibuku (Swaziland), Dr. Moahi (Botswana), Mr. Wasanga (Kenya) and Assistant Minister Hon. Rakhudu during the AEAA 30th Annual Conference



BEC Exhibition Stall.

3RD EXCELLENCE AWARDS

One of the major activities within the BEC Community Social Responsibility program was the 3rd Annual Excellence Awards, in collaboration with the Ministry of Education and Skills Development. The Awards were held at Gaborone International Convention Centre on the 31st May 2012, with the aim of improving performance during national examinations.



Esther Modise, the best BGCSE student during the 3rd Annual Excellence Awards receiving the Golden Star Award certificate from His Excellency President Lieutenant General Seretse Khama Ian Khama.



Mr. Abel Modungwa, BEC Board member awarding the best JCE student a certificate during the 3rd Annual Excellence Awards

REVIEW OF OPERATIONS

BEC's Performance Review is based on the delivery of its strategic plan for the reporting period. The five year strategic plan sets a framework for all the activities to be done by the organisation based on the four thematic areas of the strategy..



Dash-board displaying notes during BEC Strategy Review session

Figure 3: BEC Strategy Map 2012-2013

CUSTOMER/STAKEHOLDER SATISFACTION

At the pinnacle of the BEC strategy is "Customer and Stakeholder Satisfaction." Credible examinations depend on customer and stakeholder satisfaction. It is imperative that efforts are channelled towards the cultivation of customer trust and loyalty in order to retain existing customers and attract new ones.

PUBLIC EDUCATION

During the year under review, BEC participated in the Vision 2016 Awareness Month Launch in Robelela in the Bobirwa sub-district. Other initiatives in which BEC participated, in its effort to reach out to stakeholders, included the Tertiary Education Fair, the Consumer Fair, University of Botswana Setswana Debate Fair, Rainbow and Mogoditshane schools Career Fairs.



Mr. Kaboyamodimo Mokoti (Gold T-Shirt) and Mrs. Rosemary Toteng addressing students on BEC mandate during one of the public education outreach exercises

BEC continued to use the Council newsletter, *Maduo*, as a medium to keep customers and stakeholders abreast of the operations of the organisation. An in-house newsletter, The Bulletin, was also introduced along with a brochure on Special Needs, to enhance public education. Also during the reporting year, Council commenced the development of its Corporate Communications Strategy which will guide the organisation in the engagement of stakeholders. The website and the intranet continue to serve as channels of communication for external and internal stakeholders respectively.

COMMUNITY SOCIAL RESPONSIBILITY

BEC continued to contribute significantly to various charitable causes in the country. In keeping with its annual tradition, BEC together with PSLE Examiners raised funds to contribute to the welfare of orphans in identified schools around the country.



BEC Manager, Programs; PSLE and JCE Dr. Augustine Utlwang handing over blankets and toiletries to New Xade students from the proceeds of charity fundraising activities by PSLE Examiners and BEC staff.

Furthermore, BEC supported various initiatives in the form of sponsorship amounting to more than P200 000. Beneficiaries included University of Botswana Setswana Debate, Department of Educational Broadcasting and Media Services in the Ministry of Education and Skills Development, Lotsane Senior Secondary School fundraising dinner, Orapa Community Junior Secondary School Prize Giving, MISA Botswana and Vision 2016 Council.



His Honour the Vice President Dr. Ponatshego Kedikilwe and Mmadinare Village Royalty, Kgosi Seeletso listening to BEC officers during the Vision 2016 awareness month launch in Robelela, Bobirwa sub district

ENVIRONMENT, HEALTH AND SAFETY

During the period under review, BEC followed Environmental friendly, Health and Safety best practice. In order to foster a healthy working environment, BEC held the 1st annual wellness week from the 7th to the 11th May 2012 under the theme "BEC FOR EMPLOYEE WELLNESS-2012 AND BEYOND." Employees were given health education. Furthermore, they benefited from counseling services that were offered as they tested for various conditions.

Improvements were made to make BEC facilities environmental and user friendly. The Council continued to collaborate with various stakeholders in the recycling of used papers.



Used examinations shredded paper awaiting collection from BEC for recycling

REVIEW of OPERATIONS

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QUALITY PRODUCTS AND SERVICES

BEC has a quality management system in place that was designed in line with the requirements of the ISO 9001:2008 Standard.

QUALITY ASSURANCE

BEC continued to engage Regional Examination Administrators (REA) to assist in the monitoring of all aspects in the management and conduct of the examinations in the centres at all levels. Reports that were produced during these visits indicated that centres need support in terms of compliance with examination regulations.

To enhance the quality of products and service delivery, BEC also partnered with Cambridge International Examinations (CIE) for compliance and upholding of best practice. A CIE consultant, together with the BEC office of Quality Assurance and Compliance inspected twenty (20) BEC examination centres during the examination period. The inspection of the examination centres focused on the understanding and implementation of security arrangements, full centre supervision, and conduct of examinations and the standard of the examination rooms or set up. The security arrangements within BEC were also considered during these inspections.

TIMSS AND PIRLS

During the period under review, studies conducted for Trends in International Mathematics and Science Study (TIMSS) at grades 6 and 9 showed that there were a number of factors influencing the performance of students in schools while studies on Progress in International Reading Literacy Study (PIRLS) indicated that female students continued to perform better than male ones.

TIMSS analysis of students' performance in relation to their background variables and demography have revealed that students with access to better study facilities and materials in their homes perform better than those whose parents cannot afford to provide such. Other variables which contributed positively to the students' performance included pre-schooling, parental involvement in children's academic work, safety at school, student positive attitude towards learning and attending classes.

With regard to age, the study revealed that students who are above the mean age generally performed lower in Mathematics and Science compared to their younger counterparts. For PIRLS, the study revealed that girls continued to perform significantly better than boys in reading.

REVIEW of OPERATIONS

ORGANISATIONAL EFFICIENCY AND EFFECTIVENESS

Processes and procedures enable business continuity within an organisation leading to efficiency and effectiveness in service delivery to the satisfaction of customers.

CIE ACCREDITATION

During the 2012 BGCSE examination series, BEC entered into an Accreditation Agreement with CIE with the aim of evaluating BEC's qualifications and processes against the CIE Accreditation Standards for Public Assessment Bodies. Through the engagement of a consultant from CIE, the organisation managed to have its grading procedures reviewed. The consultants approved and endorsed the processes and procedures that were applied during the development, conduct and grading of the 2012 examinations. The 2012 BGCSE examinations therefore received accreditation from CIE.



National Examinations Council of Tanzania Executive Secretary, Dr. Joyce Ndalichako (4th from right in blue T-Shirt and dark suit) listening to Mr. Oduitse Setlhare, BEC Manager Data Processing during a visit to Botswana in 2012

ORGANISATIONAL CAPACITY AND CAPABILITY

Building the capacity and the capability of the Council through empowerment efforts such as access to improved ICT tools and training will go a long way in achieving efficiency and effectiveness in the delivery of Products and Services, and consequently a satisfied customer/stakeholder.

HUMAN RESOURCES

ATTRITION RATE

BEC has experienced a high attrition rate in the past year especially in Senior Management positions. This has presented financial and operational challenges. However, the Council made efforts to ensure business continuity.

TRAINING AND DEVELOPMENT

BEC training and development initiatives are primarily focused on equipping staff with skills in areas of need. Both formal and informal training was conducted across all cadres to enhance employee performance.

YOUTH EMPOWERMENT AND SKILLS TRANSFER

For the year under review there were a total of 14 graduate interns at BEC, together with students who were on short-term attachment.

REVIEW of OPERATIONS

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2012 EXAMINATIONS

REGISTRATION OF CANDIDATES

PSLE

A total of 43865 candidates sat for the 2012 PSLE. Of this number 22227 (50.67%) were females and 21638 (49.33%) were males. The candidature increased by 1436 (3.38%) compared to 2011. Candidates were examined on the seven syllabuses namely English, Setswana, Mathematics, Science, Social Studies, Religious and Moral Education and Agriculture.



BEC Public Relations Officer Mr. Charles Keikotlhae addressing Mmadinare Senior Secondary School students on BEC Examinations matters such as malpractice, lost and damaged certificates and preparedness for exams during Vision 2016 Outreach Activities

JCE

A total of 206 school centres and 45 private centres registered candidates for the 2012 JCE. The total number of candidates who satisfied the requirements of the 2012 JCE was 38497 compared to 39774 in the previous year. There were 137 candidates requiring special arrangements in order for them to access the examination compared to 153 in 2011.

BEC used the Botswana National Examinations Processing Systems (BNEPS) Malepa application to obtain the 2012 candidates registration details. The system used two methods of collecting examinations data; Optical Mark Readable Forms (OMR) which enables scanning of entry forms and mark sheets, and the online keying in of data. BGCSE centres registered their candidates online while all PSLE and JCE entries were collected through the OMR technology. The registration data were later transferred to Malepa application through scanner programmes.

When registration for the 2012 examinations started in March there were a number of connectivity challenges which were later overcome through the support of the Ministry of Education and Skills Development. Arrangements were also made for centres to use available resources in the Regional Offices and also at BEC.

BGCSE

The total number of candidates who sat for the 2012 BGCSE examination was 31663 (Table 3). Out of this number 23155 were from government schools, 2435 were private schools, while 6072 were from BEC Private Centres. There were 79 venues that were used as centres for BEC private candidates. Distribution of centres by type is shown in table 2 below:

2012 EXAMINATIONS *continued*

Registration Venue	BEC Centres	Government Centres	Private Centres
Centre Facilities	0	14	22
BEC Facilities	19	12	9
Regional Education Offices	0	4	0
Primary School	0	1	0
Total	19	31	31

Table 2: Facilities used for online Centre registration by Government and Private Centres during 2012 Examination Series

Other challenges were encountered that further caused delay in the registration process and ultimately impacted on all other processes which were dependent on the availability of registration data. Among these were the delayed release and distribution of BGCSE candidate's entry statements. In total 28 private candidates from BEC centres missed the early papers as the statements of entry could not be released on time. No candidates were disadvantaged as BEC has procedures in place to address missed components.

The BGCSE results were released through the Malepa (BNEPS) while for PSLE and JCE the Legacy system was used.

REVIEW of OPERATIONS

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2012 EXAMINATIONS *continued*

CONDUCT OF THE EXAMINATIONS

Training was conducted for Chief invigilators across examinations levels on the maintenance of examinations standards during administration of examinations at centres. The training focused on equipping invigilators with requirements for effective compliance to examinations regulations and implications of non-compliance. BEC also introduced Regional Examinations Administrators (retired teachers, school heads and education officers) to inspect centres before and during the examinations.

PSLE

The PSLE assesses the achievement of learners who have completed the first seven years of the 10-year basic education programme. During the year under review, PSLE papers including the English and Setswana composition and letter papers were written from the 8th to the 12th October. Marking of Agriculture and written papers started on the 29th October and was completed during the second week of November. Examiners were recruited through advertising in local newspapers.

JCE

The JCE examination papers were administered from 22nd October to 6th November 2012. Marking of examination scripts started on 26th November 2012 and was completed on 12th December 2012. The invigilation of the examinations in schools was carried out by practicing teachers

The 2012 JCE was the first examination of the revised junior secondary education curriculum which was implemented in 2010. Candidates were examined on 20 syllabuses through 12 multiple choice components, 32 written components and 11 course work/practical components. Out of these syllabuses, four were available to private candidates or to some candidates with special needs e.g. private agriculture. This was the first class to be graded using the standards based grading system.

BGCSE

The BGCSE written examinations started on the 8th October 2012 and ended on the 16th November 2012. The marking exercise started on the 26th November 2012 to the 22nd December 2012

In line with 'best practice' for administration of examinations, centres were required to apply for access arrangements for candidates with special needs and also for those requiring special consideration. Centres/candidates that did not adhere to regulations were investigated for malpractice and maladministration. Table 3 below provides information on centres, syllabuses, components and number of scripts per each level:

2012 EXAMINATIONS *continued*

Examination Level	Total Candidature	Number of Centres	Numbers of syllabuses	Number of Components	Number of Scripts
PSLE	43,865	820	7	9	390,807
JCE	38,497	251	20	55	864,222
BGCSE	31,663	79	33	95	583,012
Total	114,025	1,150	60	159	1, 838, 041

Table 3: Summary of candidature by level, number of syllabuses, components and scripts

CANDIDATES WITH SPECIAL NEEDS

BEC is dedicated to providing reliable and equitable examination and assessment services to candidates with special needs (hearing impairment, visual impairment, physical disability, learning disability, and other disabilities). The provision of special arrangements allows these candidates to be fairly assessed under suitable conditions. Table 4 below shows access arrangements by centre and the number of candidates involved:

	PSLE	JCE	BGCSE
Number of Centres	31	29	7
Number of Candidates	77	137	37

Table 4: Summary of Access Arrangements by Centre and number of candidates

REVIEW of OPERATIONS

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2012 EXAMINATIONS *continued*

ACCESS ARRANGEMENTS

Access arrangements are made to allow candidates with long-term or permanent disability to gain access to BEC qualifications and to demonstrate their attainment. This is achieved through the provision of modified question papers and approved accommodation arrangements at Centres in line with BEC Access Arrangements and Special Consideration – A guide for Centres. See table 5 below:

SPECIAL NEEDS TYPE	NUMBER OF CANDIDATES		
	PSLE	JCE	BGCSE
Learning Difficulty	9	77	6
Low Vision	15	16	15
Visual Impairment	16	1	2
Hearing Impairment	21	20	11
Physical Disability	6	9	3
Intellectual Disability	4	10	-
Medical Condition	6	5	-
Multiple disabilities	-	1	-

Table 5: Summary of applications by Special Needs type at each examination level

SPECIAL CONSIDERATION

Special consideration is granted to candidates who have sat for the examination under adverse condition due to illness, bereavement etc. Special consideration normally takes account of the circumstances in which the candidate sat the examination. Approval of requests from examination centres were in accordance with the BEC Access Arrangements and Special Consideration Guide to Centres.

A total of 102 candidates applied for special consideration. 23 applications were not accompanied by supporting evidence for them to be considered. The table below shows the number of applications received by examination level:

	PSLE	JCE	BGCSE
Number of Candidates	14	22	66

Table 6: Summary of applications for Special Considerations by examination level

2012 EXAMINATION RESULTS

PSLE

The overall results for the 2012 PSLE by comparison to the 2011 results were not significantly different. The percentage of candidates obtaining Grade A for the 2012 examination was 13.2% against 12.9% in 2011, which represents an increase of 0.3%. The percentage of candidates who obtained grade B or better was 28.4% compared to 28.8% from the previous year, representing a decline of 0.4%. The proportion of candidates obtaining an overall Grade C or better went up by 0.9% from 64% in 2011 to 64.9% in 2012.

JCE

Grading for JCE using the standards based grading procedure for qualification was awarded based on seven syllabuses using the criteria below:

- Candidates taking Setswana required a minimum of seven syllabuses, which included English, Setswana, Mathematics, Science, at least one syllabus from the optional group and the best two from the remaining syllabuses.
- Candidates exempted from Setswana also needed to have a minimum of seven syllabuses, including English, Mathematics, Science, at least one syllabus from the optional group and the best three from the remaining syllabuses.
- Private candidates who sat between one and six syllabuses were considered for the award of an overall grade after they completed seven syllabuses in a maximum of five (5) consecutive years.

With the revised grading procedure, only five (5) candidates passed with Merit. The number of candidates obtaining Grade A was 590 (1.5%); 4745 were awarded Grade B, which represented 12.4%. Candidates who were awarded grade C were 10836 which is 27.1% while 13641 were awarded Grade D at 35.6%. There were a total of 4889 candidates who were awarded Grade E which is 12.7%. Approximately 4000 candidates did not meet the minimum requirement of Grade E, and as a result were awarded Grade U. See figure 4 below:

BGCSE

Twenty Eight (28) syllabuses were considered for the BGCSE qualification and only five (5) showed improvements in cumulative percentages of candidates achieving grade C or better. Mathematics, Art & Design improved by 2%; Music by 6%; Home Management by 10% and Fashion and Fabrics improved by 24%. Cumulative performance in the 28 syllabuses is shown in the graph below:

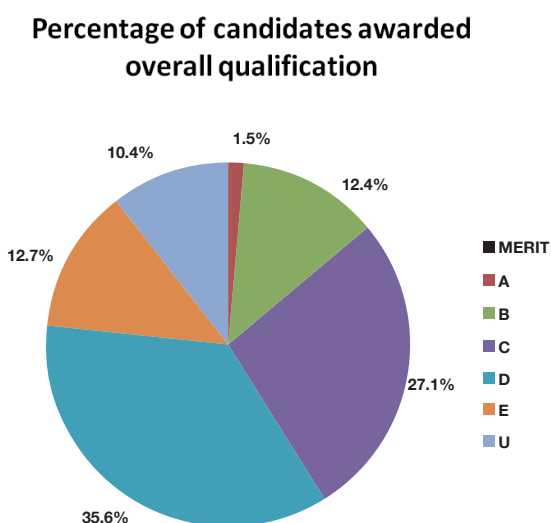


Figure 4: Percentage of candidates per overall grade awarded

REVIEW of OPERATIONS

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2012 EXAMINATION RESULTS *continued*

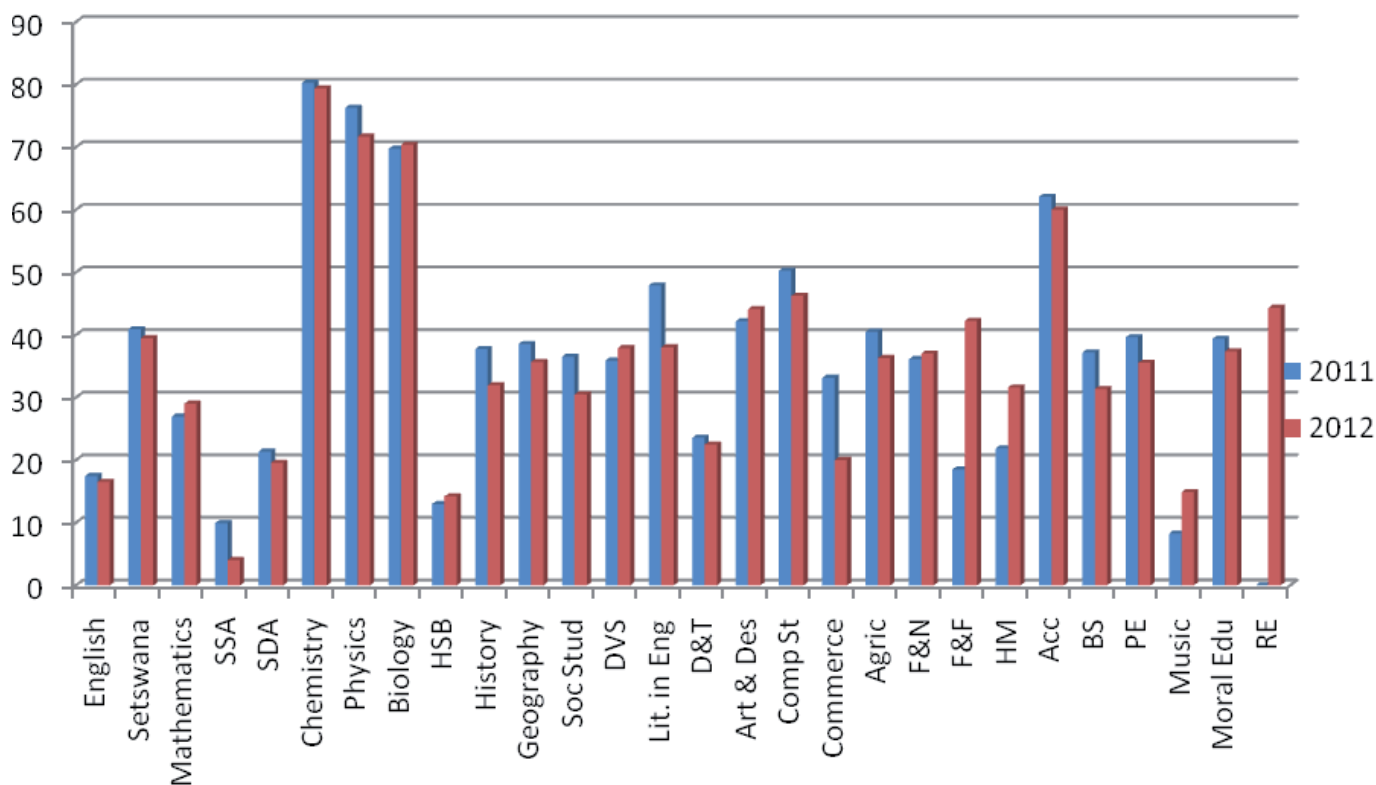


Figure 5: Cumulative % on candidates graded C or better in 2011 and 2012

Performance in 6 syllabuses (English Language, Setswana, Biology, Human and Social Biology, Design & Technology and Food & Nutrition) was similar to that of 2011. The remaining sixteen (16) syllabuses showed a decline in cumulative percentages of candidates achieving grade C or better. Commerce showed the greatest decline of about 13% followed by Literature in English with a decline of about 10%. Religious Education was examined for the first time in 2012, and consequently, there was no comparison with the previous year.

Appendix 1

Summary of Access Arrangements by Type and Candidature

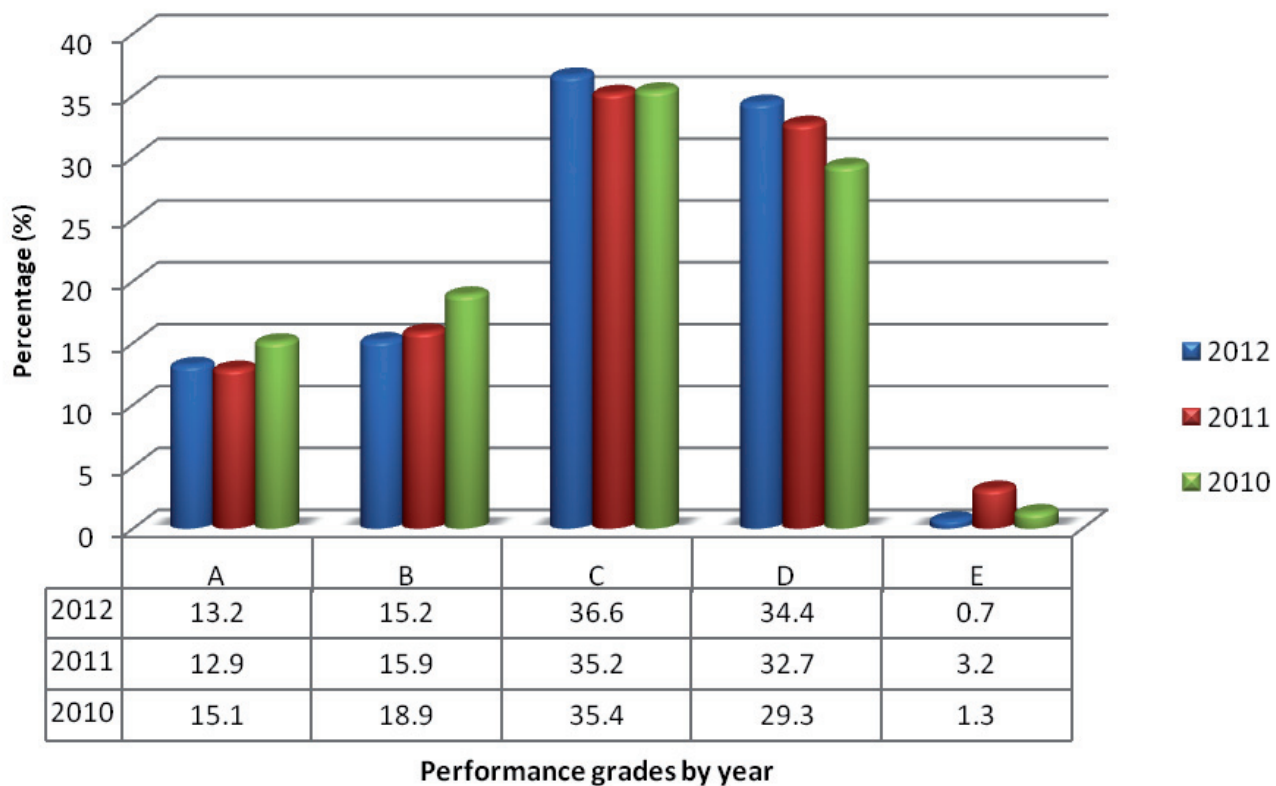
Type of Special Need/ Disability	Access Arrangements	Number of Candidates BGCSE	Number of Candidates JCE	Number of Candidates PSLE
Learning Difficulties	25% extra-time	9	77	11
Physical Disabilities	Separate accommodation, reader, extra-time, scribe/amanuensis,	15	9	6
Visual Impairment				
(Low Vision)	Enlarged print papers, extra-time, scribe/amanuensis	21	16	22
Visual Impairment				
(Profound loss of vision/ Total blindness)	Braille papers, extra-time	2	1	25
Hearing Impairment (Profound loss of hearing/ totally deaf)	Modified papers and extra-time	9	20	38
Intellectual Disability		0	10	5
Medical Condition	Separate room, rest breaks, extra time, modified papers, enlarged print	0	5	17
Multiple Disability			1	0
Totals		56	139	124

APPENDICES

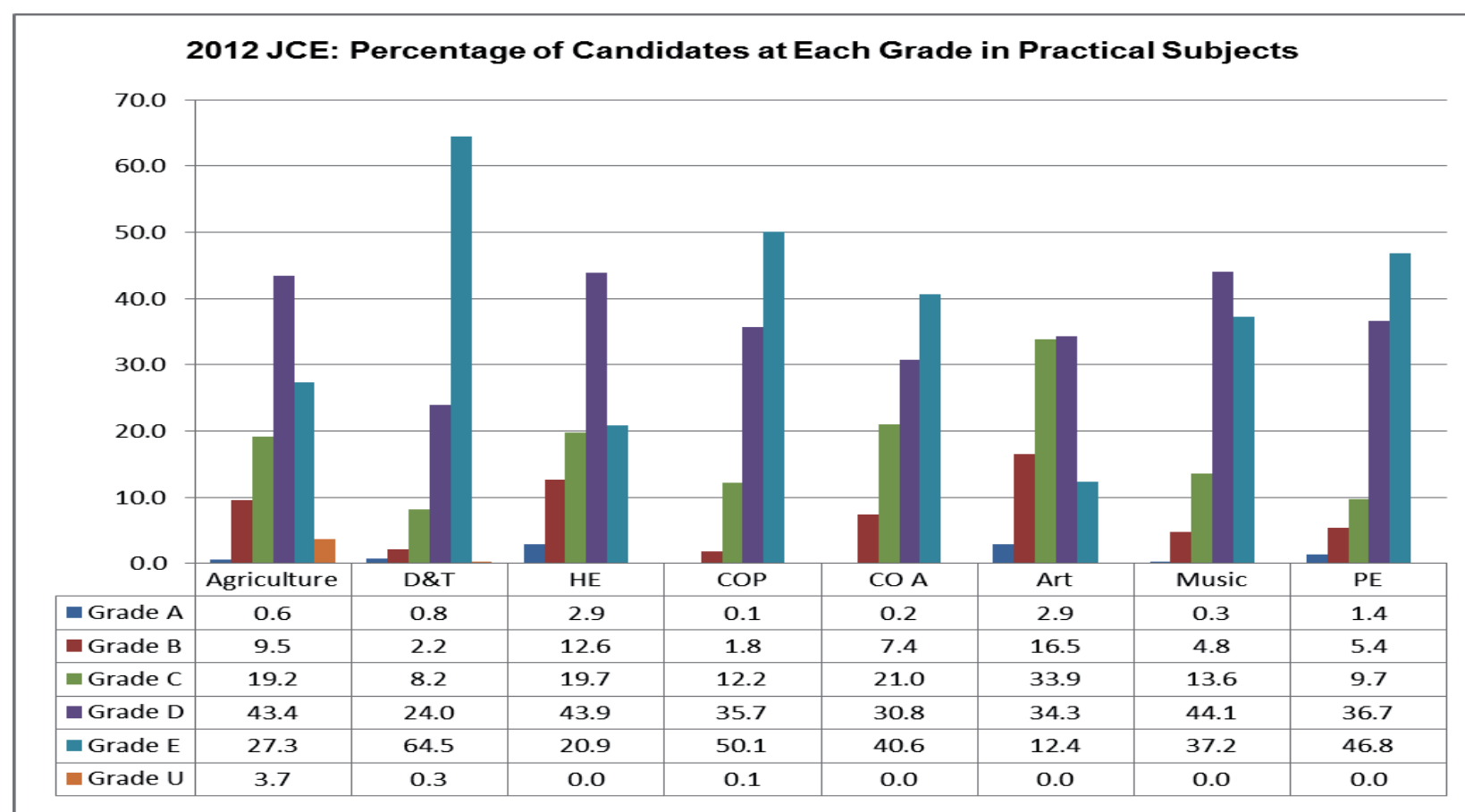
32

Appendix 2

Comparison of PSLE Overall performance in 2012, 2011 and 2010



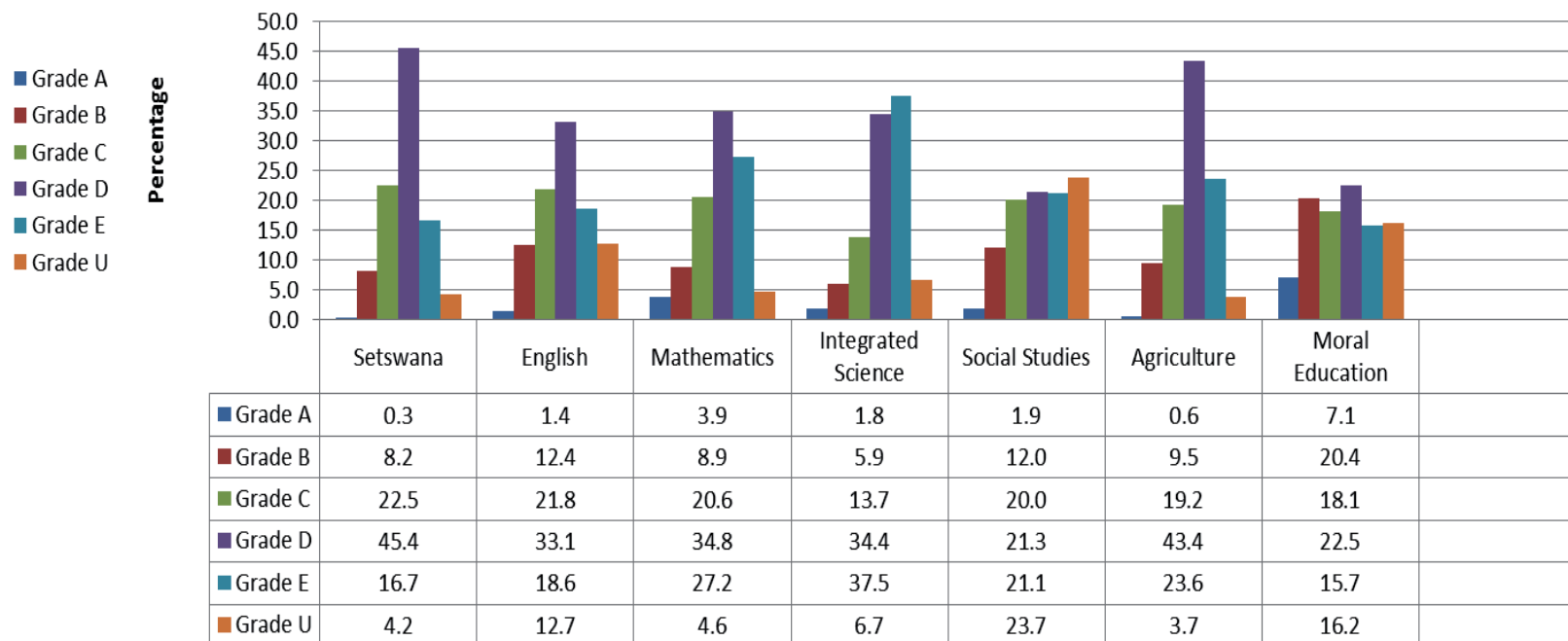
Appendix 3



APPENDICES

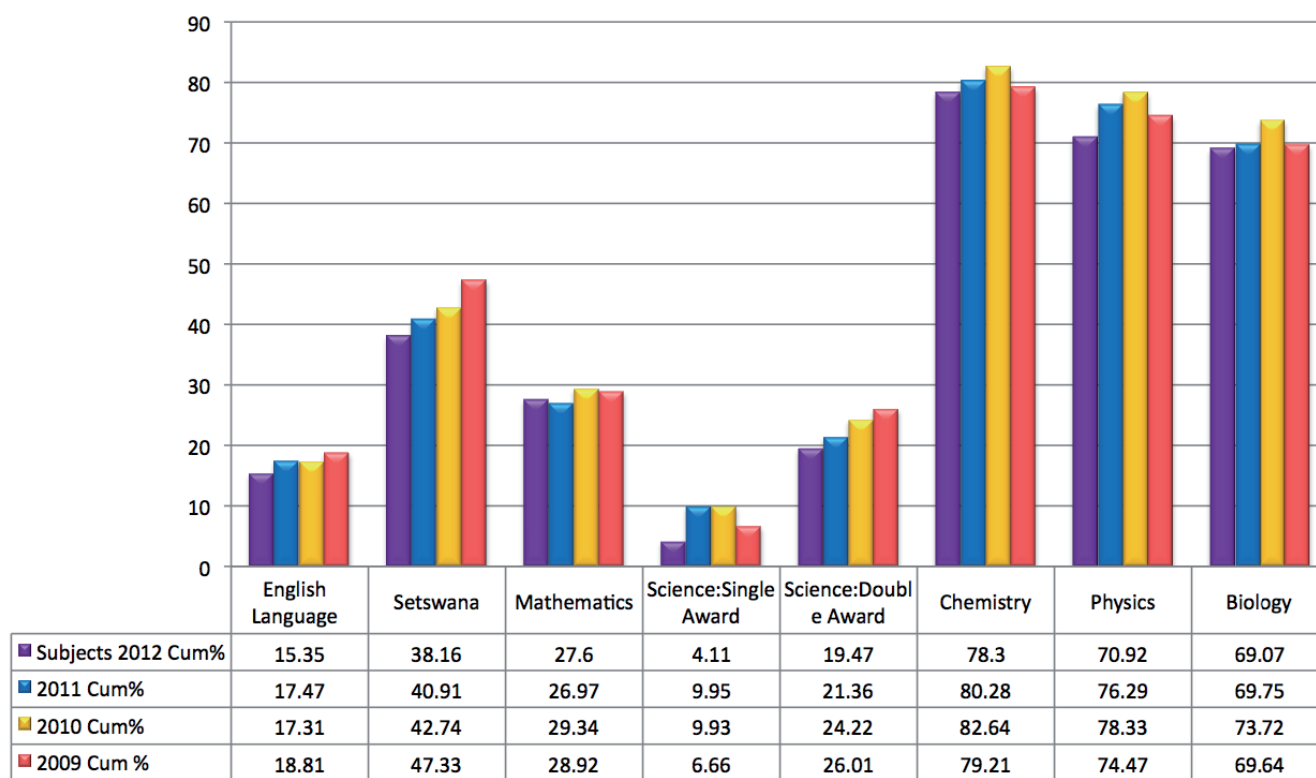
Appendix 4

2012 Junior Certificate Examination: Percentage of Candidates at Each Grade in Core Subjects



Appendix 5

Performance by BGCSE Core Syllabuses (Grade C or Better) 2009 -2012



- Performance in all core syllabuses dropped between 2012 and 2011 except in Mathematics and Biology which remained about the same.

FINANCIAL
STATEMENTS

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BOTSWANA EXAMINATIONS COUNCIL

(ESTABLISHED UNDER THE BOTSWANA EXAMINATIONS COUNCIL ACT NO 11 OF 2002)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

NATURE OF OPERATION	To conduct school examinations and any other examinations for the Ministry of Education and Skills Development and issue certificates in respect of such examinations.	
EXECUTIVE SECRETARY	Dr Serara Moahi (resigned on 31 October 2013)	
CARETAKER EXECUTIVE SECRETARY	Prof. Brian Mokopakgosi (appointed on 1 October 2013)	
CHAIRMAN	Dr Joseph Tsonope	
MEMBERS OF COUNCIL	Mrs Grace Muzila Dr Daniel Tau Dr Baatlhodi Molatlhegi Dr Gaelebale N Tsheko Mr Shandukani Hlabano Mr Nasim Miller	Mr David Ratsatsi Mr Abel Modungwa Mrs Maloti P Gabositwe Dr Patrick D Molutsi Mrs Daisy Molefhi Mr Lesedi Gaolaolwe
REGISTERED OFFICE	Plot 54862, KT Motsete Road Gaborone	
INDEPENDENT AUDITORS	PricewaterhouseCoopers	
BANKERS	Barclays Bank of Botswana Limited First National Bank of Botswana Limited Capital Bank Limited African Banking Corporation Botswana Limited Stanlib Investment Management Services	

The following statements are presented in compliance with the requirements of the Botswana Examinations Council Act No 11 of 2002.

CONTENTS	Page
Statement of responsibility by the Members of Council	38
Independent auditors' report	39
Statement of comprehensive income	40
Statement of financial position	41
Statement of changes in funds	42
Statement of cash flows	43
Notes to the annual financial statements	44 - 66
Detailed income statement	Annexure I
Notes to the detailed income statement	Annexure II

STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF COUNCIL

FOR THE YEAR ENDED 31 MARCH 2013

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Members of the Council are responsible for the annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards and in the manner required by the Botswana Examinations Council Act, 2002.

Botswana Examinations Council (BEC) maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of BEC's assets. The Council is responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Council to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

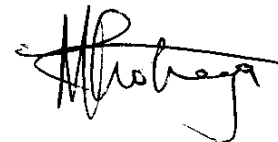
The going concern basis has been adopted in preparing the annual financial statements. The Council has no reason to believe that BEC will not be a going concern in the foreseeable future, based on the continued support by the Government of Botswana through the Ministry of Education and Skills Development.

Our external auditors conduct an examination of the annual financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between members of the Council and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Members of Council.

The annual financial statements on pages 40 to 66 and the supplementary information on Annexures I and II were authorised for issue by the Council and signed on its behalf by;



Chairperson



Executive secretary



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOTSWANA EXAMINATIONS COUNCIL

Report on the Financial Statements

We have audited the accompanying annual financial statements of Botswana Examinations Council, which comprise the statement of financial position as at 31 March 2013, and the statements of comprehensive income, changes in funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 66.

Council Members' Responsibility for the Financial Statements

The Members of Council are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and in the manner required by the Botswana Examinations Council Act, 2002, and for such internal controls as the Members of Council determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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 misstatement.

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 risks 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating 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 as at 31 March 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with Section 20 of the Botswana Examinations Council Act, 2002, we confirm that:

- We have received all information and explanation which, to the best of our knowledge and belief, were necessary for the performance of our duties;
- The accounts and related records of the Botswana Examinations Council have been properly kept;
- The Botswana Examinations Council has complied with all the financial provisions of the Act; and
- The statement of accounts prepared by the Botswana Examinations Council was prepared on a basis consistent with that of the preceding year.

PricewaterhouseCoopers

Individual practising member: Butler Phirie

Membership number: 19900312

Gaborone

10 December 2013

*PricewaterhouseCoopers, Plot 50371, Fairground Office Park, Gaborone, P O Box 294, Gaborone, Botswana
T: (267) 395 2011, F: (267) 397 3901, www.pwc.com/bw*

Country Senior Partner: B D Phirie
Partners: R Binedell, R P De Silva, A S Edirisinghe

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

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	Note	2013 P	2012 P
Revenue			
Government subvention		195,079,983	194,245,461
Certification fees		412,343	167,632
Registration fees		8,145,110	8,681,509
Remarking fees		100,575	123,515
		203,738,011	203,218,117
Costs of revenue			
Direct costs		111,391,417	136,414,464
Rebates		-	(22,805,632)
		111,391,417	113,608,832
Gross surplus			
		92,346,594	89,609,285
Other income		6,638,641	3,506,990
		98,985,235	93,116,275
Administrative expenses		(95,896,858)	(84,815,771)
Operating surplus			
		3,088,377	8,300,504
Finance costs	8	(75,579)	-
Finance income	8	7,991,870	6,502,884
Net finance income		7,916,291	6,502,884
Surplus for the year			
		11,004,668	14,803,388
Other comprehensive income		-	-
Total comprehensive income for the year			
		11,004,668	14,803,388

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	2013 P	2012 P
ASSETS			
Non-current assets			
Property, plant and equipment	9	98,953,203	101,664,857
Intangible assets	10	20,908,712	15,641,932
		119,861,915	117,306,789
Current assets			
Inventories	11	672,442	769,428
Receivables	12	1,673,155	2,374,983
Cash and cash equivalents	13	86,931,808	272,731,095
		89,277,405	275,875,506
Total assets		209,139,320	393,182,295
FUNDS AND LIABILITIES			
Capital grants and reserves			
Accumulated fund		80,292,424	69,287,756
LIABILITIES			
Non-current liabilities			
Capital grants	14	112,184,272	114,246,098
Current liabilities			
Trade and other payables	15	16,662,624	209,648,441
Total equity and liabilities		209,139,320	393,182,295

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 MARCH 2013

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	Accumulated fund P	Total P
Balance at 1 April 2011	54,484,368	54,484,368
Total comprehensive income for the year	14,803,388	14,803,388
Balance at 31 March 2012	<u>69,287,756</u>	<u>69,287,756</u>
Balance at 1 April 2012	69,287,756	69,287,756
Total comprehensive income for the year	11,004,668	11,004,668
Balance at 31 March 2013	<u>80,292,424</u>	<u>80,292,424</u>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 P	2012 P
Cash flows from operating activities			
Cash (utilised in) / generated from operations	17	(184,054,878)	88,539,470
Cash flows from investing activities			
Interest income	8	7,991,870	6,238,808
Purchases of property, plant and equipment	9	(6,118,744)	(7,216,026)
Purchases of intangible assets	10	(6,467,910)	(6,781,333)
Proceeds from disposal of property, plant and equipment	17	219,174	-
Net cash utilised in investing activities		(4,375,610)	(7,758,551)
Cash flows from financing activities			
Capital grants received	14	2,706,780	15,000,000
Net cash generated from financing activities		2,706,780	15,000,000
Net change in cash and cash equivalents			
Cash and cash equivalents at beginning of year		272,731,095	176,686,100
Exchange (loss) / gain on cash at bank	8	(75,579)	264,076
Cash and cash equivalents at end of year	13	86,931,808	272,731,095

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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1 General information

Botswana Examinations Council ("BEC") was established by 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 54862, KT Motsetse Road, Gaborone, Botswana.

The financial statements set out on pages 40 to 66 have been approved by the Council on 27th November 2013.

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 as modified by the revaluation of financial assets and financial liabilities.

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

2.1.1 Adoption of standards in the current financial year

(a) The following new standard was adopted by the BEC during the year.

The following new standards, amendments and interpretations to existing standards are mandatory for the BEC's accounting periods beginning on or after 1 April 2012. These have been adopted by the BEC during the year.

- IFRS 7, (Amendment), Financial Instruments, Disclosures: Transfer of financial assets (effective from 1 July 2011).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2.1.1 Adoption of standards in the current financial year (continued)

(b) New and amended standards applicable to the current period but not relevant to BEC

Management assessed the relevance of the following new standards, amendments and interpretations with respect to BEC's operations and concluded that they are not relevant to BEC.

- IFRS 1, (Amendment), First Time Adoption of International Financial Reporting Standards: First time adoption on hyperinflation and fixed dates (effective from 1 July 2011).
- IAS 12, (Amendment), Income Taxes: Deferred Tax (effective from 1 January 2012).

2.1.2 Adoption of standards in future financial periods

The following new standards, amendments and interpretations to existing standards are mandatory for the BEC's accounting periods beginning on or after 1 April 2013. These have not been early adopted by the BEC.

(a) New standards, amendments and interpretations which are relevant to the BEC's operations

- IFRS 7, (Amendment), Financial Instruments, Disclosures: Joint requirements with FASB to enhance current offsetting disclosures (effective from 1 January 2013).
- IAS 1, (Amendment), Presentation of Financial Statements: Presentation of items of other comprehensive income (effective from 1 July 2012).
- IAS 19, (Amendment), Employee Benefits: Recognition and measurement of defined benefit pension expense and termination benefits, and to the disclosures for all employee benefits (effective from 1 January 2013).
- IFRS 9, Financial Instruments: Classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value (effective from 1 January 2013).
- IFRS 9, Financial Instruments: The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, 'Financial instruments: Recognition and measurement', without change, except for financial liabilities that are designated at fair value through profit or loss (effective from 1 January 2013).
- IFRS 13, Fair Value Measurement: Improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs (effective from 1 January 2013).
- IAS 32, (Amendment), Financial Instruments, Presentation: Clarification of some of the requirements for offsetting financial assets and liabilities on the statement financial position. (effective from 1 January 2014).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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2.1.2 Adoption of standards in future financial periods (continued)

- IAS 1 (Amendment), Presentation of financial statements: Clarification of the disclosure requirements for comparative information when an entity provides a third balance sheet either: as required by IAS 8, 'Accounting policies, changes in accounting estimates and errors'; or voluntarily. (effective from 1 January 2013).
- IAS 16 (Amendment), Property, plant and equipment: Clarification of spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. (effective from 1 January 2013).
- IAS 32 (Amendment), Financial instruments, Presentation: Clarification of the treatment of income tax relating to distributions and transaction costs. (effective from 1 January 2013).

BEC is currently assessing the impact of the application of these new standards, amendments and interpretations on BEC's financial statements in the period of initial application. At this time, the adoption of these standards and interpretations is only expected to have an impact on the classification and disclosure of items in BEC's financial statements.

(b) New standards, amendments and interpretations which are not relevant to the BEC's operations

Management assessed the relevance of the following new standards, amendments and interpretations with respect to the BEC operations and concluded that they are not relevant to the BEC.

- IFRS 1, (Amendment), First time adoption of International Financial Reporting Standards: First time adoption on government loans (effective from 1 January 2013).
- IFRS 10, Consolidated Financial Statements: Identify the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements (effective from 1 January 2013).
- IFRS 11, Joint Arrangements: Provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (effective from 1 January 2013).
- IFRS 12, Disclosures of Interests in Other Entities: Disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles (effective from 1 January 2013).
- IAS 27, (Amendment), Consolidated and Separate Financial Statements (effective from 1 January 2013).
- IAS 28, (Revised 2011), Associates and Joint Ventures: Requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11 (effective from 1 January 2013).
- Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities' (effective from 1 January 2013).
- IFRS 1, (Amendment), First Time Adoption of International Financial Reporting Standards: Application of IFRS 1 more than once under certain circumstances, clarification of adoption of IAS 23 (effective from 1 January 2013).
- IAS 34, (Amendment), Interim Financial Reporting: Bringing IAS 34 into line with the requirements of IFRS 8, 'Operating segments' (effective from 1 January 2013).
- IFRIC 20, Stripping costs in the production phase of a surface mine (effective from 1 January 2013).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2.2 Property, plant and equipment

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

- Buildings 50 years
- Furniture and fittings 10 years
- Office equipment 5 years
- Security system 3 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 carrying amount. These are included in the income statement.

2.3 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.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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2.4 Capital work-in-progress

Properties in the course of construction for rental, administrative purposes or for purposes not yet determined, are carried at cost less any identified impairment loss. When the properties are ready for use or a completion certificate has been issued, such properties are transferred to property, plant and equipment. Depreciation is not charged when properties are still under construction.

2.5 Intangible assets

(a) Licenses

Separately acquired licenses are shown at historical cost. Licenses that have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licenses over their estimated useful lives of 3 years.

(b) Computer software

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

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

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

Computer software costs recognised as assets are amortised over their estimated useful lives from time its ready for the intended use, which do not exceed three years.

2.6 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 fixed assets funded by the capital grant is recognised as income in the statement of comprehensive income. Subsequent movement of fixed assets in terms of sale and impairment are treated accordingly in the capital grants.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

2.7 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 assets are presented in the financials by setting up the grants as capital grant which is recognised as income on a systematic and rational basis over the useful life of the asset.

2.8 Financial assets

2.8.1 Classification

BEC 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.

(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. BEC's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the statement of financial position (note 2.9 and 2.10).

(c) Available-for-sale financial assets

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

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2.8 Financial assets (continued)

2.8.2 Recognition and measurement

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

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

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

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

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

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

2.8.3 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.

2.8 Financial assets (continued)

2.8.4 Impairment of financial assets

(a) Assets carried at amortised cost

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

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

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. 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, BEC may measure impairment on the basis of an instrument's fair value using an observable market price.

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

(b) Assets classified as available for sale

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

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2.9 Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of operation. 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.

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

2.10 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 shown within borrowings in current liabilities on the statement of financial position.

2.11 Related parties

A party is deemed related to BEC if they are members of the Council.

2.12 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operation from suppliers. Accounts payable 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 accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Provisions

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

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

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

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2.14 Foreign currency translation

2.14.1 Functional and presentation currency

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

2.14.2 Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the statement of comprehensive income 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 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.

2.15 Revenue recognition

2.15.1 Government subventions

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

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

2.15.2 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.

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2.15 Revenue Recognition (continued)

2.15.3 Interest income

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

2.16 Employee benefits

BEC contributes to a defined contribution pension plan for its permanent citizen employees. The contributions are recognised as employee benefit expense when they are due. A defined contribution plan is a pension plan under which BEC 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.

2.17 Income taxes

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

3 Financial risk management

3.1 Financial risk factors

BEC's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, and price risk), credit risk and liquidity risk. BEC's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on BEC's 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 BEC'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, BEC enters into transactions denominated in foreign currencies and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to British pounds. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

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3.1 Financial risk factors (continued)

At 31 March 2013, if the functional Currency had weakened/strengthened by 1% against the British Pound, with all other variables held constant, surplus for the year would have been P 30,691 (2012: P 32,961) higher/lower, mainly as a result of foreign exchange gains/losses on translation of British Pound-denominated bank balances and trade payable.

At 31 March 2013, if the functional Currency had weakened/strengthened by 1% against the South African Rand, with all other variables held constant, surplus for the year would have been P 49 (2012: P 455) higher/lower, mainly as a result of foreign exchange gains/losses on translation of South African Rand trade payable.

(ii) Cash flow and fair value interest rate risk

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

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

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

At 31 March 2013, if interest rates on interest-bearing assets had been 0.5% higher/lower with all other variables held constant, surplus for the year would have been P 434,659 (2012: P 1,354,046) higher/lower, mainly as result of higher/lower interest income on interest-bearing assets.

(iii) Price risk

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

(b) Credit risk

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

Refer note 16 for disclosure on credit risk. No credit limits were exceeded during the reporting period.

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3.1 Financial risk factors (continued)

(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 BEC. At the reporting date, BEC held short term deposit of P 70,036,059 (2012: P 55,009,578) and other liquid assets of P 16,894,080 (2012: P 217,720,067) that are expected to readily generate cash inflows for managing liquidity risk.

BEC's financial liabilities as given in the table below consist of accounts payable with a maturity period of less than 12 months from the reporting date. The analysis of financial liabilities into relevant maturity groupings are based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than six months	Between six and twelve months
	P	P
At 31 March 2013		
Trade and other payables	3,195,992	-
	Less than six months	Between six and twelve months
	P	P
At 31 March 2012		
Trade and other payables	6,849,630	-

3.2 Capital management

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

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

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3.3 Fair value estimation of financial instruments

Effective 1 January 2009, the BEC adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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

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

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

Residual value and useful lives of property, plant and equipment

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

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5 Expenses by nature	2013 P	2012 P
Direct costs		
External examinations fees	21,953,140	50,679,586
Rebates	-	(22,805,632)
	21,953,140	27,873,954
Examiners' meals	11,188,077	9,765,550
Invigilation fees	11,270,798	10,294,563
Marking fees	19,848,799	19,234,750
Moderation fees	1,650,028	1,530,061
Printing costs	5,155,491	5,435,313
Other direct costs	2,150,485	2,460,368
Travel and subsistence allowances	32,439,167	32,629,551
Venue hire costs	5,735,432	4,384,722
	111,391,417	113,608,832
Administrative expenses		
Advertising, marketing and publicity	1,712,111	2,485,854
AEAA expenses	2,465,004	-
Amortisation of intangible assets (Note 10)	1,201,130	951,586
Auditors' remuneration		
Provision for the year	246,000	196,000
Under provision-prior year	50,000	-
Consultancy fees	2,632,820	1,187,498
Depreciation (Note 9)	8,681,024	6,683,660
Excellence awards	1,627,741	1,044,703
Insurance	1,654,262	1,490,788
Licenses and subscriptions	2,025,224	1,969,738
Meals and entertainment expenses	686,421	1,243,679
Other expenses	4,954,997	4,986,026
Printing and stationery	2,086,158	1,776,441
Repairs and maintenance	4,314,448	1,793,604
Salaries (Note 7)	52,889,399	50,435,633
Telephone, courier, freight and postage	2,264,478	1,994,042
TIMMS expenses	383,467	975,265
Training expenses	2,223,722	2,379,733
Travel and subsistence allowances	3,798,452	3,221,521
	95,896,858	84,815,771
Total direct costs and administrative expenses	207,288,275	198,424,603

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6 Other income	2013	2012
	P	P
Amortisation of capital grants	4,768,606	4,584,570
Exchange loss	(148,101)	(2,613,355)
Profit on disposal of property, plant and equipment	69,800	-
Sale of tender documents	53,000	75,500
Sundry income	1,895,336	1,460,275
	<u>6,638,641</u>	<u>3,506,990</u>
7 Staff costs	2013	2012
	P	P
Salaries and allowances	43,691,989	40,304,663
Gratuity	3,078,824	4,819,281
Leave pay	2,131,626	1,784,092
Pension costs- defined contribution plan	3,986,960	3,527,597
	<u>52,889,399</u>	<u>50,435,633</u>
Number of employees	<u>183</u>	<u>193</u>
8 Finance income and costs	2013	2012
	P	P
Finance costs		
Exchange loss	(75,579)	-
Finance income		
Interest received - bank	7,991,870	6,238,808
Exchange gain	-	264,076
	<u>7,991,870</u>	<u>6,502,884</u>
Net finance income	<u>7,916,291</u>	<u>6,502,884</u>

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9 Property, plant and equipment

	Buildings	Motor vehicles	Capital work-in progress	Security system	Computer equipment	Office equipment	Furniture and fittings	Total
	P	P	P	P	P	P	P	P
At 1 April 2011								
Cost	86,163,220	5,758,473	931,021	-	5,955,759	6,794,675	3,585,041	109,188,189
Accumulated depreciation	(2,435,763)	(959,851)	-	-	(2,472,612)	(1,683,441)	(504,031)	(8,055,698)
Net book amount	83,727,457	4,798,622	931,021	-	3,483,147	5,111,234	3,081,010	101,132,491
Year ended 31 March 2012								
Opening net book amount	83,727,457	4,798,622	931,021	-	3,483,147	5,111,234	3,081,010	101,132,491
Additions	-	-	6,048,278	-	646,578	222,751	298,419	7,216,026
Depreciation	(1,723,264)	(1,305,663)	-	-	(1,916,965)	(1,368,361)	(369,407)	(6,683,660)
Closing net book amount	82,004,193	3,492,959	6,979,299	-	2,212,760	3,965,624	3,010,022	101,664,857
At 31 March 2012								
Cost	86,163,220	5,758,473	6,979,299	-	6,602,337	7,017,426	3,883,460	116,404,215
Accumulated depreciation	(4,159,027)	(2,265,514)	-	-	(4,389,577)	(3,051,802)	(873,438)	(14,739,358)
Net book amount	82,004,193	3,492,959	6,979,299	-	2,212,760	3,965,624	3,010,022	101,664,857
Year ended 31 March 2013								
Opening net book amount	82,004,193	3,492,959	6,979,299	-	2,212,760	3,965,624	3,010,022	101,664,857
Additions	-	568,052	3,727,484	-	835,624	786,199	201,385	6,118,744
Transfers	-	-	(10,706,783)	5,880,760	-	1,356,288	3,469,735	-
Disposals	-	(149,374)	-	-	-	-	-	(149,374)
Depreciation	(1,723,266)	(1,326,817)	-	(1,633,381)	(1,860,672)	(1,625,753)	(511,135)	(8,681,024)
Closing net book amount	80,280,927	2,584,820	-	4,247,379	1,187,712	4,482,358	6,170,007	98,953,203
At 31 March 2013								
Cost	86,163,220	6,035,064	-	5,880,760	7,437,961	9,159,913	7,554,580	122,231,498
Accumulated depreciation	(5,882,293)	(3,450,244)	-	(1,633,381)	(6,250,249)	(4,677,555)	(1,384,573)	(23,278,295)
Net book amount	80,280,927	2,584,820	-	4,247,379	1,187,712	4,482,358	6,170,007	98,953,203

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9 Property, plant and equipment (continued)

The above assets include the assets purchased for the BNEPS project.

	Office equipment and furniture P	Computer equipment P	Total P
At 31 March 2013			
Cost	1,416,323	4,073,069	5,489,392
Accumulated depreciation	(762,390)	(4,072,664)	(4,835,054)
Net book amount	653,933	405	654,338

10 Intangible assets

	BEC Software P	BEC Website P	BNEPS Licence fee P	BNEPS Programmes P	Total P
Year ended 31 March 2012					
Opening net book amount	445,229	200,936	1,332,377	7,833,643	9,812,185
Additions	377,527	179,290	-	6,224,516	6,781,333
Amortisation charge	(285,397)	-	(666,189)	-	(951,586)
Closing net book amount	537,359	380,226	666,188	14,058,159	15,641,932
At 31 March 2012					
Cost	1,295,428	380,226	1,998,566	14,058,159	17,732,379
Accumulated amortisation	(758,069)	-	(1,332,378)	-	(2,090,447)
Net book amount	537,359	380,226	666,188	14,058,159	15,641,932
Year ended 31 March 2013					
Opening net book amount	537,359	380,226	666,188	14,058,159	15,641,932
Additions	161,077	-	356,734	5,950,099	6,467,910
Amortisation charge	(360,610)	(95,057)	(745,463)	-	(1,201,130)
Closing net book amount	337,826	285,169	277,459	20,008,258	20,908,712
At 31 March 2013					
Cost	1,456,505	380,226	2,355,300	20,008,258	24,200,289
Accumulated amortisation	(1,118,679)	(95,057)	(2,077,841)	-	(3,291,577)
Net book amount	337,826	285,169	277,459	20,008,258	20,908,712

Intangible assets relates to costs incurred towards the computerisation project (the BNEPS programme) as well as other software acquired by BEC. Intangible assets are amortised in accordance with policy note 2.5.

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11 Inventories	2013	2012
	P	P
Consumable stocks - at cost	672,442	769,428
12 Receivables	2013	2012
	P	P
Prepayments	176,934	655,113
Other receivables	1,496,221	1,719,870
	1,673,155	2,374,983

The fair values of receivables equal to the carrying amount.

As of 31 March 2013 (2012: Nil) there were no other receivables that were past due but not impaired.

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

The carrying amounts of the BEC's other receivables are denominated in Botswana Pula.

13 Cash and cash equivalents	2013	2012
	P	P
Cash at bank	16,894,080	217,720,067
Short term deposits	70,036,059	55,009,578
Cash on hand	1,669	1,450
	86,931,808	272,731,095

Short term deposits denotes funds invested in Stanlib Investments Management Services, BancABC and Capital Bank Limited.

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

	2013	2012
	P	P
Cash at bank	16,894,080	217,720,067
Short term deposits	70,036,059	55,009,578
Cash on hand	1,669	1,450
	86,931,808	272,731,095

The cash at bank also comprises of the following amounts denominated in foreign currency which are held with Barclays Bank of Botswana.

	2013	2012
	P	P
British Pounds 245,230 (2012 : 277,204)	3,069,212	3,178,943

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14 Capital grants	2013	2012	
	P	P	
Government grants			
Balance at beginning of year	30,318,019	17,559,473	
Capital grant received during the year	2,706,780	15,000,000	
Less: Amortisation of Government grants	(2,425,490)	(2,241,454)	
Balance at end of year	30,599,309	30,318,019	
Capital assets granted by Botswana Government			
Balance at beginning of year	83,928,079	86,271,195	
Less: Amortisation	(2,343,116)	(2,343,116)	
Balance at end of year	81,584,963	83,928,079	
Total grants at end of year	112,184,272	114,246,098	
15 Trade and other payables	2013	2012	
	P	P	
Trade payables	1,778,560	2,156,642	
Accrued expenses	539,182	3,815,784	
Other payables	878,250	877,204	
Provisions (Note 15.1)	4,466,632	8,406,423	
Deferred revenue	9,000,000	194,392,388	
	16,662,624	209,648,441	
15.1 Provisions	Gratuity	Leave pay	Total
	P	P	P
As at 1 April 2012	5,721,931	2,684,492	8,406,423
Provision for the year	3,078,824	2,131,626	5,210,450
Payment during the year	(6,908,517)	(2,241,724)	(9,150,241)
As at 31 March 2013	1,892,238	2,574,394	4,466,632

The carrying amount of BEC's trade and other payables denominated in foreign currency are as follows:

	2013	2012
	P	P
British Pounds 2,392 (2012: 12,577)	29,401	144,367
South African Rands 5,287 (2012: 46,632)	4,909	45,949
	34,310	190,316

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16 Analysis of financial instruments

(a) Financial instruments by category

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

Loans and receivables:

	2013	2012
	P	P
Assets as per statement of financial position		
Other receivables excluding prepayments (Note 12)	1,496,221	1,719,870
Cash and cash equivalents (Note 13)	86,931,808	272,731,095
	88,428,029	274,450,965

Other financial liabilities at amortised cost:

	2013	2012
	P	P
Liabilities as per statement of financial position		
Trade and other payables (Note 15)		
	3,195,992	6,849,630

(b) Credit quality of financial assets

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

Cash at bank and short-term bank deposits

Barclays Bank of Botswana Limited	Not rated	9,612,277	12,587,764
First National Bank of Botswana Limited	Not rated	7,281,803	205,098,219
Capital Bank Limited	Not rated	28,785,248	32,208,576
African Banking Corporation Botswana Limited	Not rated	6,155,831	34,084
Stanlib Investment Management Services	Not rated	35,094,980	22,801,002
		86,930,139	272,729,645

BEC only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. BEC has deposits with Barclays Bank of Botswana Limited, First National Bank of Botswana Limited, Capital Bank Limited, African Banking Corporation Limited and Stanbic Investment Management Services. There are no credit ratings available in Botswana.

Barclays Bank of Botswana Limited is listed on the Botswana Stock Exchange and is a subsidiary of Barclays Bank plc, which is listed on the London Stock Exchange and has a credit rating of A (Fitch rating).

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 in South Africa. Standard Bank South Africa is listed on the Johannesburg Stock Exchange and has a credit rating of BBB.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

16 Analysis of financial instruments (continued)**(b) Credit quality of financial assets (continued)**

African Banking Corporation Botswana Limited is a subsidiary of ABC Holdings. African Banking Corporation Limited has its primary listing on the Botswana Stock Exchange and a secondary listing on the Zimbabwe Stock Exchange.

Capital Bank Limited is a subsidiary of First Merchant Bank Limited (FMB), Malawi, a listed company in 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 including local shareholders of Botswana.

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

	2013	2012
	P	P
17 Cash (utilised in) / generated from operations		
Operating surplus	3,088,377	8,300,504
Adjustment for:		
Depreciation (Note 9)	8,681,024	6,683,660
Amortisation of intangible assets (Note 10)	1,201,130	951,586
Amortisation of capital grants (Note 14)	(4,768,606)	(4,584,570)
Profit on disposal of property, plant and equipment	(69,800)	-
Changes in working capital:		
Inventory	96,986	(93,171)
Trade and other receivables	701,828	(1,380,631)
Trade and other payables	(192,985,817)	78,662,092
Cash (utilised in) / generated from operations	(184,054,878)	88,539,470

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2013	2012
	P	P
Net book amount (Note 9)	149,374	-
Profit on disposal of property, plant and equipment	69,800	-
Proceeds from disposal of property, plant and equipment	219,174	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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18 Related party transactions

Related parties are Members of Council and senior management of the Botswana Examinations Council. The transactions carried out with the related parties during the year are as follows;

	2013	2012
	P	P
Management - basic salary	2,422,341	2,405,333
Management - allowances	706,855	652,057
Management - gratuity and leave pay	847,859	709,563
Management - total	<u>3,977,055</u>	<u>3,766,953</u>
Sitting allowances-board members	247,772	81,068
	<u>4,224,827</u>	<u>3,848,021</u>

19 Pension fund

BEC operates a non-contributory pension scheme for its employees, which is provided based on period of service of employees. The pension fund is a defined contribution fund managed by Alexander Forbes Financial Services Botswana (Proprietary) Limited. Other than the regular contributions to be made in terms of the Rules of the Fund, BEC does not have any other liabilities to the fund.

20 Contingent liabilities

Members of Council confirm that there were no contingent liabilities outstanding as at 31 March 2013.

21 Commitments

At year end, Botswana Examination Council had the following capital nature project;

Botswana National Examinations Processing System (BNEPS)

The total approved budget for the project is P 41,000,000. Total accumulated project expenditure as at the year end was P 30,622,357 and committed funds at the year end was P 10,377,643.

22 Events after the reporting period

There were no events that occurred after the reporting date which would require adjustments to or disclosures in these financial statements.

DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013
ANNEXURE I

	Note	2013 P	2012 P
Revenue	1	203,738,011	203,218,117
Costs of revenue			
Direct costs	2	111,391,417	136,414,464
Rebates		-	(22,805,632)
		111,391,417	113,608,832
Gross surplus		92,346,594	89,609,285
Other income	3	6,638,641	3,506,990
Administrative expenses			
Advertising, marketing and publicity		1,712,111	2,485,854
AEAA expenses		2,465,004	-
Amortisation of intangible assets		1,201,130	951,586
Auditors' remuneration		296,000	196,000
Bank charges		260,675	324,503
Consultancy fees		2,632,820	1,187,498
Depreciation		8,681,024	6,683,660
Electricity and water		582,012	725,102
Excellence awards		1,627,741	1,044,703
General expenses		303,288	210,579
Hotel and accommodation		769,103	1,035,952
Insurance		1,654,262	1,490,788
Legal fees		113,847	513,041
Licenses and subscriptions		2,025,224	1,969,738
Meals and entertainment expenses		686,421	1,243,679
Miscellaneous		115,938	149,719
Motor vehicle expenses		796,857	478,769
Office cleaning and supplies		521,413	615,762
Printing and stationery		2,086,158	1,776,441
Recruitment costs		608,373	211,862
Repairs and maintenance		4,314,448	1,793,604
Salaries	4	52,889,399	50,435,633
Security		377,041	442,971
Sitting allowance		247,772	81,068
Staff welfare		258,678	196,698
Telephone, courier, freight and postage		2,264,478	1,994,042
TIMMS expenses		383,467	975,265
Training expenses		2,223,722	2,379,733
Travel and subsistence allowances		3,798,452	3,221,521
		95,896,858	84,815,771
Operating surplus		3,088,377	8,300,504

"This detailed income statement does not form part of the audited financial statements covered by the audit opinion on pages 39.

NOTES TO THE DETAILED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013
ANNEXURE II

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1 Revenue	2013	2012
	P	P
Government subvention	195,079,983	194,245,461
Certification fees	412,343	167,632
Registration fees	8,145,110	8,681,509
Remarking fees	100,575	123,515
	203,738,011	203,218,117
2 Direct costs	2013	2012
	P	P
ABE and student expenses	349,125	147,813
Consultancy	229,989	487,760
Examiners' meals	11,188,077	9,765,550
External examinations fees	21,953,140	50,679,586
Grading and grade review	419,069	406,740
Honorarium	8,082	36,106
Invigilation fees	11,270,798	10,294,563
Marking fees	19,848,799	19,234,750
Moderation fees	1,650,028	1,530,061
Other examination administration	932,748	1,210,986
Printing costs	5,155,491	5,435,313
Setting fees	211,472	170,963
Travel and subsistence allowances	32,439,167	32,629,551
Venue hire costs	5,735,432	4,384,722
	111,391,417	136,414,464
3 Other income	2013	2012
	P	P
Amortisation of capital grants	4,768,606	4,584,570
Exchange loss	(148,101)	(2,613,355)
Profit on disposal of property, plant and equipment	69,800	-
Sale of tender documents	53,000	75,500
Sundry income	1,895,336	1,460,275
	6,638,641	3,506,990
4 Salaries	2013	2012
	P	P
Acting allowances	313,260	325,510
Management salary, allowances, gratuity and leave pay	3,977,055	3,766,953
Pension costs	3,986,960	3,527,597
Salaries	44,612,124	42,815,573
	52,889,399	50,435,633

"These notes to the detailed income statement do not form part of the audited financial statements covered by the audit opinion on pages 39.