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Cover Idea and concept developed by **Kobedi Motswagae** of Limkokwing University of Creative Technology under the theme: **Innovation Improving Lives**

About CIPA

The Companies and Intellectual Property Authority (CIPA) is mandated to register businesses and protect intellectual property rights through the administration of four (4) pieces of legislation, namely;

The Companies Act (CAP 42:01), which provides for the incorporation of companies; registration of post incorporation returns and notices; monitoring of post incorporation returns and reservation of company names.

Registration of Business Names Act (CAP 42:05), which provides for reservation and registration of business names, post registration notices such as change of ownership and cessation of businesses.

Copyright and Neighbouring Rights Act, (CAP 68:02) which provides for the protection of the rights of authors, artists and creators, as well as protection of their literary and artistic creations, which are generally referred to as "works". These works include novels, poems, plays, films, musical works, and artistic works such as drawings, paintings, photographs and sculptures.

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Industrial Property Act, (CAP 68:03) which provides for the protection of industrial property rights in relation to patents, trademarks, utility model certificates, industrial designs, traditional knowledge, layout designs of integrated circuits, geographical indications and handicrafts.

The Authority is headed by the Registrar General who oversees the operations of all divisions of the Authority and ensures that it achieves the mandate for which it was set up.

CIPA as an entity responsible for the registration of businesses and protection of Intellectual Property, represents Botswana in International Organisations such as the World Intellectual Property Organization, African Regional Intellectual Property Organization and Corporate Registers Forum.

Our Vision:

To be the leading Business Registration and Intellectual Property Authority contributing to making Botswana the No.1 business destination in Africa by 2020.

Our Mission:

To protect the interests of Investors and Right Holders by providing efficient and accessible Business Registration and Intellectual Property services.

Our Values:

Customer Focus: We continuously seek to understand our customers' needs and focus on satisfying them. We put the client first in all decisions that we make.

Innovation: We encourage a culture of creativity

at all levels of our organisation, an environment for creating new ways of providing services and improving our processes to meet the ever changing needs of our clients.

Integrity: We strive to continuously do the right things. To be consistent with services provided to our clients, being open, honest and accountable as an organisation. We promise to ensure that investor information is accurate and up to date.

Efficiency: We promise to always deliver superior service at a speed that will "WOW" our customers.



BOARD OF DIRECTORS



Mr Martinus P. Seboni
Board Chairperson



Mr Charles Siwawa
Board Vice Chairman
Finance and Audit Committee



Mr Norman Sebonego
Board Tender Committee,
Finance and Audit Committee



Mr Phazha Butale
Board Tender Committee



Mr Reginald Bakwena
Human Resource Committee



Ms Itumeleng Avril Moremong
Board Tender Committee



Dr Bernard Bulawayo
Human Resource Committee



Mr Ngele Gabriel Ngele
Finance and Audit Committee,
Human Resource Committee

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EXECUTIVE MANAGEMENT



Mr Conductor Paul Masena
Registrar General



Ms Pego M. Asaim
Board Secretary & Legal Advisor



Mr Timothy Moalusi
Registrar - Industrial Property



Ms Ntesang Sebetso
*Director - Compliance
Awareness & Client Services*



Mr Adam Marenga
Strategy Manager



Ms Keitseng Nkah Monyatsi
Copyright Administrator



Mr Mernard Mothetho
Director - Corporate Services



Ms Hilda Mocuminyane
*Registrar - Companies &
Business Names*



Mr Greene Sidney Kamakama
Director - Information Technology

CHAIRMAN'S REPORT



Notwithstanding the fact that inadequate funding for the Authority remained a major constraint, the Authority continued to prioritise and utilize the available limited resources to implement some of its key strategic drivers.

During the period under review, the Authority did exceptionally well in revenue collection, amounting to total revenue of P43, 520,411.11 against a set target of P40, 000, 000 based on the previous year's collection of P35, 823, 434.68, which was remitted to Government. This positive result indicates that, with additional funding to carry out its key projects, awareness activities and general operations, CIPA can achieve financial independence and long-term sustainability, fulfilling its rationale for being established as a Parastatal.

The main revenue driver for the authority remains the Companies and Business Names registrations, as well as post-incorporation or registration notices. It is gratifying to note that 90% of these new businesses were registered within the turnaround target of four (4) days, paving way for the registered entities to start businesses and contribute to developing diversified sources of economic growth, which is one of the priority areas of the 11th National Development Plan (NDP 11).

Due to limited awareness activities by the Authority during 2016/17, Intellectual Property (IP) filings remained low even for trademarks, which usually record high numbers occasioned by the need for businesses to brand themselves. During the next financial year, it is essential for the Authority to introspect and develop targeted programmes to create awareness on intellectual property, its benefits and role in the socio-economic development of our nation. There is a greater need for us to improve access for all Batswana including those in the rural areas to register their IP, and take advantage of exclusive rights granted to IP holders.

Stakeholder Relations

We are alive to the fact that the business community, and indeed Botswana's economy, relies on CIPA's ability to perform its mandate. Underpinned by our mission of protecting the interests of investors and rights holders, we understand that efficient execution of our mandate will contribute to economic growth, job creation and social development. It is for this reason that CIPA formalized relations with the Competition Authority (CA) as well as the Ministry of Youth Empowerment, Sport and Culture Development (MYSC) through the signing of memoranda of understanding in June 2016 and March 2017, respectively. The relationship with CA is already bearing fruit and making a positive impact in the doing business environment, by enabling a conducive environment for mergers and acquisitions among other key benefits. On

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Dear Valued Stakeholders,

It gives me great pleasure to present to you the Companies and Intellectual Property Authority (CIPA) annual report for the financial year 2016/17. This is the second such report since the organization was transformed from a Government department to a Parastatal. With the transition period having been fully and successfully completed in the previous financial year, during the period under review, the Authority was able to focus on directing its resources to the achievement of the five-year strategy, approved by the Board in April 2015. The Authority is now actively seeking to stabilize core operations while pursuing new opportunities to provide excellent service to our customers, as dictated by our core values of customer focus, innovation, integrity and efficiency.

Corporate Performance

The overall corporate performance for the Authority for the financial year 2016/17 stands at 80%.

CHAIRMAN'S REPORT...Cont

the other hand, the MoU with MYSC will see our customers benefitting from increased access to CIPA services through MYSC's countrywide footprint, and implementation will start in the upcoming financial year.

Company Secretaries remain one of CIPA's key stakeholders, as they provide services to the business community and, in the process, extend CIPA's presence in areas where we do not have offices. During the period under review, CIPA held a consultative workshop with all company secretarial associations, with the aim of introducing them to the new organization and bringing them on board with regards to key initiatives on the 5-year strategy. A new, collaborative and more positive relationship was forged during the forum, and we expect that our valued customers will reap the benefits during the next financial year and beyond.

Board of Directors

During the year under review, one of our Board members, Mr. Duncan Majinda, resigned from the CIPA Board of Directors. Mr. Majinda was Chairman of the Finance and Audit Committee of the Board, and played an instrumental role in guiding the Board on matters of finance and ensuring the sustainability of the Authority. He will be greatly missed. Following Mr. Majinda's resignation, the Minister appointed Mr. Ngele Gabriel Ngele to the Board. Mr. Ngele is currently Head of Internal Risk and Audit at Botswana Post. Having a career spanning over 20 years in organizations such as Debswana, Botswana Telecommunications Corporation, and Botswana Power Corporation, Mr. Ngele brings to the CIPA Board a wealth of experience in audit, risk management, management accounting and general finance, which justifies his appointment to the Chairpersonship of the Finance and Audit Committee of the Board and a member of the Human Resource Committee.

The year ahead

We are optimistic that the year ahead, which promises to be an engaging one for the Authority, will see CIPA on a path of continued growth and performance excellence. The Authority has set its sights on becoming a technologically innovative entity, and the coming year will be dedicated to completing the last phases of both the online company registry and the Modernization of the Intellectual Property Office with the assistance

of the Government of New Zealand and the World Intellectual Property Organization, respectively. Both projects will result in a complete transformation of the way the Authority conducts its business, with all its services being available online, an accomplishment, which will enable us to become a more efficient, customer-centric and agile organization in line with our vision of becoming the leading business registration and intellectual property Authority, contributing to making Botswana the No. 1 business destination in Africa by 2020.

Having been awarded the rights to host the Corporate Registers Forum in May 2018, an international body of company registration organizations, a greater part of the 2017/18 financial year will be dedicated to preparing for this critical event. It is through hosting and partaking in events such as this that the Authority benefits, through learning and benchmarking, from world class organizations that we will be able to achieve our customer value proposition of **Customer Centric** products that are accessible nationally and globally and delivered at **Speed** with superior **Service** and **Quality**.

Conclusion

I would like to take this opportunity to thank my fellow Board members for their dedication to the Authority despite a difficult year. I am also grateful to the Executive Management and the staff of CIPA across the country for their commitment in serving the customers, without whom we would not have achieved the milestones outlined in this report. I wish to also thank our customers for their patronage throughout the year, and encourage them to take their businesses to the next level by registering and protecting their intellectual property rights. Without our partners and stakeholders, our relevance will be questionable, hence our heartfelt appreciation for their continued support from which we have learned invaluable lessons. Finally, I wish to express my gratitude to our Shareholder, the Ministry of Investment, Trade and Industry, for their continued guidance and support.

Mr Martinus P. Seboni
Board Chairperson

REGISTRAR GENERAL'S REPORT



While, as expected, 2016/17 was a difficult year, we continued to improve our operational performance in most areas of our business. During the period under review the Authority experienced growth in revenue collection as evidenced by cumulative revenue of P43, 520, 411.11 an increase of 21.5% from the audited last financial year figure of P35, 823, 434.68 against the annual target of 10%. CIPA continues to maximise its revenue collection through registration of companies and business names in a bid to establish its self-sustainability in the coming years. The Authority's revenue driver remains Companies and Business names and associated post registrations notices and less income is generated from our equally important revenue stream of IP filings. Lower filings challenges CIPA to explore ways of increasing IP filings to widen the revenue base.

In line with our customer value proposition of Customer Centric products that are accessible nationally and globally and delivered at Speed with superior Service and Quality, we received positive feedback from our customers, resulting in a favourable customer satisfaction index, which was complimented by our ability to timeously resolve customer complaints. We also continued to conduct anti-piracy campaigns, in collaboration with the Botswana Police Service, to rid the market of pirated works. However, a lot remains to be done in this area to ensure that piracy offenders are prosecuted in the long run. This will be our area of focus during 2017/18.

Our core business systems remained stable for the greater part of the year, while, in line with our stakeholder expectations, our compliance to the implementation of signed MOUs also attained positive results. On the human capital front, the Authority continued to perform well, retaining 98% of its employees. As a service oriented organisation, it is essential for our employees to love and enjoy working at CIPA and to deliver value for our customers.

Despite the foregoing positive outlook, the year 2016/17 also saw significant headwinds, which dented our overall results. These included a decline in the starting a business indicator both globally (from 143 to 153) and in Sub-Saharan Africa (from 28 to 32), resulting in a low performance score of 40%; a decline in the turnaround time for companies and business names registration from an average of eight (8) days during 2015/16 to nine (9) days during 2016/17 and a decline in IP filings to a negative variance of 2.2% against an annual target of 8%. These factors impacted on our

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Overview

It is a huge privilege to be the Registrar General of the Companies and Intellectual Property Authority (CIPA), a unique organisation, which exists to register businesses and protect intellectual property rights, as summarised by our tagline of "Protecting Business Interests". I am privileged, once again, to report on our corporate performance as CIPA for the second year running.

The Companies and Intellectual Property Authority continues to anchor its performance on the five Year Strategic Plan (2015-2020) approved by the Board in 2015. Through the fifteen identified strategic objectives the Authority continues in its quest to attain efficient registration and Intellectual Property services which paves a way for us to be the leading Business Registration and Intellectual Property Authority by 2020.

REGISTRAR GENERAL'S REPORT ...Cont

performance for the year. We are banking on the introduction of the companies and business names online registration system to be implemented during 2017/18, provided legal reforms have been passed by Parliament, to improve our rankings in the starting a business indicator as well as improve company registration and business names registration from days to hours.

I will, herein, proceed to outline some of the key highlights of our performance during 2016/17:

INTELLECTUAL PROPERTY

Copyright

During the 2016/17 plan period, our oversight role over the Copyright Society of Botswana (COSBOTS), as espoused in the Copyright and Neighbouring Rights Act, came under the spotlight following complaints from COSBOTS members relating to maladministration and non-adherence to corporate governance principles. To address this matter, allay fears and give stakeholder assurance CIPA commissioned a forensic Audit over the running of the affairs of COSBOTS, which was successfully completed and its findings forwarded to competent authorities for further and necessary action to be taken. CIPA will continue to monitor implementation of the recommendations in the next financial year.

Still on copyright matters, Botswana, represented by CIPA ratified the Marrakesh Treaty on the 6th October 2016 in Geneva Switzerland paving way for the domestication of the treaty, which is meant to facilitate access to books by the blind, visually impaired and partly sighted. CIPA believes that the Treaty's objectives are consistent with Botswana's aspirations to include and provide for people living with disabilities.

The Authority received extensive coverage on its works in the creative industry through the levy on technical devices fund, during this 2016/17, where 24 projects were funded to the tune of P20, 269,684.14 covering various projects, including book publishing, film, arts and software

development. This is the second year CIPA has been administering the levy on Technical Devices fund, which was set up for the development of the creative industry.

Industrial Property

Through the technical assistance of the World Intellectual Property Organisation (WIPO), CIPA commenced the process for the development of the National Intellectual Property Policy, which is meant to shape the development and assimilation of intellectual property in all economic facets of Botswana. The Policy also aims at facilitating technology transfer and investment by adopting modern technologies and businesses to build Botswana as a knowledge economy; protecting creativity and creating incentives for producing new technologies and cultural assets in the creative industries; and supporting the national Industrial Development Policy for the economic diversification of Botswana. Stakeholder consultations on the development of this Policy commenced in February 2017. The draft Policy is expected to be in place by the end of the 2017/18 financial year.

In order to promote and protect creative ideas, including music, art, trademarks, writings, and inventions, WIPO launched the World Intellectual Property (IP) Day in the year 2000 and the day has been commemorated on an annual basis since then. The 2016 Annual IP Day commemoration was held on June 9, 2016 at the Limkokwing University Hall. The commemoration, held under the theme 'Digital Creativity: Culture Re-imagined' sought to explore how to create, distribute, access and commercially exploit culture in the digital age.

The commemoration was hosted in collaboration with the Copyright Society of Botswana (COSBOTS), Botswana Innovation Hub (BIH), Department of Research Science and Technology (DRST) and the Botswana Institute for Technology Research and Innovation (BITRI).

REGISTRAR GENERAL'S REPORT...Cont

ONLINE PROJECTS

The Companies and Business Names Online Registration Project is our flagship project, and we eagerly await its implementation. During the period under review, the project focussed on the legal reforms for both the Companies Act and Registration of Business Names Act, as well as the introduction of the Re-registration Act. CIPA submitted proposals to amend these laws in January 2017 with the plan to present the Bills to the July 2017 Sitting of Parliament. Once implemented, the online registration project will result in a radical transformation of our registry and service provision, where businesses and the public will be able to register companies and business names and make payments from the comfort of their homes and offices.

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IP Model Office

The Modernization of the Intellectual Property Office project continues to be implemented. The project aims at establishing an efficient and effective operational and technical framework for the business processes related to the intellectual property applications and registration processes. The data validation phase of the project, which commenced on 27th March 2017, is expected to be completed by 30th September 2017.

OFFICE ACCOMMODATION

The Authority operates under a constrained environment due to lack of Office accommodation for both Gaborone and Francistown, including inadequate information technology infrastructure. However, resources have been availed by the Ministry of Investment, Trade and Industry (MITI) for CIPA's two branches to relocate to new offices in the next financial year.

THE YEAR AHEAD

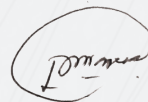
Looking ahead, we remain positive that the legal reforms will pass through Parliament during

2017/18, to pave way for the implementation of the companies and business names online registration system. To support our priority area of increasing technology to drive our operational excellence, the 2017/18 will see us develop and implement our ICT strategy. Further, during 2017/18, we will look to prioritise the development and implementation of the Risk Management Policy and Corporate Governance framework to inspire stakeholder confidence in our business processes. Our focus will also be on ensuring that all our key business processes are mapped, well defined and publicised to consolidate our service delivery promise to our customers.

I would like to thank the CIPA staff who have made it their business to ensure that the authority achieves its mandate. It is through dedication, hard work and commitment that we were able to achieve so much despite the limited resources. It is for this reason that, during 2017/18, employee focussed welfare initiatives will be our top priority to ensure that our employees remain motivated and fully engaged to deliver on the Authority's mandate.

I wish to also pay tribute to our Board, who have dedicated their time to serving the Authority with vigour and vigilance. It is through their strong leadership and guidance that we have remained on course to achieving our long-term goals as CIPA. I further wish to thank our cooperating partners; ARIPO, WIPO and New Zealand Companies Office for the generous support and cushioning at these critical stages of the Authority's development.

Thank you



Conductor Paul Masena
Registrar General

CORPORATE PERFORMANCE REPORT



Earn your success based on service to others, not at the expense of others.

H. Jackson Brown, Jr.

CORPORATE PERFORMANCE REPORT

Cipa Board Meeting Attendance 2016/2017

| | Full Board | | |
|-----------------------|------------|----------|----------|
| | 01.08.16 | 15.11.16 | 07.02.17 |
| Mr Martinus Seboni | √ | √ | √ |
| Mr Charles Siwawa | √ | √ | √ |
| Mr Duncan Majinda | √ | x | x |
| Mr Reginald Bakwena | x | √ | √ |
| Dr Bernard Bulawayo | √ | √ | √ |
| Mr Norman Sebonego | √ | √ | √ |
| Mr Phadza Butale | √ | √ | √ |
| Mr Ngele G Ngele | x | √ | √ |
| Ms Itumeleng Moremong | √ | √ | x |

| | Tender Board Committee | | |
|---------------------|------------------------|----------|----------|
| | 19.10.16 | 02.11.16 | 24.01.17 |
| Mr Reginald Bakwena | √ | √ | √ |
| Mr Duncan Majinda | | | |
| Mr Phadza Butale | √ | √ | √ |
| Mr Ngele G Ngele | | | √ |

| | Human Resource Committee | |
|---------------------|--------------------------|--|
| | 24.10.2016 | |
| Mr Norman Sebonego | √ | |
| Mr Charles Siwawa | x | |
| Dr Bernard Bulawayo | √ | |

| | Finance and Audit Committee | | | | |
|-----------------------|-----------------------------|----------|----------|----------|----------|
| | 08.04.16 | 22.07.16 | 03.11.16 | 26.01.17 | 22.03.17 |
| Mr Duncan Majinda | √ | √ | | | |
| Mr Norman Sebonego | √ | √ | √ | √ | √ |
| Ms Itumeleng Moremong | √ | √ | √ | √ | √ |
| Mr Ngele G. Ngele | | | | √ | √ |

CORPORATE PERFORMANCE REPORT

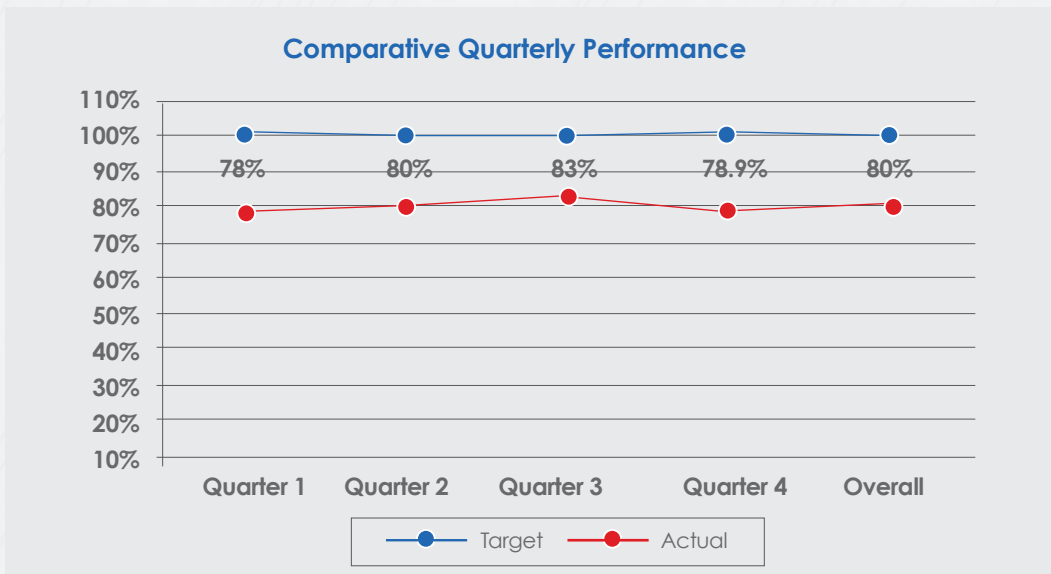
1.0 Corporate Performance Highlights for 2016/17

The overall corporate performance for the Authority for the financial year 2016/17 stands at 80%. This is a positive achievement in the midst of the financial challenges faced by the Authority. This positive result is attributable to the high achievement posted by the financial perspective at 100%, followed by learning and growth at 93%, internal processes perspective at 80% and the customer perspective at 75% as per table 1 below.

The results and impact perspective has been the lowest overall performer at 53.3%. This is mainly due to the negative performance recorded for the % increase in IP filings (-2.2%) and the low achievement in the starting a business ranking (40%) indicator. These have had a pull-down effect on the overall corporate performance of the Authority.

The results further indicate that the financial perspective has been consistent at 100% for all the four quarters, which is highly attributed to the Authority's excellent performance on revenue generation and budget utilisation indicators.

Figure 1: Comparative Performance – Quarterly Analysis 2016/17



CORPORATE PERFORMANCE REPORT...Cont

The comparative quarterly performance analysis indicates that there has been an upward trend in the Authority's performance from the first quarter to the third quarter of 2016/17 before a slight dip in performance was experienced for the 4th quarter. This is a clear indication that the Authority has not been able to sustain its performance, which is attributable to the current resource constrained environment the Authority is operating in, with a limited budget to carry out all its planned activities.

Despite these constraints, there has been increased implementation of initiatives during 2016/17 leading to the positive corporate performance. These include intensifying efforts on encouraging defaulting companies to pay annual returns; improved strategies to ensure compliance to annual returns; the development of business impact analysis for IPAS and CBNAS, implementation of the Wide Area Network (WAN), the completion of CBNAS migration and engagement with Company Secretaries on 9th February 2017 on the online registration project, among others.

On companies and business names registration, an average of nine (9) days has been achieved to process a total of 34, 021 applications for companies and business names out of the 49, 162 applications received from 1st April 2016 to 31st March 2017. Out of the total processed, 25, 752 were processed within an average of 3 days, whilst a total of 8 269 were processed outside the 4 days annual target, representing 60% achievement in terms of the Authority's companies and business names process performance parameter tool. Failure to meet the target of 4 days is attributable to the human capital constraints faced by the Authority to process the large number of

applications currently being received, including power cuts and system failures. Further, the length of time taken by customers without returning documents sent for corrections has also proven to be a challenge, given the limitations by the system to cut them off after some time.

In order to measure the extent to which customers are aware of the Authority's services, the Authority embarked on an awareness survey from October 2016 to January 2017, where an awareness index of 46% was achieved. This is a clear indication that a lot needs to be done to sensitise customers on the services offered by the Authority and that will improve resources permitting. On another positive, the Authority continued to offer outstanding customer service as evidenced by the high score of 84.5% for the customer satisfaction survey carried out during the third quarter of 2016/17.

On complaints resolution, the Authority has been able to satisfactorily resolve all the 87 online complaints lodged by clients, resulting in 100% achievement in the customer complaints indicator. Moreover, despite the limited funding, the Authority has been able to carry out three (3) targeted programmes against an annual target of four (4). As a result of this initiative, the Authority's services were taken to the people at Riverwalk mall in Gaborone, Mafenyatlala mall in Molepolole and Tsabong mall in Tsabong during the fourth quarter of 2016/17. In addition to the targeted programmes, the Authority continues to carry out outreach programmes to sensitise customers and stakeholders on its services. During 2016/17, the Authority carried out a total of 20 outreach activities against an annual target of eight (8) outreach programmes.

CIPA to implement ease of doing business reforms

• Signs MoU with Competition Authority

The Companies and Intellectual Property Authority (CIPA) has signed a Memorandum of Understanding (MoU) with the Competition and Consumer Protection Commission (CCPC) to implement ease of doing business reforms.

The MoU, signed in Harare, aims to streamline the regulatory process for intellectual property (IP) and competition law. It covers areas such as trademark registration, patent applications, and the handling of unfair trade practices.

CIPA's Managing Director, Mr. M. M. Magashira, stated that the MoU is a significant step towards creating a more business-friendly environment in Zimbabwe. He noted that the reforms will reduce the time and cost involved in registering IP, thereby encouraging innovation and investment.

The CCPC's Director General, Mr. M. M. Moyo, also expressed his support for the MoU, highlighting the importance of a competitive market for economic growth. He mentioned that the reforms will help in resolving disputes more efficiently and reducing the burden on businesses.

The MoU is expected to be implemented over the next few months, with CIPA and CCPC working closely to ensure a smooth transition to the new regulatory framework.

Daily Arts & Culture

Thursday March 23, 2017 04:41

Arts society emphasises creativity

By M. M. Magashira

BOZITANO — The Society for the Promotion of Arts and Culture (SPAC) has emphasised the importance of creativity in the creative industries. The society, which was established in 1982, has been instrumental in promoting the arts and culture in Zimbabwe.

SPAC's Managing Director, Mr. M. M. Magashira, stated that creativity is the lifeblood of the creative industries. He noted that the society has been working to create an enabling environment for artists and creatives to thrive. This includes providing training, mentorship, and access to markets.

Magashira mentioned that the society has been successful in attracting investment and support from both local and international stakeholders. He highlighted the importance of government support in this regard, as it plays a crucial role in the development of the creative sector.

The society has also been active in advocating for the rights of artists and creatives. This includes ensuring that they receive fair remuneration for their work and that their intellectual property is protected. Magashira stressed that a strong legal framework is essential for the growth of the creative industries.

Looking ahead, SPAC plans to continue its efforts to support and promote the creative sector. This includes launching more initiatives to foster creativity and innovation among young people. Magashira expressed his confidence in the future of the creative industries in Zimbabwe, provided that the necessary support and infrastructure are in place.

Daily Business

Friday March 24, 2017 04:14

Creative industries have potential to create jobs

By M. M. Magashira

BOZITANO — The Companies and Intellectual Property Authority (CIPA) has highlighted the potential of the creative industries to create jobs and drive economic growth. The authority, which is responsible for regulating intellectual property, has been instrumental in promoting the sector.

CIPA's Managing Director, Mr. M. M. Magashira, stated that the creative industries have a high potential for job creation. He noted that the sector is growing rapidly and is attracting significant investment. This is due to the increasing demand for creative products and services, both locally and internationally.

Magashira mentioned that the creative industries are also a key driver of innovation and technological advancement. He highlighted the importance of intellectual property protection in this regard, as it encourages investment in research and development. CIPA has been working to streamline the IP registration process to make it easier for businesses to protect their intellectual property.

The authority has also been active in promoting the creative sector through various initiatives. This includes providing training and mentorship to young creatives, as well as organizing events and exhibitions to showcase their work. Magashira expressed his confidence in the future of the creative industries in Zimbabwe, provided that the necessary support and infrastructure are in place.

CIPA urges the public to support the war against piracy

The Companies and Intellectual Property Authority (CIPA) has urged the public to support the war against piracy. The authority, which is responsible for regulating intellectual property, has been instrumental in promoting the sector.

CIPA's Managing Director, Mr. M. M. Magashira, stated that piracy is a major threat to the creative industries. He noted that piracy leads to a loss of revenue for artists and creatives, which in turn hinders their ability to create and innovate. This is particularly true in the music and film industries, where piracy has been rampant.

Magashira mentioned that the public has a crucial role to play in the fight against piracy. He urged consumers to purchase legitimate products and services, and to report any instances of piracy to the authorities. CIPA has been working to streamline the IP registration process to make it easier for businesses to protect their intellectual property.

The authority has also been active in promoting the creative sector through various initiatives. This includes providing training and mentorship to young creatives, as well as organizing events and exhibitions to showcase their work. Magashira expressed his confidence in the future of the creative industries in Zimbabwe, provided that the necessary support and infrastructure are in place.

Madrid System empowers local industries

Madrid System is a one-stop shop for trademark holders to obtain and maintain trademark protection in export markets. The system, which is managed by the Madrid System for the International Protection of Trademarks (WIPO), has been instrumental in empowering local industries.

The Madrid System allows trademark holders to file a single application for protection in multiple countries. This significantly reduces the time and cost involved in obtaining trademark protection in multiple jurisdictions. It also provides a more efficient and effective way of managing trademark portfolios.

The system has been particularly beneficial for small and medium-sized enterprises (SMEs) and startups, which often lack the resources to file multiple trademark applications. It has enabled them to protect their intellectual property in key export markets, thereby increasing their competitiveness and growth potential.

The Madrid System has also been instrumental in promoting the creative sector. It has enabled artists and creatives to protect their intellectual property in multiple countries, thereby ensuring that they receive fair remuneration for their work. This has encouraged investment in the creative sector and has led to the growth of the industry.

The Madrid System is a key tool for protecting intellectual property in the global market. It provides a more efficient and effective way of managing trademark portfolios, thereby empowering local industries and promoting economic growth.

Youth ministry, CIPA empower youth

The Youth Ministry and the Companies and Intellectual Property Authority (CIPA) have joined forces to empower young people. The initiative, which is part of the government's youth empowerment strategy, aims to provide young people with the skills and knowledge they need to succeed in the creative industries.

The Youth Ministry's Director General, Mr. M. M. Moyo, stated that young people are the future of the country. He noted that it is essential to provide them with the necessary support and training to ensure that they are equipped to take on the challenges of the 21st century. CIPA's Managing Director, Mr. M. M. Magashira, also expressed his support for the initiative, highlighting the importance of intellectual property protection in the creative sector.

The initiative involves providing young people with training in various areas, including intellectual property law, trademark registration, and branding. It also includes providing mentorship and access to markets for young creatives. The Youth Ministry and CIPA are working closely to ensure that the initiative is implemented effectively and that it reaches as many young people as possible.

The initiative is expected to have a significant impact on the creative sector. It will help to build the capacity of young people and enable them to create and protect their intellectual property. This will lead to the growth of the creative sector and the creation of jobs for young people.

12 BG OPINIONS GUARDIAN comment

Knowledge economy requires requisite policy environment

The knowledge economy requires a supportive policy environment to thrive. This includes a strong legal framework for intellectual property protection, access to capital and markets, and a skilled workforce. The government has a crucial role to play in creating this environment.

The knowledge economy is characterized by the production and distribution of knowledge-based products and services. This includes software, research and development, and creative products. The knowledge economy is a key driver of economic growth and innovation, and it has the potential to create high-paying jobs.

However, the knowledge economy also faces several challenges. These include the ease with which knowledge can be copied and distributed, the high cost of research and development, and the need for a highly skilled workforce. The government must address these challenges through a combination of policy interventions.

One of the most important policy interventions is the strengthening of intellectual property protection. This includes streamlining the IP registration process, reducing the time and cost involved in obtaining IP protection, and ensuring that IP rights are enforced effectively. A strong legal framework for IP protection is essential for encouraging investment in research and development.

Another important policy intervention is the provision of access to capital and markets. This includes providing young entrepreneurs with access to venture capital and other sources of financing, and providing them with access to international markets. This will help to reduce the financial barriers to entry in the knowledge economy and enable more young people to start and grow their businesses.

Finally, the government must invest in education and training to build a skilled workforce. This includes providing access to high-quality education and training, and providing opportunities for lifelong learning. A skilled workforce is essential for the knowledge economy to thrive.

The government has a crucial role to play in creating a supportive policy environment for the knowledge economy. By addressing the challenges faced by the knowledge economy and implementing the necessary policy interventions, the government can help to ensure that Zimbabwe is well-positioned to take full advantage of the opportunities offered by the knowledge economy.

Modest PSP

The government's performance in the past year has been modest. While there have been some achievements, there is still a long way to go in terms of economic growth, job creation, and social development. The government must continue to work hard to address the challenges facing the country.

The government has made significant progress in several key areas. This includes the implementation of the Economic Recovery Strategy, the strengthening of the legal framework for intellectual property protection, and the provision of access to capital and markets for young entrepreneurs. These achievements have helped to create a more business-friendly environment and to attract investment in the country.

However, there are still several challenges that the government must address. These include the need to improve the quality of education and training, the need to reduce the time and cost involved in obtaining IP protection, and the need to provide more support to young entrepreneurs. The government must continue to work hard to address these challenges and to ensure that Zimbabwe is well-positioned to take full advantage of the opportunities offered by the knowledge economy.

The government's performance in the past year has been modest, but it has shown that it is committed to addressing the challenges facing the country. By continuing to work hard and implementing the necessary policy interventions, the government can help to ensure that Zimbabwe is well-positioned to take full advantage of the opportunities offered by the knowledge economy.

CIPA ANNOUNCES BENEFICIARIES OF THE LEVY ON TECHNICAL DEVICES FUND

CIPA has announced the beneficiaries of the Levy on Technical Devices Fund. The fund, which is used to support the creative sector, has been instrumental in providing young creatives with the skills and knowledge they need to succeed. The beneficiaries of the fund include young people who have completed training and mentorship programs organized by CIPA.

The fund is a key tool for supporting the creative sector. It provides young creatives with access to training, mentorship, and other resources that they need to succeed. This has helped to build the capacity of young people and enable them to create and protect their intellectual property. The fund has also been instrumental in promoting the creative sector and in creating jobs for young people.

The beneficiaries of the fund are young people who have completed training and mentorship programs organized by CIPA. These young people have received the skills and knowledge they need to succeed in the creative industries. They are now able to create and protect their intellectual property, and they are beginning to build successful careers in the creative sector.

The fund is a testament to the government's commitment to supporting the creative sector and to providing young people with the necessary support and training to ensure that they are equipped to take on the challenges of the 21st century. CIPA's Managing Director, Mr. M. M. Magashira, expressed his confidence in the future of the creative industries in Zimbabwe, provided that the necessary support and infrastructure are in place.

CIPA disburses P to creative industry

CIPA has disbursed P to the creative industry. The money, which is part of the government's youth empowerment strategy, will be used to provide young people with the skills and knowledge they need to succeed in the creative industries.

The money will be used to provide young people with training in various areas, including intellectual property law, trademark registration, and branding. It will also be used to provide mentorship and access to markets for young creatives. CIPA's Managing Director, Mr. M. M. Magashira, stated that the money is a key tool for supporting the creative sector and for providing young people with the necessary support and training to ensure that they are equipped to take on the challenges of the 21st century.

The money will be disbursed to young people who have completed training and mentorship programs organized by CIPA. These young people have received the skills and knowledge they need to succeed in the creative industries. They are now able to create and protect their intellectual property, and they are beginning to build successful careers in the creative sector.

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CIPA Levy to boost creative industries

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CORPORATE PERFORMANCE REPORT...Cont

The outreach programmes included social media platform, newspaper articles, radio, seminars and workshops.

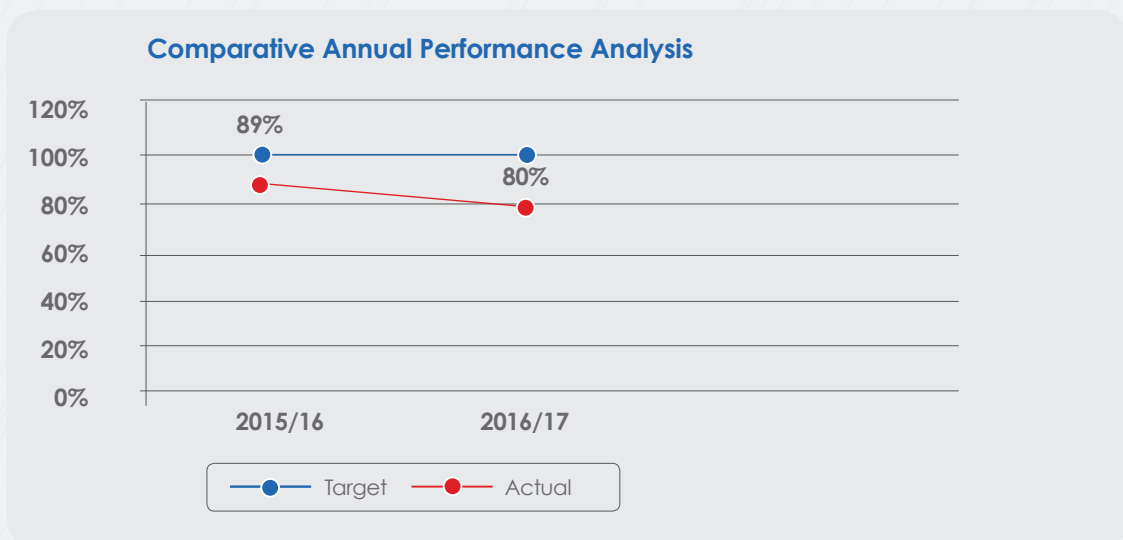
In its ongoing efforts to monitor compliance to the Copyright and Neighbouring Rights Act, planned anti-piracy campaigns were carried out in collaboration with the Botswana Police Service. During 2016/17, a total of nine (9) raids were conducted against an annual target of eight (8), resulting in the confiscation of over 9 000 pirated works valued at approximately P711 000. There, is however, a growing concern that penalties for the perpetrators are not deterrent enough as evidenced by the repeat offenses by those who violate the rights of copyright holders. The Authority is currently exploring the option of prosecuting offenders in collaboration with the Botswana Police Service and the Directorate of Public Prosecutions (DPP).

The Levy on Technical Devices Fund (LTDF) has recorded significant growth in the number of projects funded. A total of 24 projects were approved for funding to the tune of P20, 269, 684.14 against an annual target of ten (10) projects.

1.2 Comparative Annual Performance

As noted above, the overall corporate performance for CIPA during the 2016/17 financial year stands at 80%, which is 9% lower than the overall performance of 89% realized during 2015/16. The slight dip in performance for the 2016/17 financial year as compared with 2015/16 is due to the fact that there has been a general decline in the performance of all the perspectives during 2016/17 except the financial perspective, which continued to be consistent at 100%.

Figure 2: Comparative Performance – Annual Analysis



CORPORATE PERFORMANCE REPORT

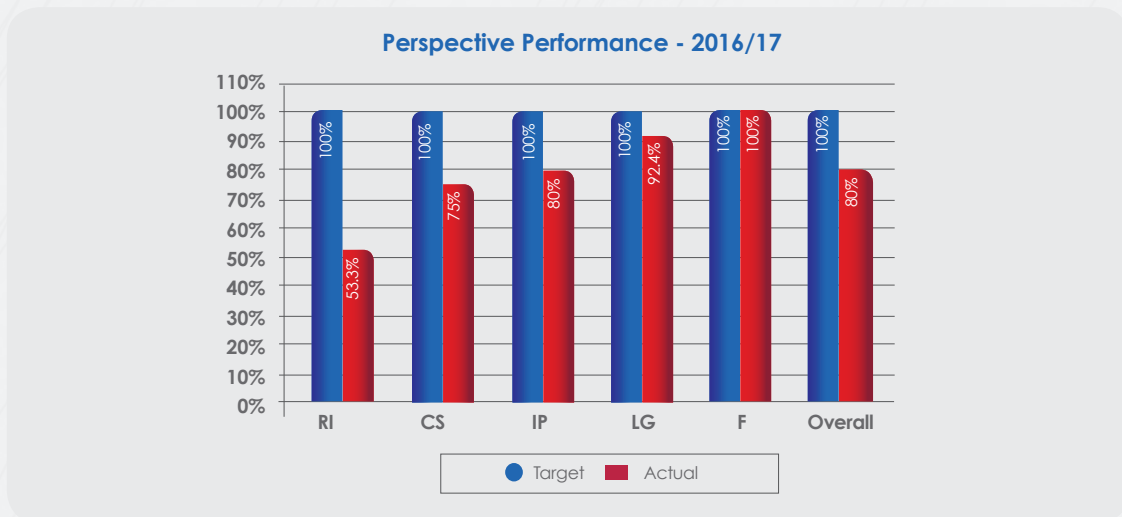
Perspective Performance

2.1 Perspective Performance Analysis for 2016/17

The analysis of the individual perspectives reflects that the financial perspective at 100%

is the highest performer, while the results and impact perspective is the lowest at 53.3% as shown on figure 3 below.

Figure 3: Perspective Performance Analysis for 2016/17



2.1.2 Results and Impact Perspective (RI)

The results and impact perspective has had a significant drop in performance from an overall of 70% during 2015/16 to an overall of 53.3% during 2016/17. This significant dip in performance could be attributed to the measure on % increase in IP filings where a -2.2% variance was recorded due to the decline in the number of IP filings from 1107 during 2015/16 to 1083 during 2016/17 against an annual target of 8%. This low performance in this KPI is directly linked to the limited number of awareness activities undertaken during 2016/17 due to financial constraints. This result augers well with the

29% awareness index for Industrial Property services achieved by the Authority on the in-house Awareness survey carried out during the third quarter of 2016/17.

The performance of the number of days taken to register a business/company measure, remained unchanged at 60%, as issues of system down time, manpower constraints and the failure by customers to return copies sent for correction continue to have a negative impact in the performance of this indicator. While the procurement of a stand-by generator and the 15 KV UPS during the third quarter were expected to resolve issues related to power failure and

CORPORATE PERFORMANCE REPORT

Perspective Performance...Cont

system failure, respectively, there has been a recent challenge relating to slow internet speed caused by low bandwidth, which has had a major impact on the performance of the indicator. The Authority is exploring the option of piloting each office branch on its own internet through BTC.

The starting a business ranking continued to underperform during 2016/17 due to Botswana's poor ranking in Sub-Saharan Africa where a decline in the indicator from 28 in 2016 to 32 in 2017 was recorded achieving a 40% performance. Legislative reforms aimed at improving the ease of doing business are currently being pursued through the review of the Companies Act, the Registration of Business Names Act and the enactment of the Re-registration Act. It is hoped the Bills will be presented to the July 2017 sitting of Parliament. The Authority's 2016/17 target for starting a business ranking was 20.

2.1.3 Customer and Stakeholder perspective (CS)

The customer and stakeholder perspective also dropped from 80% in 2015/16 to 75% in 2016/17 – a decline of 5%. The shortfall in performance could be attributed to the results of the in-house awareness survey carried out from October 2016 to January 2017, which achieved an overall awareness index of 46%. This low performance in the Authority's awareness index had a negative impact on the Authority's overall results for the customer and stakeholder perspective.

The Authority only managed to achieve 50% compliance to the engagement plan where 11 planned out of the 22 planned activities were carried out during 2016/17

due to budgetary constraints, resulting in 55% achievement. The Authority continues to perform well in dealing with customer complaints where all 87 complaints received during 2016/17 were dealt with satisfactorily, resulting in a 100% achievement in the % complaints resolved indicator, which augers well with the customer satisfaction index of 84.5% achieved during 2016/17. The Authority also managed to conduct three (3) targeted programmes for 2016/17 during the 4th quarter, largely through mall promotions against an annual target of four (4), resulting in 75% achievement.

2.1.4 Internal Processes perspective (IP)

The Internal Processes perspective has seen a decline of 15.5% from the 95% recorded during 2015/16 to 80% during 2016/17. Despite the decline in performance for this perspective when compared to 2015/16, some positive achievements have been noted. The greatest contributor to this achievement is the Improve Compliance objective where all indicators recorded a 100% score. However, the greatest improvement in performance for this perspective during 2016/17 has been in the % compliance to annual returns and % compliance to turnaround times, which improved from 31% and 34%, respectively during the second quarter to 62.4% and 91%, respectively at the end of the fourth quarter of 2016/17. Percentage (%) compliance to SLAs/MOUs also recorded a positive achievement of 94%, while compliance to the King Code of Corporate Governance recorded an 87.5% achievement. Both of these KPIs were not assessed during 2015/16.

All measures under this perspective were assessed except those relating to business

CORPORATE PERFORMANCE REPORT

Perspective Performance ...Cont

processes, namely; % critical processes mapped, % support processes mapped, % compliance to mapped processes and % critical business processes automated. It is anticipated these will be assessed once the initiative on the mapping of business processes is implemented during 2017/18.

2.1.5 Learning and Growth perspective (LG)

The learning and growth perspective generally performed well in both financial years, especially in relation to the assessed indicators of average employee performance, % posts filled and % staff retention. In terms of employee performance, 79.6% was achieved against an annual target of 75%, resulting in a performance score of 100%, while 85% was achieved for the % posts filled indicator. There has, however, been a decline in performance for the perspective from 100% during 2015/16 to 93% during 2016/17. This is attributable to the fact that most of the employees joined the Authority during 2015/16, which was the first year of full implementation of the strategy, and were still getting accustomed to their environment hence no staff turnover was recorded during 2015/16. However, during 2016/17, two employees resigned from the Authority on 31st December 2016 and 31st March 2017, resulting in the 98% staff retention recorded. It should, however, be emphasised that the situation relating to staff retention is highly volatile and is likely to

change if the Authority does not implement robust staff retention strategies in the short to medium term.

2.1.6 Financial perspective (F)

The financial perspective has been one of the key performance drivers of the Authority's corporate performance, especially in terms of the two indicators of % increase in revenue generated and % budget utilisation where 100% achievement was recorded from the first quarter to the fourth quarter of 2016/17. This is based on the excellent performance by the Authority in prudently utilizing the subvention from the Government, which stood at P31, 575, 644 by the quarter ending 31st March 2017, all of which was effectively utilised.

The Authority has also done exceptionally well in increasing revenue collection with year to year results as at 31st March 2017 standing at 21.5% against an annual target of 10%, representing over 100% achievement. This is an indication that, with additional funding to carry out its operations, CIPA can achieve financial independence as well as sustainability in the long-run, enabling it to pay Government a dividend, justifying its reason for existence. The remaining measure (% Sustainability) was not assessed, as it will only be measured once CIPA has been granted Authority to use part of the revenue it collects to run its operations.

CORPORATE PERFORMANCE REPORT

3.0 Weighted corporate performance

3.1 Table 2: Weighted Corporate Performance for 4th quarter 2016/17

| STRATEGIC OBJECTIVE | KPI | TARGET | KPI WEIGHT | ACTUAL | WEIGHTED PERFORMANCE | ACHIEVEMENT |
|---|---|---------------|------------|---------------|----------------------|--------------|
| Results and Impact Perspective | | | | | | |
| R1 Efficient Business Registration and IP Protection | Starting a business ranking | 20 (100%) | 5% | 32 (40%) | 2% | 40% |
| | % Disputes resolved | 60% | 1% | | | |
| | No of days taken to register a business | 4 days (100%) | 3% | 11 days (60%) | 1.8% | 60% |
| | % Increase in IP Filings | 6% | 2% | 0% | 0% | 0% |
| Total | | | | | | 33% |
| Customer Perspective (25%) | | | | | | |
| C1 - Increase Customer and stakeholder satisfaction | CSI | 83% | 3% | 84.5% | 3% | 100% |
| | % Compliance to engagement plan | 90% | 2% | 50% | 1.3% | 55% |
| | Starting a business ranking | 20 (100%) | 5% | 32 (40%) | 2% | |
| C2 – Increase Service Quality | % Complaints resolved | 90% | 2% | 100% | 2% | 100% |
| | % Disputes resolved | 60% | 1% | | | |
| | % Non-conformities Corrected | 95% | 1% | UR | UR | UR |
| C3 – Increase Access | % Services available online | 80% | 6% | UR | UR | UR |
| | No. of New alternative Access Channels | 2 | 2% | UR | UR | UR |
| C4 – Increase Awareness | Awareness Index | | 0.5% | 46% | 0.5% | 46% |
| | No. of targeted Programmes | 4 (100) | 0.5% | 3 | 0.375% | 75% |
| | % Compliance to re-registration | 50% | 2% | | UR | UR |
| Total | | | | | | 75.2% |

CORPORATE PERFORMANCE REPORT

3.0 Weighted corporate performance... Cont

| STRATEGIC OBJECTIVE | KPI | TARGET | KPI WEIGHT | ACTUAL | WEIGHTED PERFORMANCE | ACHIEVEMENT |
|--|--|---------------------|------------|-----------------------|----------------------|-------------|
| Internal Processes Perspective (35%) | | | | | | |
| IP1 – Improve Compliance Total | % Compliance to Annual Returns | 60% (annual target) | 4% | 62.4% | 4% | 100% |
| | % Compliance to renewals | 70% (704) | 2% | (1206) 100% | 2% | 100% |
| | No of Raids | 8 (2 per quarter) | 1% | 3 conducted during Q4 | 1% | 100% |
| | Compliance to TNTs | 90% | 3% | 91% | 3% | 100% |
| | No of days taken to register a business | 4 days (100%) | 3% | 11 days (60%) | 1.9% | |
| IP2 – Improve Operational Excellence | % Critical business processes mapped | 70% | 3% | UR | UR | UR |
| | % Support processes mapped | 50% | 2% | UR | UR | UR |
| | Number of projects funded | 10 (100%) | 3% | 24 projects | 3% | 100% |
| | % Compliance to mapped processes | 100% | 2% | | 2% | 100% |
| IP3 – Leverage ICT | % Critical business processes automated | 70% | 2% | UR | UR | UR |
| | % Systems availability | 98% | 3% | 82% | 2.45% | 82% |
| IP4 – Promote Effective Linkages and Partnerships | % Compliance to SLAs/ MOUs | 90% | 3% | 85% | 2.83% | 94% |
| IP5 – Ensure Corporate Governance | % Compliance to the King Code of Corporate Governance Principles | 80% | 4% | 70% | 3.5% | 87.5% |
| Total | | | | | | 95% |

CORPORATE PERFORMANCE REPORT

3.0 Weighted corporate performance... Cont

| STRATEGIC OBJECTIVE | KPI | TARGET | KPI WEIGHT | ACTUAL | WEIGHTED PERFORMANCE | ACHIEVEMENT |
|---|---------------------------------|--------|------------|--------|----------------------|-------------|
| Learning and Growth Perspective (30%) | | | | | | |
| L1 – Create a High Performance Culture | Average Employee Performance | 75% | 15% | 79.6% | 15% | 100% |
| | % Employee Engagement | 70% | 5% | UR | UR | UR |
| | % Posts filled | 100% | 3% | | 1% | 100% |
| | % Staff Retention | 100% | 7% | | 3% | 100% |
| Total | | | | | | 94.3% |
| Financial Perspective (10%) | | | | | | |
| F1 – Financial Sustainability | % Sustainability | TBC | 3% | UR | UR | UR |
| F2 – Improve Revenue Generation | % Increase in IP Filings | 6% | 2% | | | |
| | % Increase in Revenue Generated | 10% | 3% | 21.5% | 3% | 100% |
| F3 – Improve Resource Utilisation | % Budget Utilisation | 95% | 2% | 100% | 2% | 100% |
| Total | | | | | | 100% |

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Perspective Performance

Legend: 1. 80 - 100%



2. 51 - 79%



3. 0 - 50%

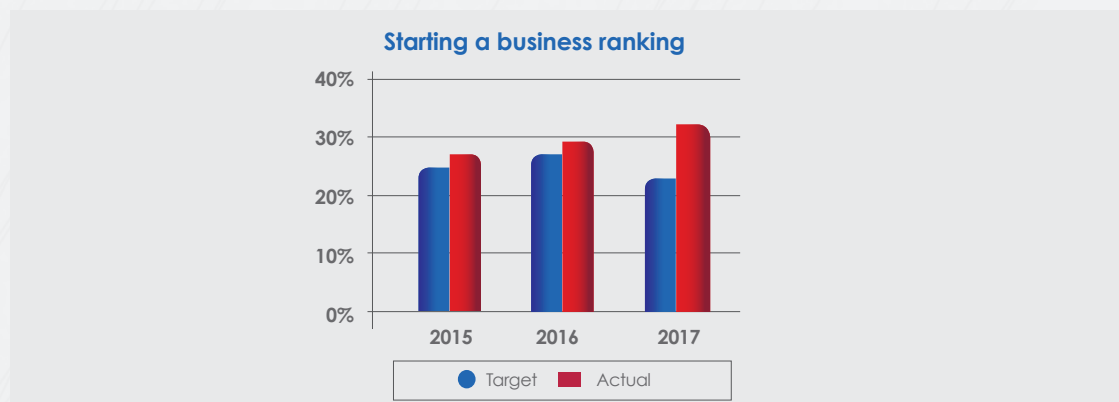


CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives

Objective: Efficient Business Registration and IP Protection

Objective Owner/ Department: Registrar, Companies & Business Names



Overall Doing Business rankings

| Year | Global | Sub-Saharan Africa |
|------|--------|--------------------|
| 2015 | 72 | 4 |
| 2016 | 72 | 3 |
| 2017 | 71 | 4 |

Starting a Business rankings

| Year | Global | Sub-Saharan Africa |
|------|--------|--------------------|
| 2015 | 135 | 26 |
| 2016 | 143 | 28 |
| 2017 | 153 | 32 |

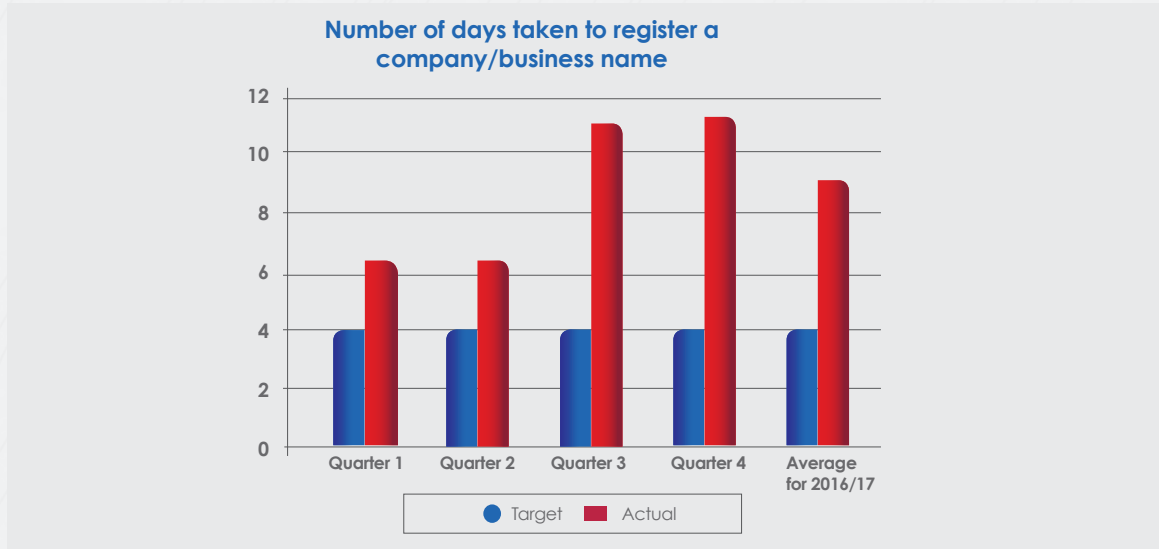
Performance Analysis

- During 2016/17, Botswana recorded a decline in the starting a business indicator both globally (from 143 to 153), a drop of 10 positions from the 2016 rating, and in Sub-Saharan Africa (from 28 to 32), giving us a score of 40% in terms of our performance parameters for the latter. The 2016/17 target for starting a business ranking was 20.
- Globally Botswana moved a notch up in the World Bank's Doing Business rankings 2017 from 72 to 71, while the country experienced a decline in Sub-Saharan Africa from position 3 to position 4. Some of the performance issues include:
 - Slow implementation of doing business reforms.
 - The online project which will improve Botswana's ranking is still on hold due to delays in legislative reforms.
 - Limited funds for infrastructure better suitable for online services.
 - Delays in the amendment of the laws (legislative reforms).

CORPORATE PERFORMANCE REPORT

Objective: Efficient Business Registration and IP Protection

Objective Owner/ Department: Registrar, Companies & Business Names



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Applications for Companies and Business Names during 2016/17

| Quarter | Total Received | Processed Within time | Processed outside time | Average TNT |
|---------|----------------|-----------------------|------------------------|-------------|
| Q1 | 15 602 | 7 546 (4 days) | 2 760 (10 days) | 7 days |
| Q2 | 13 177 | 4 157 (3 days) | 3 490 (12 days) | 7 days |
| Q3 | 10 730 | 6 413 (3 days) | 1 181 (19 days) | 11 days |
| Q4 | 9 653 | 7 636 (2 days) | 838 (20 days) | 11 days |
| Total | 49 162 | 25 752 (3 days) | 8 269 (15 days) | 9 days |

Performance Analysis

- An average of nine (9) days has been achieved to process a total of 34, 021 applications for companies and business names out of the 49, 162 applications received from 1st April 2016 to 31st March 2017.
- Out of the total processed, 25, 752 were processed within an average of 3 days, whilst a total of 8 269 were processed outside the 4 days annual target, representing 60% achievement in terms of the Authority's companies and business names process performance parameter tool.

The following issues have had a negative impact on the Authority's performance on this indicator:

- System downtime and system unreliability.
- Limited resources.
- Customers taking time to return documents sent for correction.
- Low level of awareness on CIPA services.
- Reliance on interns, TSPs and attached students due to human capital constraints.

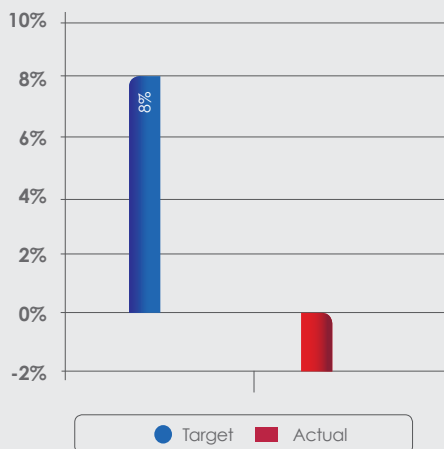
CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

Objective: Efficient Business Registration and IP Protection

Objective: Owner/ Department: Registrar, Industrial Property

% Increase in IP Filings



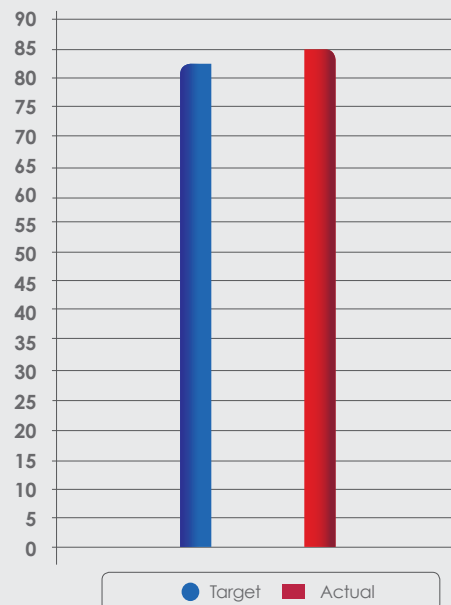
Performance Analysis

- A total of 1 107 trademark applications were received during 2015/16, while 1 083 were received during 2016/17, resulting in a decrease of 24 IP filings, which is negative variance of 2.2% $(1083 - 1107/1107)*100$ as at 31st March 2017.
- Lack of resources to conduct awareness activities has had a negative impact on the Authority's performance on this indicator.
- This negative result also means that customers are not benefiting from IP protection. The Authority plans to expedite the IP Model Office Project, which will provide a platform to create awareness as well as provide a more convenient way for customers to register their IP through online services.

Objective: Increase in Customer and Stakeholder Satisfaction

Objective Owner/ Department: Compliance, Awareness & Client Services

Customer Satisfaction Index



Performance Analysis

- The in-house customer satisfaction survey conducted from August 2016 to October 2016 produced a result of 84.5% achievement against a Customer Satisfaction index target of 83%, which is 1.5% above target. The survey was done in-house due to unavailability of funds. This means that the results may not necessarily reflect the prevailing customer service environment at CIPA due to the likelihood of bias. These are some of performance issues raised by customers in the survey:
 - Long queues.
 - Inconsistency in communicating or apologising to clients for delays in service.
 - At least two officers were singled out for negative behaviour to customers. Some of the recommendations of the survey, which the Authority will implement during

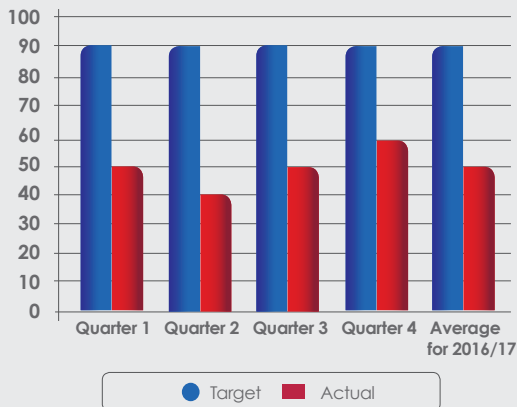
CORPORATE PERFORMANCE REPORT

the next financial year include continuous customer service training, and implementation of online services in order to reduce queues and improve the customer experience.

Objective: Increase in Customer and Stakeholder Satisfaction

Objective Owner/ Department: Director, Compliance, Awareness & Client Services

% Compliance to the Engagement Plan



Performance Analysis

- An average of 50% compliance to the engagement plan has been achieved from 1st April 2016 to 31st March 2017 against the annual target of 90%, representing 55% achievement. A total of 11 engagement activities were conducted from the engagement plan during 2016/17 out of the planned 22 activities for the year due to financial constraints.
- The engagements surrounding the online registry have been postponed until the legal reforms have been approved.
- Inadequate funds resulted in the inability to implement the rest of the engagement plan. However, during the next financial year various non-cost initiatives, as well as partnering with other institutions for stakeholder engagement will be explored.

Objective: Increase Service Quality

Objective Owner/ Department: Director, Compliance, Awareness & Client Services

% Complaints resolved Online



Performance Analysis

- Complaints are received and resolved by the relevant officers, including walk in customers, email complaints, and website complaints. During 2016/17, a total of 87 complaints were received all of which were resolved to the satisfaction of customers, representing 100% achievement against an annual target of 90%.
- The Complaints Procedure has been published in the CIPA website and all CIPA staff have been issued with complaints registers for compilation of customer complaints, this will allow recording of both online and offline complaints. Performance issues for this quarter included the following:
 - Inconsistencies in the compilation of customer complaints.
 - Inadequate funds for publishing complaints procedure in the mainstream media.

CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

Objective: Increase Awareness

Objective Owner/ Department: Director, Compliance, Awareness & Client Services



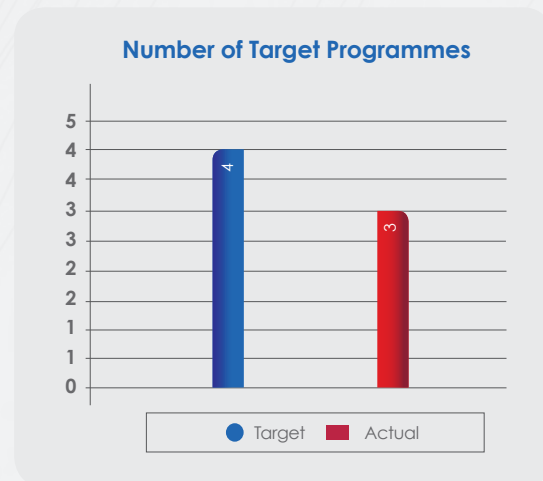
Performance Analysis

- In order to measure the extent to which customers are aware of the Authority's services, an in-house awareness survey was conducted from October 2016 to January 2017. According to the survey, the overall awareness index for CIPA services stands at 46%. The Companies and Business Names awareness was the highest at 52%, followed by Copyright at 37.8%, while Industrial Property was the lowest at 29%. Awareness for the CIPA Brand stood at 65%. Some of the performance issues from the survey from the customer point of view included the following:
 - Human capital constraints.
 - High turnaround times.
 - Ineffective queue management.
 - Strict provisions on payment of annual returns.
 - Low awareness.
 - Limited service channels.

The recommendation from the survey is to intensify awareness creation on all services, with a particular emphasis on copyright and industrial property.

Objective: Increase Awareness

Objective Owner/ Department: Director, Compliance, Awareness & Client Services



Performance Analysis

- During 2016/17, three (3) targeted programmes were conducted against an annual target of four (4), resulting in 75% achievement. The targeted programmes are in the form of large scale events where all CIPA services are brought to the people. The targeted programmes included the following:
 - Mall promotion at Riverwalk Mall.
 - Mall Promotion at Mafenyatlala Mall.
 - Taking CIPA services to the people: Tsabong Mall.
- The main performance issues faced by the Authority include the following:
 - Inadequate funds to implement targeted programmes on a larger scale for more impact and greater awareness on CIPA services. The above programmes were

CORPORATE PERFORMANCE REPORT

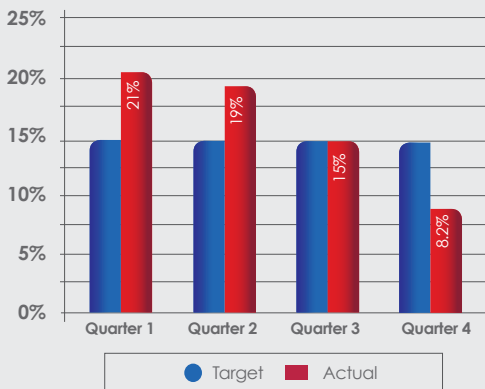
not conducted at a scale envisaged in the strategic plan.

- Limited service channels.

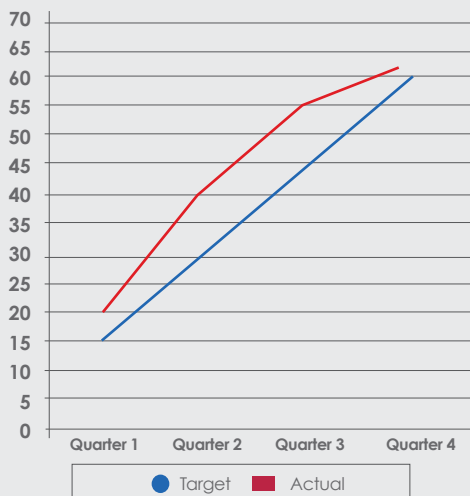
Objective: Improve Compliance

Objective Owner/ Department: Director, Compliance, Awareness & Client Services

% Compliance to Annual Returns (cumulative)



% Compliance to Annual Returns (cumulative)



Performance Analysis

- During 2016/17, a 62% cumulative compliance to Annual Returns has been achieved against an annual target of 60, resulting in over 100% achievement. The following performance issues continue to be experienced:

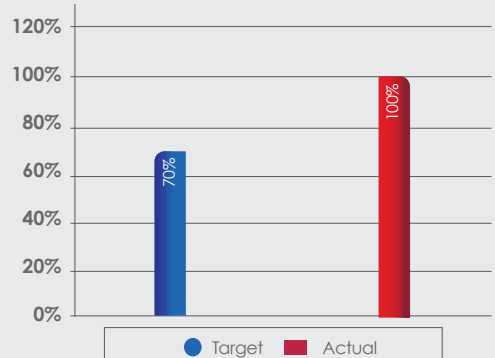
- Customers are not aware of annual returns;
- Outdated and unreliable information on our system;
- Human capital constraints, as Field Officers are not yet employed to investigate through field visits;
- Inadequate budget to facilitate the initiatives for pushing the compliance levels;
- There are no Compliance Officers and Field Assistants at the branch levels due to budgetary constraints;
- Some companies continue to operate despite being deregistered.

During the upcoming year the Division will focus on creating awareness campaigns, improving compliance in the outstations and sensitizing third parties on the risks involved in operating and contracting companies that have been deregistered due to non-compliance.

Objective: Improve Compliance

Objective Owner/ Department: Registrar, Industrial Property

% Compliance to Renewals



CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

Performance Analysis

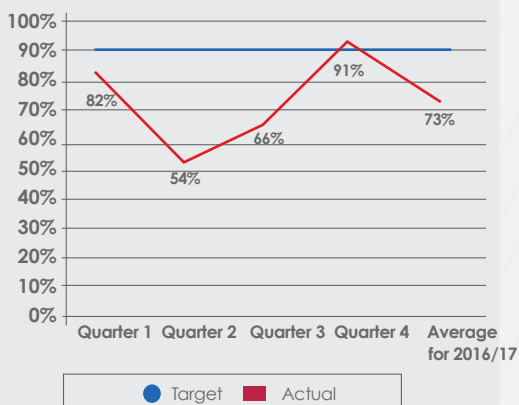
- A total of 1 206 trademark applications were renewed during 2016/17 against the 704 trademarks due for renewal from 1st April 2016 to 31st March 2017, resulting in over than 100% compliance. The actual trademarks renewed are over by 502 as it includes spill overs from previous periods where applicants paid a late renewal fee and those whose files were missing and were able to be processed in this period.
- The major performance issue is the failure by trademark holders to renew their trademarks on time, which results in the backlog in the number of trademarks to be renewed during a particular period. This further puts a strain on the Authority's Trademark Examiners who have to deal with an influx of renewal applications.

The division will continue to create awareness around the need to renew IP rights and the implications of failure to renew.

Objective: Improve Compliance

Objective Owner/ Department: Registrar, Companies & Business Names

% Compliance Turnaround times



Performance Analysis

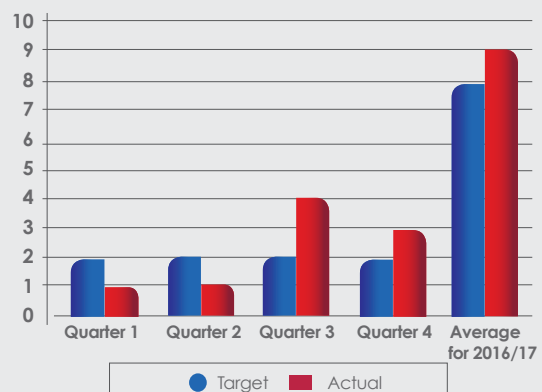
- The average of 73% compliance to Turnaround for the registration of companies and business names for 1st April 2016 to 31st March 2017 was realized against a target of 90%, representing 81% achievement. There are performance issues, which continue to affect compliance to Turnaround times and these include:
 - Power cuts and System failures (CBNAS and IPAS).
 - Large volume of applications received for companies and business names against limited human capital.
 - Failure by customers to return documents sent for correction on time.
 - Shortage of human capital for registration of companies and business names.

The implications for failing to meet turnaround times are increased customer complaints, backlogs and loss of revenue. It is expected that the upcoming online registry will assist the division to meet and exceed turnaround times, and the next financial year will be devoted towards its implementation.

Objective: Improve Compliance

Objective Owner/ Department: Director, Compliance, Awareness & Client Services

Number of Raids Conducted



CORPORATE PERFORMANCE REPORT

Raids conducted during 2016/17

| Quarter | Dates | Venue | # of raids | # of Works | Value of works (Pula) |
|---------|--------------------------|---|------------|------------|-----------------------|
| Q1 | 07/04/16 | Gaborone | 1 | 716 | 57, 280 |
| Q2 | 02/09/16 | Gaborone | 1 | 1489 | 119, 120 |
| Q3 | 11,24/11/16 & 8,16/12/16 | Tlokwen, Mogoditshane & Gaborone (Old Naledi) | 4 | 1287 | 102, 960 |
| Q4 | 15,17, 21/3/17 | Gaborone (Broadhurst), Mogoditshane and Mochudi | 3 | 6114 | 489, 120 |
| Total | | | 9 | 9606 | 711, 200 |

Performance Analysis

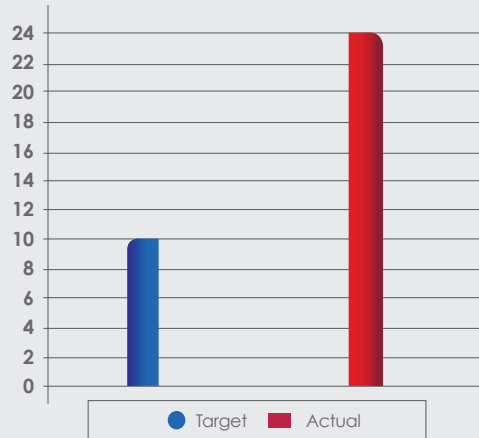
- A cumulative total of nine (9) raids were conducted during 2016/17 against an annual target of eight (8), representing over 100% achievement. The raids were conducted in a number of areas as per the table below. During the raids, a total of 9606 pirated works, valued at approximately P 711, 200 were confiscated.
- The following performance issues continue to be experienced:
 - The penalties for perpetrators are not deterrent enough, as in most cases they admit to the charge and pay fines.
 - Those nabbed on the streets are not the sources of this activity as indications are that there are those who reproduce the works in large quantities.
 - Lack of funds to cascade raids to outstations.

In order to improve the enforcement landscape, the division will continue to lobby for the prosecution of offenders through engagements with the Botswana Police Service and the Directorate of Public Prosecutions. The division will also engage in investigations to determine the source of pirated goods.

Objective: Improve Operational Excellence

Objective Owner/ Department: Copyright Administrator

Number of Projects Funded



Performance Analysis

- A total of P20, 269, 684.14 has been approved for the funding of 24 beneficiaries for the Levy and Technical Devices Fund (LTDF) in August 2016 against the annual target of 10, representing over 100% achievement.
- Memoranda of Agreements have been signed with all the twenty-four Beneficiaries between December 2016 and March 2017. To date, a total of P7, 250, 334.12 has been

CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

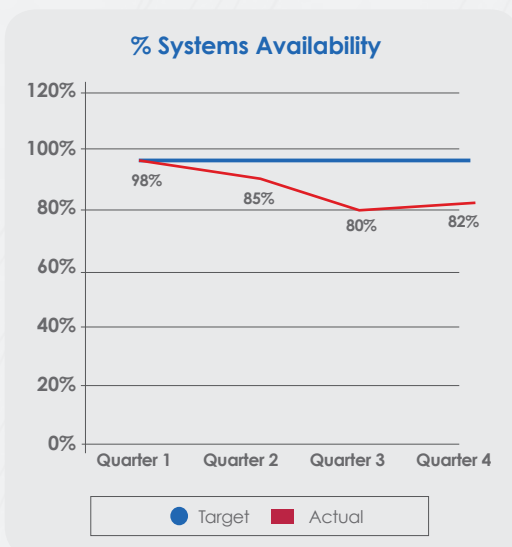
disbursed for activities of the first phases of the projects.

- These are some of the performance issues for noting:
 - The evaluation process is laborious and takes quite some time.
 - Applicants appeal decisions of the LTDF Committee but the Guidelines are silent on appeals.
 - Delays in the disbursement of funds.
 - Failure by some beneficiaries to adhere to terms and conditions of MOAs.
 - Human capital constraints to work on issues relating to the Fund, including servicing the Committee and supervising projects.

In order to improve the LTDF process, efficiency and accessibility to the industry, it is necessary to review the guidelines of the fund. This initiative will be carried out in the next financial year.

Objective: Leverage ICT

Objective Owner/ Department: Director, Information Technology



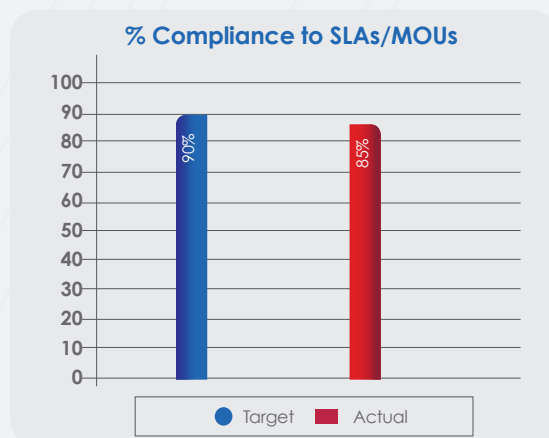
- During 2016/17, IPAS and CBNAS have been available at 82% on average during 2016/17 against the annual target of 98%. The following are some of the performance highlights for the quarter under this measure:
 - Business impact analysis developed for both IPAS and CBNAS.
 - All systems are backed up to tapes.
 - High availability has been achieved by utilising clustered servers.
 - WAN for CIPA has been implemented successfully.
 - Tender for the email project has been awarded.
 - Firewall and Proxy successfully deployed to detect and block unauthorised traffic.
 - Backup Generator and UPS have been installed for business continuity.

- Slow internet speed has had a major impact on the performance of the measure.
- Problems with the new environment hosting the IPAS system.
- Old CBNAS operating system resulting in system failure.

Objective: Promote Effective Linkages and Partnerships

Objective Owner/ Department: Registrar, Companies & Business Names

- CIPA continues to collaborate with strategic



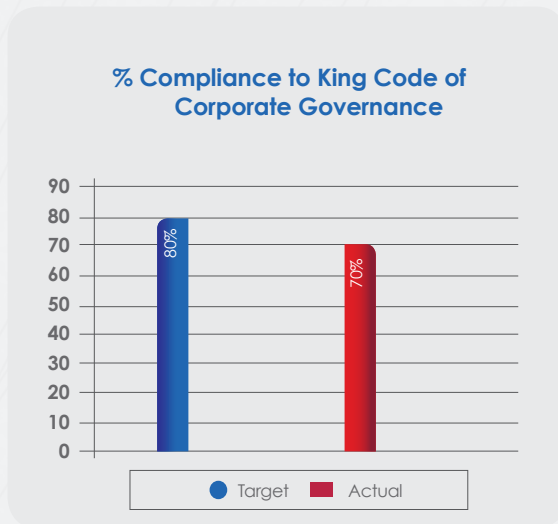
CORPORATE PERFORMANCE REPORT

partners to enhance its customer value proposition. During 2016/17, two (2) MOUs were signed with the Competition Authority (CA) in June 2016 and MYSC (28 March 2017) to add to the existing MOU signed with BURS in September 2015. In terms of the implementation of the deliverables for these MOUs, an 85% compliance has been realised against the target of 90%, resulting in 94% achievement.

- In terms of the CIPA/BURS MOU, BURS continues to facilitate the removal of the remaining 43 000 companies to which CIPA has sent an initial 110 000 companies list of non-compliant companies. The Authority also continues to collaborate with CA on awareness activities and the sharing of information needed for the processing of amalgamations after the Competition Authority has approved the company mergers. Engagements with MYSC are currently ongoing to establish a committee to operationalise the MOU.

Objective: Ensure Corporate Governance

Objective Owner/ Department: Board Secretary



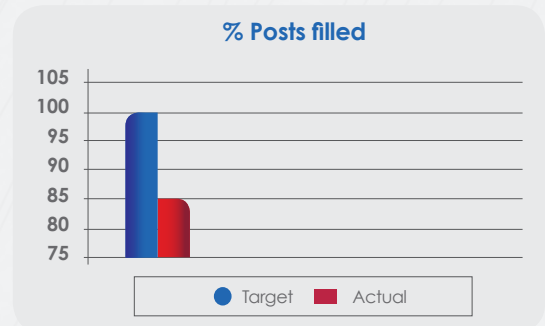
Performance Analysis

- CIPA continues to adhere to corporate governance principles under the King Code of Governance. Out of the 15 principles contained in its draft governance framework, the Authority has attained a compliance rate of 70% against an annual target of 80%, resulting in 87.5% achievement. These include; the Board charter; terms of reference for Board committees and the shareholder compact.
- The CIPA Act requires the Board to meet at least once every quarter. To date, the Board and its committees has achieved 100% compliance to its meeting schedules. The Committees and the Board formed the quorum in all instances. All eight (8) Board members are in place and their tenure of appointment is valid. Some of the performance issues include:
 - Delays in finalising a governance framework.
 - Risk Management Policy to address and manage operational and financial risks is still in draft form.

During the upcoming year the office will prioritize the development of the governance framework, the development of the Risk Management Policy as well as conduct the Board Evaluation.

Objective: Improve HR Capacity

Objective Owner/ Department: Director, Corporate Services



CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

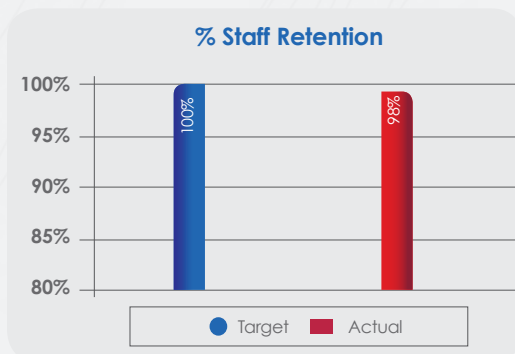
Performance Analysis

- The recruitment plan was developed and successfully implemented. However, only 81 out of 95 positions were filled, representing 85% achievement. The remaining positions were deferred to the 2017/18 financial year due to budgetary constraints. The following are some of the performance issues:
 - Human capital constraints to drive the Authority's mandate.
 - Slow service delivery.
 - Overreliance of interns and temporary staff.

Priority areas for the division for the next financial year include sourcing funds to fill the remaining positions, as well as re-prioritizing resources in order to focus on staff welfare.

Objective: Improve HR Capacity

Objective Owner/ Department: Director, Corporate Services



Revenue Generated: 2015/16 - 2016/17

| Year | Q 1 | Q2 | Q3 | Q4 |
|--|------------------|------------------|-----------------|-------------------------|
| 2015/16 | P9, 724, 145.66 | P8, 153, 916.05 | P8, 320, 173.15 | P11, 207, 852.29 |
| Cumulative total for 2015/16 as at Q4 (less funds from ARIPO due to CIPA @P1, 582, 652.47) | | | | P35, 823, 434.68 |
| 2016/17 | P12, 352, 118.30 | P10, 411, 680.20 | P9, 580, 591.90 | P11, 176, 020.71 |
| Cumulative total for 2016/17 as at 31 st March 2017 | | | | P43, 520, 411.11 |

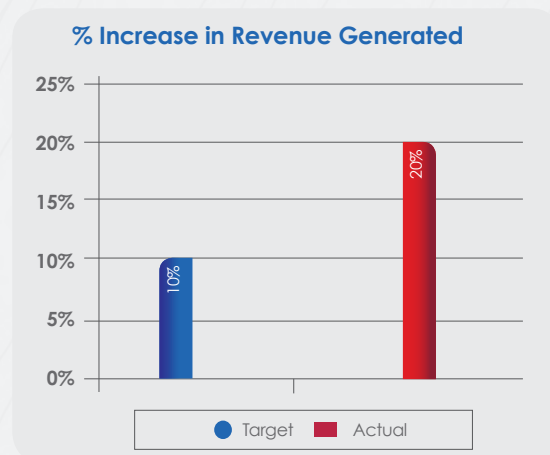
Performance Analysis

- As at 31st March 2017, the Authority recorded two staff resignations out of the total establishment of 81, which represents 98% staff retention against a target of 100%.
- Despite this positive achievement, many of our employees have shown some disgruntlement with poor work environment caused by lack of a proper office space.

While staff retention is currently very high, any loss of key personnel will undermine effective strategy implementation and continued operational efficiency. The Authority will therefore focus on the development of retention and talent management strategies. Acquiring office accommodation will also be a key priority area in order to improve the work environment as well as the customer experience.

Objective: Improve Revenue Generation

Objective Owner/ Department: Director, Corporate Services



CORPORATE PERFORMANCE REPORT

4.0 In-depth performance analysis of strategic objectives ... Cont

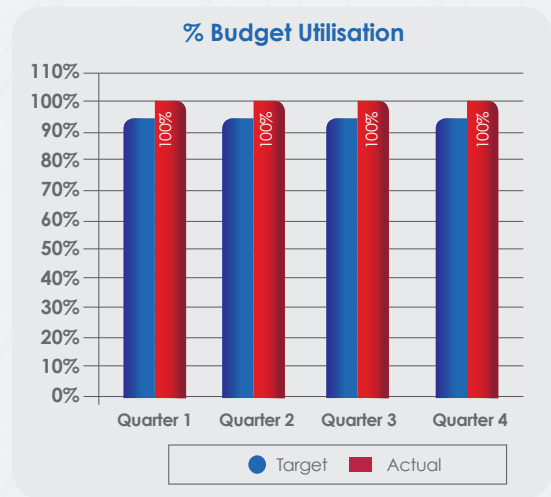
Performance Analysis

- In line with the rationale to establish CIPA as an autonomous body, thereby reinforcing its self-sustainability in the long run, the Authority has generated a total cumulative revenue of P43, 520, 411. 11 from 1st April 2016 to 31st March 2017. This is an increase of 21.5% from the cumulative figure of P35, 823, 434.68 collected during the 2015/16 financial year, against a target of 10%, representing a 100% performance score.
- The vigorous efforts being employed by the Authority to encourage companies to pay annual returns and the increase in the number of applications for companies and business names experienced due to Government Programmes such as the ESP may have contributed to the positive achievement in this measure. More than 60% of the revenue collected by CIPA is generated from post-incorporation processes, which include annual returns, changes to companies, share transactions, among others.

- The downside is that most of the companies are failing to honour their annual returns payment contractual agreements, while some are slow to respond and comply.

Objective: Improve Resource Utilization

Objective Owner/ Department: Director, Corporate Services



Budget Utilisation from 1st April 2016 to 31st March 2017

| 2016/17 P32, 025, 056 | Q1 | Q3 | Q3 | Q4 |
|--------------------------|--------------|--------------|--------------|--------------|
| Allocated | P8, 006, 391 | P8, 006, 391 | P8, 006, 391 | P7, 556, 471 |
| Utilised | P8, 006, 391 | P8, 006, 391 | P8, 006, 391 | P7, 556, 471 |
| % Utilisation | 100% | 100% | 100% | 100% |

Performance Analysis

- The initial subvention of P32, 025, 056 was revised downward with a 5% reduction. As at 31st March 2017, the P31, 575, 644 (less the 5%) received from MITI as at 31st March 2017 was fully utilised representing over 100% achievement.
- Performance issues relates to the inadequate budgetary allocations, which negatively impact on the Authority's delivery on its mandate.

The inadequate budget continues to inhibit effective strategy implementation and undermines the achievement of the organizational mandate. The division will continue to monitor the budget and advocate for the Authority to utilize part of the revenue it collects.

CORPORATE PERFORMANCE REPORT

5.0 CONCLUSION AND RECOMMENDATIONS

The Authority's overall corporate performance of **80%** from 1st April 2016 to 31st March 2017 is a decline of 9% as compared with the overall corporate performance of **89%** attained during 2015/16.

The low performance of the results and impact (mandate) perspective has had a negative impact in the overall performance of the Authority during 2016/17. This is attributable to the poor performance in the % increase in IP filings and starting a business ranking indicators.

In order to improve corporate performance, the Authority needs to focus its efforts towards ensuring that its key strategic initiatives that support the core side of business are aggressively implemented. More emphasis needs to be placed in the core mandate area of starting a business ranking and creating awareness on IP services to improve IP filings. While the average turnaround time of nine (9) days was achieved to register companies and business names against the annual target of four (4) days during 2016/17, resulting in 60% achievement, was a satisfactory performance, more needs to be done to resolve the issue of customers who delay in returning documents found to have errors, which leads to lengthy turnaround times for companies and business names registration. The average performance on the indicator is also linked to system challenges, as it continues to count rejections as unattended applications and does not have the capability to cut off customers who do not respond on time. The solution to this

persistent bottleneck is the implementation of the online registration system, which has the inbuilt capacity to cut off customers who delay in resubmitting applications returned for errors.

The delays in the finalization of the legislative reforms have also negatively impacted on the implementation of the online registration system and all its associated strategic initiatives such as company re-registration. With comments on all the proposed Bills having been re-submitted to the Attorney General's Chambers during the 4th quarter of 2016/17, it is hoped that the Bills will be finalised in time for the July 2017 session of Parliament.

Resource constraints, both human and financial, have had a serious negative impact in the performance of the Authority and urgently need to be addressed. On the other hand, the Authority will continue to prioritise its limited resources to meet the most critical needs of the business in line with its business model. Despite the excellent performance recorded in the learning and growth perspective, the Authority needs to strengthen its human capital capacity to handle the ever changing customer needs through continued staff training, mentoring and coaching. The Authority should also develop robust staff retention strategies in order to retain the current staff. The provision of an ambient office accommodation for both Gaborone and Francistown offices was a key priority for the Authority during 2016/17 and will continue to be pursued during 2017/18.



CIPA PERFORMANCE HIGHLIGHTS



Public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and to the nation

Margaret Chase Smith

CIPA Performance Highlights

1. Signing of MoUs with Strategic Partners

CIPA continues to collaborate with strategic partners to enhance its customer value proposition. During 2016/17, memoranda of understanding (MoU) were signed with the Competition Authority (CA) in June 2016 and the Ministry of Youth Empowerment, Sports and Culture Development (MYSC) on 28 March 2017 to add to the existing MoU signed with BURS in September 2015. In terms of the implementation of the deliverables for these MOUs, an 85% compliance has been realized against the set target of 90%.

With regards to the CIPA/BURS MoU, BURS continues to facilitate the removal of non-compliant companies from the Companies Register by issuing no objection letters, and information sharing amongst both parties is now regular and more efficient. The Authority also continues to collaborate with CA on awareness activities and the sharing of information needed for the processing of amalgamations after the Competition Authority has approved the company mergers. Engagements with MYSC are currently ongoing to establish a committee to operationalize the MoU.

A significant milestone in the journey towards modernizing and refining business registration processes was achieved on the 16th July 2016 with the signing of an MoU between the Government of Botswana and the Government of New Zealand. The MoU was for the implementation of an online registration system that will facilitate provision of an end-to-end customer experience which will ensure that customers are able to register their companies from the comfort of their homes or offices online, pay required fees online and receive their certificates of incorporation without visiting CIPA offices. The project, funded to the tune of P7million by the Government of New Zealand, will be delivered during 2018, and will ensure faster and more accurate business registration processes, thereby improving the doing business environment in Botswana.

2. Stakeholder Engagement – Company Secretaries Workshop

A consultative engagement was held with company secretaries on the 9th February 2017. Company secretaries from the Association of Business Consultants Botswana, Law Society of Botswana, Botswana Institute of Chartered Accountants, Botswana Association of Company Secretaries, and the Southern African Institute of Chartered Secretaries and Administrators were represented. The objective of the engagement was to sensitize company secretaries on the transformation of the organization to a parastatal, as well as to discuss how best CIPA and company secretaries can work together to deliver on the mandate of effective company registration. CIPA also took the opportunity to consult company secretaries and hear their views with regards to the upcoming online registry. The outcome of the workshop was a commitment from both sides to work together to serve Botswana's business community more efficiently, and to improve the dialogue with regards to issues of compliance to the Companies Act and the Registration of Business Names Act.

3. Modernization of the Intellectual Property Office Project.

CIPA, in collaboration with the World Intellectual Property Organisation (WIPO), is currently undertaking the Modernization of the Intellectual Property Office project, which aims to establish an efficient and effective

CIPA Performance Highlights Cont...

operational and technical framework for the business processes related to intellectual property applications and registration processes. The project will allow the CIPA to offer online registration of intellectual property rights and improve service delivery.

The project commenced during 2016/17 with the upgrade of the Intellectual Property Administration System (IPAS) software and is currently at the data validation phase, which started on 27th March 2017. Over 40 000 files for patents and trademarks in IPAS are expected to be validated with a target completion date of December 2017. The entire project is expected to be completed during 2017/2018 financial year.

4. Development of the National Intellectual Property Policy for Botswana

With the assistance of the World Intellectual Property Organization, a team of experts to initiate the process of developing the National IP Policy for Botswana was assembled and began work on the 6th March 2017.

During Phase I of the project, the National Intellectual Property Development Plan (NIPDP), which was developed in 2012, was reviewed to take into account current realities in the IP space. Phase I also involved consultations between the WIPO team and the relevant stakeholders and Agencies responsible for IP management in the country through meetings and focus group discussions to collect their views, the output of which would be used to develop the policy. The process was completed on the 16th March 2017. Phase II of the project is due to commence during the next financial year.

It is expected that the National IP Policy will be a framework that will enable the country to optimize the use of the IP system, with the added benefit of creating an IP conscious society equipped to harness the system as a tool for attaining national development goals.

5. Copyright Youth Peer Education Project

In pursuit of awareness raising about copyright and neighbouring rights, the Copyright Division embarked on a project targeting the youth. This project was sponsored by the World Intellectual Property Organization through Funds-in-Trust Korea (Ministry of Culture, Sport and Tourism, Republic of Korea). Five (5) out of school youth were identified, trained and engaged as Youth Copyright Peer Educators.

Their role was to teach their peers in four (4) schools and one (1) youth based organization (referred to as Host Institutions) about the subject. The Host Institutions were Gabane Junior Secondary School, Molefhi Senior Secondary School, Mogoditshane Senior Secondary School, Kagiso Senior Secondary School and Kgabo Tsa Kgatleng. The project ran for seven months; from May to November 2016.

Each Peer Educator was assigned a Host Institution where s/he worked with a smaller group (referred to as Focus Group) to educate them about copyright. After training, the Focus Group together with their Peer Educator, worked on an assigned task which they used to further convey the copyright message to the wider community of the Host Institution. On the other hand, Kgabo Tsa Kgatleng presented their task to AFDA (the school of motion picture medium and live performance at Oodi Village). Through this initiative and at this level of the project, a total of two thousand and sixteen (2016) people were reached with copyright information.

On the 22nd November 2016, all Focus Groups convened at Botho University to impart knowledge gained to an audience which included other secondary schools in Gaborone, organizations within the creative industry as well as the general public.

CIPA PERFORMANCE HIGHLIGHTS Cont...



This event was attended by a total of three hundred and forty-three (343) participants.

A total of 3,021 (three thousand and twenty-one) people received information about copyright through activities performed at Host Institutions, educational posting on the Project's Facebook group, radio interviews on Radio Botswana (RB1) as well as performances at the Collective Project. The following key observations were made;

1. Young people are creative and need copyright education.
2. Young people enjoy learning through fun, therefore the engagement of their peers avails such an environment.
3. Young people are involved in copyright infringement therefore need robust copyright education.

6. Levy on Technical Devices Fund

Section 35G of the Copyright and Neighbouring Rights Act imposes a levy on all locally produced or imported devices capable of being used to reproduce copyright protected works. The levy collected is deposited into the Levy on Technical Devices Fund, which is used to fund projects that are aimed at developing the creative industry.

The Fund was established through Statutory Instrument No 94 of 2008 and the Permanent

Secretary in the Ministry of Investment, Trade and Industry is the Accounting Officer. The Committee which is appointed by the Accounting Officer for the fund comprised the following individuals representing stakeholder organizations;

1. Ms. Keitseng N. Monyatsi - CIPA (Chairman).
2. Mr Otsele O. Ramorwa - Botswana Musicians Union (BOMU)
3. Mrs Kamogelo T. Ngoma - National Museum and Monuments
4. Mr Godfrey Maake – Ngwao Loshalaba Association
5. Mr Meshack B. Moeti – Thapong Visual Arts Centre
6. Mrs Juliet M. Groth – Botswana Institute of Chartered Accountants (BICA)
7. Mr Dimpho Tumisang – Ministry of Youth Empowerment, Sport and Culture Development (MYSC)

During the period under review, Twenty four (24) projects were approved for funding with a cumulative value of twenty million two hundred and sixty-nine thousand, six hundred and eighty-four pula fourteen Thebe (P20,269,684.14).

On the 17th March 2017, the Assistant Minister of the Ministry of Investment Trade and Industry; Honourable Biggie Butale announced and handed cheques to the 24 Beneficiaries at a ceremony held at Phakalane Golf Estate Resort Hotel. The 24 projects are summarized in the table below.

CIPA PERFORMANCE HIGHLIGHTS

| | Applicant | Project Description | Project Type | Grant Amount |
|------------------------|--|--|--|--------------|
| 1 | Botswood | Title: Botshelo Jo: Season 3 Production of season 3 of a local drama titled, Botshelo Jo which showcases the Setswana Cultural set-up with infusion of anti-piracy storyline. | Film and Television Production | 851,350.00 |
| 2 | Linnet Vass | Title: Chief Production of a film with a storyline that relates to many Batswana. | Film production | 986,995.00 |
| 3 | Visual Expression (Pty) Ltd | Title: ART con Fashion Creative TV production which will be a fusion of creativity from photography and fashion design with outstanding artistic culture conservation. | Television Production With photography, Art, Fashion Design and Publishing | 999,400.00 |
| 4 | Thatayaone Gumedede | Title: Access TV Television station set out to broadcast locally produced content. | Satellite Television Station and Broadcasting | 1,000,000.00 |
| 5 | Van Der Merwe and Sons Holdings | Title: TV and Film Graduate Training and employment Acquisition of state of the art quality audio-visual equipment to ensure that a Botswana based company becomes a world class TV and film production house which aims to enhance the quality of stories told by Batswana as well as create a platform for creativity to thrive. | Capacity building in film production | 995,000.00 |
| 6 | Prince Monna | Title: Ndobolo, the Matrimony TV show. Production of a 13 episode documentary series which seeks to retrace and document the marriage pathway from its traditional set up to the western influenced cultural expressions of marriage. | Film Production | 1,000,000.00 |
| 7 | Elton G.P Seleka | Title: Totems BW Production of an animated/cartoon TV series that visualises the stories of how the different tribes in Botswana came to have their totems. | Film/Animation Production | 820,000.00 |
| 8 | Motsosangwao Arts Troupe | Title: Documentation of Chobe Cultural Arts Filming and documentation of the Subiya and Lozi culture with the aim to enhance knowledge and understanding of the tribes. | Film Production on Culture Promotion & Presentation | 194,700.00 |
| BOOK PUBLISHING | | | | |
| 9 | Editorial Team For Women Writing in Botswana | Title: An Anthology of Women's Writing In Botswana Production of an anthology of women's writing from Botswana covering a wide spectrum of genres with the aim to showcase literary talent of Botswana women. | Book Writing/ Publishing: Anthology of Women's Writing | 158,800.00 |

CIPA PERFORMANCE HIGHLIGHTS Cont...

| | Applicant | Project Description | Project Type | Grant Amount |
|---|---------------------------------------|---|---|--------------|
| 10 | Kagiso Selabe | <p>Title: Annual Young Authors Award (AYAA)</p> <p>Conducting creative writing workshops that will culminate in annual short story and poetry competition. Additionally, republishing and re-printing of a novel rich in Setswana Culture.</p> | Book Publishing and Capacity Building | 1,000,000.00 |
| THEATRE | | | | |
| 11 | Moemedi Makhurutha | <p>Title: Artistic Excellence, "A Botswana Vocational, Drama for Life Training Programme"</p> <p>Workshop based project, focusing on applied drama and theatre within community settings. It will include both experimental and theoretical input about narrative, collaborative and community based theatre making processes.</p> | Drama/ Theatre Development: Capacity Building, Quality and Diversity of Creative Industries | 1,000,000.00 |
| MUSIC | | | | |
| 12 | Mothlotlho Films | <p>Title: Rhythmic Rattles</p> <p>Production of a documentary that focuses on the documentation of Botswana traditional dances with the aim to preserve the dances and serve as a credible, authentic and reliable point of reference.</p> | Documentary Project (Film Production of Traditional dance and song) | 749,155.00 |
| 13 | Rebaone Keitumele | <p>Title: Raise Gospel Music Stars</p> <p>Capacity building and music production for gospel musicians from 6 places around the country.</p> | Music: Capacity Building & Production of Gospel Music & Film Documentaries | 998,100.00 |
| 14 | Patrick Setsiba | <p>Title: Mmapatsi</p> <p>Training, development and transforming traditional song and dance artists into vibrant entrepreneurs.</p> | Workshops and documentation | 920,200.00 |
| 15 | Tshepang Motsisi | <p>Title: Next Best DJ Project</p> <p>A capacity building exercise that aims at empowering aspiring DJs around the country through a comprehensive program that addresses varied skills and knowledge on the art and business of DJing.</p> | Capacity building in Music | 780,057.00 |
| APPLICATION SOFTWARE DEVELOPMENT | | | | |
| 16 | Infin-Lock Investment Group (Pty) Ltd | <p>Title: Cultural Platform</p> <p>Development of a mobile application which will be a cultural platform for the native Setswana language and culture.</p> | Mobile Application | 954,880.00 |
| 17 | Lone Pearl Group (Pty) Ltd | <p>Title: Digitising The National Curriculum</p> <p>Development of 'ThutoMate', a curriculum-based digital animation for primary school learners.</p> | Animation and Content Development | 1,000,000.00 |

CIPA PERFORMANCE HIGHLIGHTS

| | Applicant | Project Description | Project Type | Grant Amount |
|--------------------------|---------------------------------------|--|---|----------------------|
| 18 | Otsile Nelson Moutswi | Title: Itse Botswana Preserving Botswana culture digitally through establishment of a portal and mobile application to showcase, cultural traditions, rituals, customs, history, chieftaincy e.t.c, in different villages and districts. | Mobile application/ System Development | 607,057.00 |
| CRAFTS | | | | |
| 19 | Onica Lekuntwane | Title: Re Bataki Art and Crafts Manual and Upskilling Programme Up-skilling of artists and crafters through information-graphics based learning through the use of an illustrated "How to" manual, to promote the use of locally available, recycled waste. | Crafts: Research and Capacity Building | 906,200.00 |
| 20 | Kgosi Sechele Museum Trust | Title: Kgosi Sechele Museum Re-capacitate Kgosi Sechele I Museum, by extending the museum craft shop into a craft centre, improving the craftsmanship of craft producers as well as improve access by craftsmen to markets for their produce. | Culture Conservation and Crafts: Capacity Building & Market Development | 1,000,000.00 |
| CAPACITY BUILDING | | | | |
| 21 | Botswana Society for the Arts | Title: Enhancing Professionalism In The Creative Industries Conducting a series of seminars in selected districts to provide practical solutions to address specific needs to reach a higher level of performance and production for artists in the crafts, visual arts and performing arts. | Capacity Building | 993,500.00 |
| 22 | Botswana Criminal Justice Association | Title: Antipiracy Workshops Organising monthly workshops aimed at sensitising law enforcement agencies on their role in copyright enforcement, and establishment of district level anti-piracy committees. | Capacity Building | 986,484.00 |
| 23 | Tlotlo Goitseone Moagi | Title: Whats on Bots. Com Establishment of an events promotion website which aims to provide easy access to events listing information in a platform that is simple, affordable yet highly effective for use by event organisers and promoters. | Capacity Building: Events Promotion Website | 377,245.75 |
| 24 | Thatayaone B. O Namane | Title: Operation: Seipone Sa Modiragatsi Project focuses on serving the comprehensive business needs of various artists in Botswana through capacity building workshops. | Capacity Building | 990,560.39 |
| Sub total | | | | 20,269,684.14 |

CIPA PERFORMANCE HIGHLIGHTS Cont...

7. Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled

On 27th June 2013, in Marrakesh, Morocco WIPO member states adopted an international treaty to facilitate access to published works for persons who are blind, visually impaired and those with other print disabilities. This Treaty has a sole mandate to end the book famine faced by the beneficiary persons, thereby allowing them access to quality education and timely information. This can be achieved by allowing countries that are party to the Treaty, to introduce a standard set of limitations and exceptions to copyright to permit reproduction, distribution and making available of published works in formats designed to be accessible to beneficiary persons, without seeking permission from right holders. The limitations and exceptions will also permit exchange of these works across borders by organizations that serve beneficiary persons.

The Treaty was named the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled.

CIPA conducted consultations with the Parliamentary Committee on Local Governance and Social Welfare, the Inter Ministerial Committee on Treaties Conventions and Protocols as well as with other relevant stakeholders.

The instrument of accession was signed by His Excellency the President of Botswana, Lieutenant General Dr Seretse Khama Ian Khama on the 22nd August 2016, and it was

deposited with WIPO in Geneva, Switzerland on the 5th October 2016 at the WIPO General Assemblies. Botswana ratified this Treaty in October 2016 and the Treaty became binding and effective in January 2017.

8. Stakeholder Engagement – Intellectual Property Workshops

The Companies and Intellectual Property Authority (CIPA), in collaboration with United States Of America Embassy in Botswana, hosted a series of workshops aimed at raising awareness on Intellectual Property Issues amongst both right holders and law enforcement officials. The workshops were facilitated by Professor Doris Long, an IP expert who has served as a consultant on IPR protection issues and enforcement matters for diverse U.S. and foreign government agencies. In detail, the outline of the workshops was as follows;

22-23 August 2016: Intra-agency workshop

The objective of the workshop was to raise awareness amongst stakeholders and rights holders from across the IP sector. One Hundred and thirty five (135) participants from various stakeholders among others, Right holders, Local Artists, Copyright Society of Botswana, Law Enforcement Officers, musicians, artists, writers, photographers and video/film makers. The main recommendation from the workshop was the need for an intra-agency task force comprised of all organizations tasked with the enforcement of IP rights. As right holders become more aware of their rights through engagements such as these, more effective means of protecting IP rights will become essential.

CIPA PERFORMANCE HIGHLIGHTS

24 August 2016: Botswana Police Service workshop

Thirty-five (35) Officers from various offices including Training, CID and Interpol attended the workshop. The participants were introduced to the Copyright and Neighbouring Rights Act, as well as the Industrial Property Act, and their role with regards to enforcement of the laws were discussed. Through her international experiences, Professor Long exposed participants to international IP cases, and made a convincing argument for the need to prosecute those who violate the intellectual property rights of others. As a conclusion of the workshop, both CIPA and BPS agreed to work more closely together in fighting piracy and other IP violations in Botswana.

25 August 2016: CIPA Staff Workshop

CIPA staff were exposed to international best practice on diverse issues, including awareness creation and IP enforcement.

It was recommended that CIPA should encourage the various industries to form associations which will enable more effective communication and collaboration with stakeholders. It was also agreed during this engagement that follow up seminars targeting specific groups should be conducted in the future.

26 August 2016: Meeting with the Regional Magistrate

As intellectual property rights holders become more aware of their rights, offenders of IP laws will be prosecuted through the criminal or civil sanctions provided for in the laws. It was for this reason that the workshops culminated with a visit to the Regional Magistrate (South). The engagement was a discussion of various IP issues, and all parties agreed that intellectual property awareness raising seminars for Magistrates was needed and will be conducted in the following financial year.

ANNUAL FINANCIAL STATEMENTS

AUTHORITY INFORMATION

| | |
|-------------------------|--|
| Business operations: | To protect the interests of Investors and Rights Holders by providing efficient and accessible business registration and Intellectual Property services. |
| Authority registration: | The Authority was incorporated in terms of the Companies and Intellectual Property Authority Act ,2011 |
| Registered address: | Plot 9951/2/0 Government Enclave Gaborone |
| Postal address: | P.O Box 102, Gaborone |
| Auditors: | PricewaterhouseCoopers |
| Bankers: | Stanbic Bank Botswana Limited |

Companies and Intellectual Property Authority
2016/17 ANNUAL REPORT

Annual *financial* Statements

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COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF THE BOARD

For the year ended 31 March 2017

Members of the Board of the Companies and Intellectual Property Authority, (“CIPA”), 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 Companies and Intellectual Property Authority Act, 2011.

The Authority 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 Authority’s assets. Members of the Board are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control and places considerable importance on maintaining a strong control environment.

To enable Members of the Board to meet these responsibilities, they set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards includes proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all forms of known risks across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied within predetermined procedures and constraints. Nothing has come to the attention of Members of the Board which indicates 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. Members of the Board have no reason to believe that the Authority will not be a going concern in the foreseeable future based on forecasts and available cash resources. The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

Our external auditors conduct an examination of the 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 management and our external auditors to review matters relating to internal controls and financial reporting. External auditors have unrestricted access to Members of the Board.

The financial statements set out on pages 52 to 73 were authorised for issue by the Chairman and the Registrar General on 15/08/2017 and are certified by them to the best of their knowledge to be true and fair, and are signed on their behalf by:



Board Chairman



Registrar General

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

For the year ended 31 March 2017

Independent auditor's report

To The Minister of Investment, Trade and Industry

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Companies and Intellectual Property Authority as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

Companies and Intellectual Property Authority's financial statements set out on pages 52 to 73 comprise:

- the statement of financial position as at 31 March 2017;
 - the statement of comprehensive income for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include a summary of significant accounting policies.
-

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Authority in accordance with the Botswana Institute of Chartered Accountants code of ethics (BICA Code) and other independence requirements applicable to performing audits of financial statements in Botswana. The BICA Code is consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (Parts A and B).

Other information

Members of the Board are responsible for the Other information. The Other information comprises the Members of the Board' responsibilities and approval, and the Members of the Board' Responsibility Statement for the year ended 31 March 2017 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the financial statements does not cover the Other information and we do not express any form of assurance conclusion thereon

*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 Phirle
Partners: R Binedell, A S Edirisinghe, L Mahesan, R van Schalkwyk, S K K Wijesena

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

For the year ended 31 March 2017 (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether Other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Members of the Board for the financial statements

Members of the Board are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as Members of the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Members of the Board are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Members of the Board either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Members of the Board.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
INDEPENDENT AUDITORS REPORT TO THE DIRECTORS OF COMPANIES AND
INTELLECTUAL PROPERTY AUTHORITY

For the year ended 31 March 2017 (Continued)

Conclude on the appropriateness of the Members of the Board' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

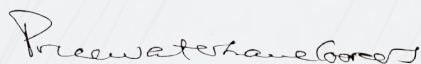
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Members of the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Pursuant to Section 32 of the Companies and Intellectual Property Authority Act, 2011, we report that:

- we have audited the accounts of the Authority within four month of the year end in accordance with international standards on auditing;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the performance of our duties as auditors;
- the accounts and related records of the Authority have been properly kept;
- the Authority has complied with all the financial provisions of this Act with which it is the duty of the Authority to comply;
- the statements of accounts prepared by the Authority were prepared on a basis consistent with that of the preceding year and represents a true and fair view of the transactions and financial affairs of the Authority; and
- we had access to all books of accounts, vouchers and other financial records of the Authority and obtained information and explanations required in relation to those records.



Individual practicing member: Butler Phirie
Registration number: 19900312

Gaborone
Date: 29/09 2017

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2017

| | Note | 2017 P | 2016 P |
|--|------|--------------------|------------------|
| Revenue | 1 | 29 463 035 | 28 187 277 |
| Armotisation of Capital Grant | | 1 483 352 | 953 132 |
| Other income | 2 | 3 080 218 | 2 696 418 |
| Total income | | 34 026 605 | 31 836 827 |
| Administration and other operating expenses | 3 | (38 643 897) | (29 466 159) |
| Operating (deficit) / surplus | | (4 617 292) | 2 370 668 |
| Interest income | 5 | 80 956 | 145 971 |
| (Deficit) / surplus before income tax | | (4 536 336) | 2 516 639 |
| Income tax | 6 | - | - |
| (Deficit) / surplus for the year | | (4 536 336) | 2 516 639 |
| Other comprehensive income: | | - | - |
| Total comprehensive income for the year | | (4 536 336) | 2 516 639 |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

STATEMENTS OF FINANCIAL POSITION

As At 31 March 2017

| | Note | 2017 P | 2016 P |
|-------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 4 950 853 | 3 802 999 |
| Current assets | | | |
| Trade and other receivables | 8 | 344 647 | 1 582 652 |
| Cash and cash equivalents | 15 | 10 184 568 | 10 888 387 |
| | | 10 529 215 | 12 471 039 |
| Total assets | | 15 480 068 | 16 274 038 |
| EQUITY | | | |
| Capital and reserves | | | |
| Capital Reserve | 10 | 4 950 070 | 3 271 571 |
| Accumulated surplus | | 1 081 394 | 5 617 730 |
| | | 6 031 464 | 8 889 301 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred capital grant | 11 | 4 821 518 | 3 200 000 |
| | | 4 821 518 | 3 200 000 |
| Current liabilities | | | |
| Trade and other payables | 12 | 4 627 086 | 4 184 737 |
| | | 4 627 086 | 4 184 737 |
| Total liabilities | | 9 448 604 | 7 384 737 |
| Total equity and liabilities | | 15 480 068 | 16 274 038 |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2017

| | Capital reserve P | Retained earnings P | Total P |
|------------------------------------|-------------------------|---------------------------|------------------|
| Balance as at 01 April 2016 | 3 271 571 | 5 617 730 | 8 889 301 |
| Total comprehensive income | | | |
| Net movement on the capital Grant | 1 678 499 | - | 1 678 499 |
| Deficit for the year | - | (4 536 336) | (4 536 336) |
| Balance as at 31 March 2017 | 4 950 070 | 1 081 394 | 6 031 464 |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

STATEMENTS OF CASH FLOWS

For the year ended 31 March 2017

| | Notes | 2017 P | 2016 P |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Cash utilised in operations | 14 | (825 112) | 4 538 859 |
| Net cash utilised in operating activities | | (825 112) | 4 538 859 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | 7 | (2 631 207) | (2 864 648) |
| Proceeds from disposal of property, plant and equipment | | | |
| Interest received | 5 | 80 956 | 145 971 |
| Net cash out flows from investing activities | | (2 550 251) | (2 718 677) |
| Cash flows from financing activities | | | |
| Initial cash contribution | | - | 5 868 205 |
| Capital grants received | 11 | 2 671 544 | 3 200 000 |
| Net cash generated from financing activities | | 2 671 544 | 9 068 205 |
| (Decrease) / increase in cash, cash equivalents | | | |
| Cash and cash equivalents at beginning of the year | | (703 819) | 10 888 387 |
| Cash and cash equivalents at end of the year | 15 | 10 184 568 | 10 888 387 |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017

General information

The Companies and Intellectual Property Authority carries on the business of protecting the interests of Investors and Rights Holders by providing efficient and accessible business registration and Intellectual Property services. The entity is an authority, a government parastatal, incorporated and domiciled in Botswana. The financial statements set out on pages 52 - 73 have been approved by the Directors of the Board on the 15/08/2017

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements of Companies and Intellectual Property Authority have been prepared in accordance with International Financial Reporting Standards ("IFRS") under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. 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 the "Critical accounting estimates and assumptions" section of the financial statements.

- a) *Listed below are a few new and effective IFRSs or IFRIC interpretations, standards and amendments relevant to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Amendment to IAS 19, 'Employee benefits', on defined benefit plans (effective date: January 2016). These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative (effective date January 2016). In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation (effective date: January 2016). In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.1 Basis of preparation (continued)

- a) *Listed below are a few new and effective IFRSs or IFRIC interpretations, standards and amendments relevant to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants (effective date: January 2016). In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.

IFRS 15 – Revenue from contracts with customers (effective date: 1 January 2017). The FASB and IASB issued their long awaited converged standard on revenue recognition on 29 May 2014. It is a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of good or service transfers to a customer.

Amendments to IFRS 9 – Financial Instruments (2009 & 2010), financial liabilities, de-recognition of financial instruments, financial assets (effective date: January 2018). This IFRS is part of the IASB's project to replace IAS 39. IFRS 9 addresses 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. The IASB has updated IFRS 9, 'Financial instruments' to include guidance on financial liabilities and de-recognition of 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.

Amendment to IAS 7 – Cash flow statements Statement of cash flows on disclosure initiative (effective date 1 January 2017) (published Feb 2016) In January 2016, the International Accounting Standards Board (IASB) issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt. The amendment will affect every entity preparing IFRS financial statements. However, the information required should be readily available. Preparers should consider how best to present the additional information to explain the changes in liabilities arising from financing activities.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.1 Basis of preparation (continued)

- a) *Listed below are a few new and effective IFRSs or IFRIC interpretations, standards and amendments relevant to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Amendment to IAS 12 – Income taxes Recognition of deferred tax assets for unrealised losses. (Effective date 1 January 2017) (published Feb 2016) The amendment was issued to clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets.

The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets.

- b) *Listed below are a few new and effective IFRSs or IFRIC interpretations, standards and amendments not relevant to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption (effective date: 1 January 2016) The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

- c) *Listed below are a few new and not yet effective IFRSs or IFRIC interpretations, standards and amendments not applicable to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Amendments to IFRS 2 – 'Share-based payments' clarifying how to account for certain types of share-based payment transactions. Annual periods beginning on or after 1 January 2018 (published June 2016) this amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

- d) *Listed below are a few new applicable and not yet effective IFRSs or IFRIC interpretations, standards and amendments not early adopted to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

IFRS 16 – Leases Annual periods beginning on or after 1 January 2019 – earlier application permitted if IFRS 15 is also applied. (Published January 2016) This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting for lessees in particular.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.1 Basis of preparation (continued)

- d) *Listed below are a few new applicable and not yet effective IFRSs or IFRIC interpretations, standards and amendments not early adopted to the Authority effective for the first time for 31 March 2017 financial year-ends. None of these is expected to have a significant effect on the financial statements of the Authority,*

Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard.

At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

IFRS 16 supersedes IAS 17, 'Leases', IFRIC 4, 'Determining whether an Arrangement contains a Lease', SIC 15, 'Operating Leases – Incentives' and SIC 27, 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

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1.2 Property, plant and equipment

All property, plant and equipment are included at historical cost less 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 Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

| | |
|--|-------------------------------|
| Buildings | 50 years |
| Improvements to lease hold properties | Remaining lease period |
| Furniture and office equipment | 10 years |
| Computer equipment | 4 years |
| Motor vehicles | 5 years |
| Office Equipment | 10 years |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.2 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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 the proceeds with the carrying amount and are recognised within other gains/ (losses) in the statement of comprehensive income.

Costs incurred in respect of activities to develop, expand or enhance items of property, plant and equipment are classified as part of work in progress.

Capitalization of WIP is recognized once the asset is ready for use, when the certificate of completion has been issued.

1.3 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.

1.4 Financial assets

1.4.1 Classification

The Authority classifies its financial assets in 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.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.4.1 Classification (continued)

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 reporting date. These are classified as non-current assets. The Authority's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position (Notes 1.5 and 1.6).

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 management intends to dispose of the investment within 12 months of the reporting date.

There are no financial assets classified as fair value through profit or loss and available-for-sale at the reporting date.

1.4.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date, the date on which the Authority 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 losses are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

1.4.3 Impairment of financial assets

The Authority assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 1.5.

1.4.4 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.5 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income.

When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the income.

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1.6 Cash and cash equivalents

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

1.7 Provisions

Provisions claims are recognised when, the Authority 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 has been 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 the expenditures expected to be 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.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.8 Trade and other payables

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

1.9 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements 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 Authority's functional and the presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other (losses)/gains'.

1.10 Revenue recognition

Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the Authority.

Grants relating to the acquisition of property, plant and equipment are recorded at fair value where there is a reasonable assurance that the grant will be received and The Authority will comply with all attached conditions, by recognising both the asset and the grant in the capital reserve. The amortisation of the grant is credited to the statement of comprehensive income and the related depreciation is deducted from the cost of the asset in determining the carrying amount of the asset.

Operating grants are recognised in the statement of comprehensive income in the period in which the related expenditure is incurred. Grants received for which the related project have not commenced are included in current liabilities as deferred income.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

SIGNIFICANT ACCOUNTING POLICIES

For the year ended 31 March 2017 (Continued)

1.10 Revenue recognition (continued)

Grants from the Government are recognised at their fair value. Grants relating to the acquisition of property, plant and equipment are recorded at fair value by reconising both the asset and the grant in the capital reserve.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Authority reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

1.11 Employee benefits

The Authority does not have an active post employment plan for permanent employees. It makes a provision for pension deduction at a rate of 16% company contribution and 4% employee contribution on the basic salary.

For employees who are on contracts, the Authority pays gratuity in accordance with the respective contracts of employment.

Terminal benefits are payable when employment is terminated by the Authority before the normal retirement date, or whenever an employee accepts voluntary redundancy or is declared redundant in exchange of these benefits. The Authority recognises termination benefits when it is demonstrably committed to either; terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing terminal benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the statement of financial position date are discounted to their present value.

1.12 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made / income received under operating leases (net of any incentives received from the lessor) is charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

FINANCIAL RISK MANAGEMENT

For the year ended 31 March 2017

2.1 Financial risk factors

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

(a) Market risk

(i) Cash flow and fair value interest rate risk

As the Authority has neither significant interest bearing assets nor variable interest bearing liabilities, the Authority's income and operating cash flows are substantially independent from changes in market interest rates.

(ii) Other price risk

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

(iii) Foreign currency risk

The Authority does not have foreign currency denominated bank deposits and thus it is not exposed to foreign currency risk.

(b) Credit risk

Financial assets of the Authority, which are subject to credit risk, consist mainly of cash and cash equivalents, deposits with banks. Cash deposits are held with high-credit-quality financial institutions. The credit risk exposure of the Authority is thus minimal.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of Authoritying through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying operations due to their short term nature, management of the Authority aims to maintain flexibility in Authoritying by keeping committed credit lines available.

The Authority's financial liabilities as given in the table below consist of accounts payable and borrowings. The analysis of financial liabilities into relevant maturity groupings are based on the remaining period at the reporting to the contractual maturity date.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY FINANCIAL RISK MANAGEMENT

For the year ended 31 March 2017 (Continued)

2.1 Financial risk factors (continued)

Liquidity risk (continued)

| | Less than 1 year | More than 1 year and Less than 5 years | More than 5 year | Total |
|------------------|------------------|---|---------------------|-----------|
| At 31 March 2017 | | | | P |
| Accounts payable | 623 047 | 4 004 039 | - | 4 627 086 |

2.2 Capital risk management

The Authority is a Government organisation with the main object being to protect the interests of Investors and Rights Holders by providing efficient and accessible business registration and Intellectual Property services. As such all operations of the Authority are Authorised by Government and therefore not subject to capital risk.

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2.3 Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other accounts payables resulting from normal business operations. The nominal value less impairment provision of trade receivables and accounts payable are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

For the year ended 31 March 2017

3.1 Critical accounting estimates and assumptions

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.

The Authority 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.

Impairment loss on debtors

The Authority reviews its receivables to assess impairment on a continuous basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Authority makes judgments as to whether there is any observable data indicating that there is measurable decrease in estimated cash flows from receivables. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Residual value and useful lives of property, plant and equipment and intangible assets

The Authority determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projections about the continued existence of a market for its services and intangibles and the ability of the Authority to penetrate a sufficient portion of that market in order to operate effectively. The Authority increases the depreciation charge where the useful lives are less than previously estimated, or it will appropriately impair technically obsolete or non-strategic assets that have been abandoned or identified for sale.

Residual values are based on current estimates of the value of these assets at the end of their useful lives.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017

| | 2017 P | 2016 P |
|---|-------------------|-------------------|
| 1. Revenue | | |
| Subvention income from the Government of Botswana | 29 463 035 | 28 187 277 |
| 2. Other Income | | |
| Fees from ARIPO | 1 525 131 | 1 582 682 |
| Fees from WIPO | 1 535 086 | 1 090 943 |
| Others | 20 000 | 22 793 |
| | 3 080 218 | 2 696 418 |
| 3. (Deficit) / Surplus from operations | | |
| The following items have been charged/(credited) in arriving at the operating (deficit) / surplus: | | |
| Auditors remuneration | 133 055 | 197 792 |
| Consultancy fees | 265 806 | 1 040 162 |
| Directors Emoluments | 99 388 | 83 766 |
| Depreciation (note 7) | 1 483 352 | 961 312 |
| Insurance | 122 655 | 79 153 |
| Local and international travel | 904 070 | 1 175 882 |
| Other office and administration expenses | 5 071 175 | 4 314 200 |
| Printing and stationery | 439 123 | 857 447 |
| Rent expenses | 204 249 | 70 072 |
| Repairs and maintenance | 279 018 | 429 205 |
| Software support and maintenance | 3 089 881 | 2 070 048 |
| Staff cost | 26 552 125 | 18 187 120 |
| | 38 643 897 | 29 466 159 |
| 4. STAFF COSTS | | |
| Salaries and wages | 20 336 475 | 13 036 318 |
| Staff benefits | 6 143 029 | 5 150 802 |
| | 26 479 504 | 18 187 120 |
| Average number of employees | 80 | 75 |
| 5. NET FINANCE INCOME | | |
| Interest received | | |
| Bank | 80 956 | 145 971 |
| 6. INCOME TAX EXPENSE | | |
| No provision for normal taxation is made for the current financial year as the Authority is exempt from income tax as per Part 1 (ii) of the Second Schedule to the Income Tax, Act 12 of 1995, (Chapter 50:01) | | |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017 (Continued)

7. PROPERTY, PLANT AND EQUIPMENT

| | Motor Vehicles | Computer Equipment | Furniture & Fittings | Office Equipment | Work in progress | Total |
|---|-------------------|-----------------------|-------------------------|---------------------|---------------------|------------------|
| Year ended 31 March 2016 | | | | | | |
| Opening net book value | - | - | - | - | - | - |
| Transfers in from ROCIP | 913 200 | 659 178 | 306 676 | 20 609 | - | 1 899 663 |
| Additions | 850 000 | 1 302 488 | 180 731 | - | 531 429 | 2 864 648 |
| Depreciation | (555 766) | (330 571) | (64 539) | (10 436) | - | (961 312) |
| Net book value | 1 207 434 | 1 631 095 | 422 868 | 10 173 | 531 429 | 3 802 999 |
| At 31 March 2016 | | | | | | |
| Cost / Valuation | 1 763 200 | 1 961 666 | 487 407 | 20 609 | 531 429 | 4 764 311 |
| Accumulated depreciation | (555 766) | (330 571) | (64 539) | (10 436) | - | (961 312) |
| Net book value | 1 207 434 | 1 631 095 | 422 868 | 10 173 | 531 429 | 3 802 999 |
| Year ended 31 March 2017 | | | | | | |
| Opening net book value | | | | | | |
| 01 April 2016 | 1 207 434 | 1 631 095 | 422 868 | 10 173 | 531 429 | 3 802 999 |
| Addition | 514 858 | 1 050 026 | 235 723 | 297 658 | 532 941 | 2 631 207 |
| Transfers | - | - | 1 064 370 | - | (1 064 370) | - |
| Revaluation | - | - | - | - | - | - |
| Depreciation | (647 687) | (690 853) | (128 357) | (16 455) | - | (1 483 352) |
| Accumulated depreciation on disposal | - | - | - | - | - | - |
| Net book value | 1 074 605 | 1 990 268 | 1 594 604 | 291 376 | - | 4 950 853 |
| At 31 March 2017 | | | | | | |
| Cost / Valuation | 2 278 058 | 3 011 692 | 1 787 500 | 318 267 | - | 7 395 518 |
| Accumulated depreciation | (1 203 453) | (1 021 424) | (192 896) | (26 891) | - | (2 444 664) |
| Net book value | 1 074 605 | 1 990 268 | 1 594 604 | 291 376 | - | 4 950 853 |

The Authority took over some assets from the former Registrar of Companies. These were revalued by Roscoe Bonna Valuers, a company of Valuers, Surveyors, Property Managers, Estates Agents and Development Consultants as at 1st April 2015. The valuers are members of the Real Estates Institute of Botswana. The valuers used a non market based valuation technique, the Replacement value method to determine the residual values of the assets. This is commonly used for valuation of specialized assets for financial reporting purposes. This approach suits CIPA's requirements considering that some assets are not frequently put in the market, hence normally sold as part of a going concern business. At reporting date, management reviewed the residual values of property plant and equipment. The residual values that were attached to the assets during the year were deemed appropriate at reporting date. ROCIP is the former Registrar of Companies and Intellectual Property. The Authority undertook Serowe office interior design and partitioning during the financial year ended 31st March 2017. The exercise was completed on the 31st January 2017 and the assets were transferred from work in progress to lease improvements under fixtures and fittings.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017 (Continued)

8. TRADE AND OTHER RECEIVABLES

Other receivables

| 2017 | 2016 |
|----------------|------------------|
| P | P |
| 344 647 | 1 582 652 |
| 344 647 | 1 582 652 |

The carrying amounts of the Authority's receivables are denominated in Pula

9. Financial instruments by category

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

Financial assets as per the statement of financial position

Loan and receivables

Other receivables excluding non financial assets
Cash and cash equivalents

| | |
|-------------------|-------------------|
| 344 647 | 1 582 652 |
| 10 184 568 | 10 888 387 |
| 10 529 215 | 12 471 039 |

There were no assets at fair value through the profit and loss, derivatives used for hedging or available-for-sale financial instruments as at year end. Other receivables were fully performing at period end and thus had not been impaired.

Financial liabilities as per the statement of financial position

Financial liabilities

Trade and other payables (note 12)

| | |
|------------------|------------------|
| 4 627 086 | 4 184 737 |
| 4 627 086 | 4 184 737 |

10. CAPITAL RESERVE

Opening balance
Net movement in the capital reserve
Balance at the end of the year

| | |
|------------------|------------------|
| 3 271 571 | 938 352 |
| 1 678 499 | 2 333 219 |
| 4 950 070 | 3 271 571 |

The Capital Reserve arises as a result of the Government Grant used to buy capital assets.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017 (Continued)

11. DEFERRED CAPITAL GRANT

| | 2017 P | 2016 P |
|--------------------------------|------------------|------------------|
| Deferred revenue account - ICT | 2 149 974 | 3 200 000 |
| Projects funds account | 1 372 000 | - |
| Forensic audit | 1 299 544 | - |
| | 4 821 518 | 3 200 000 |

12. TRADE AND OTHER PAYABLES

| | | |
|---------------------------------|------------------|------------------|
| Trade payables | 494 992 | 284 314 |
| Staff terminal benefit accruals | 4 004 039 | 3 702 631 |
| Provision for audit fee | 128 055 | 197 792 |
| | 4 627 086 | 4 184 737 |

Movement in provisions

Gratuity

| | | |
|--------------------------|------------------|------------------|
| Opening balance | 1 804 284 | - |
| Expense during the year | 1 885 982 | 1 804 284 |
| Payments during the year | (1 279 453) | - |
| Balance at year end | 2 410 813 | 1 804 284 |

Leave pay

| | | |
|-------------------------|------------------|----------------|
| Opening balance | 855 876 | - |
| Accrued during the year | 737 350 | 855 876 |
| Balance at year end | 1 593 226 | 855 876 |

Pension fund

| | | |
|-----------------------------|-------------|------------------|
| Opening balance | 1 042 471 | - |
| Accrued during the year | 1 885 996 | 1 042 471 |
| Transferred during the year | (2 928 467) | - |
| Balance at year end | - | 1 042 471 |

Total staff terminal benefits accruals

| | | |
|--|------------------|------------------|
| | 4 004 039 | 3 702 631 |
|--|------------------|------------------|

The directors considers that the carrying amount of trade and other payables approximates their fair values.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017 (Continued)

13. RELATED PARTY TRANSACTIONS

Transactions with related parties was largely compensation paid to key management and subvention income and capital grants received from the Government of Botswana

Key Management

Key management includes directors (executive and non-executive), members of the executive committee and the Board Secretary. The compensation paid or payable to key management for employee services is depicted below:

Board fees
Compensation paid to executive management

Government of Botswana

Subvention income received from the Government of Botswana (note 1)
Capital grant received in advance (note 11)
Capital grant received during the year (note 10)

14. CASH UTILISED IN OPERATIONS

Operating profit /(losses)
Adjustment for non-cash items:
Depreciation (note 5)
Amortisation of capital grant

Changes in working capital

Other receivables
Trade and payables
Trade and other payables at inception date
Cash utilised in operations

15. CASH AND CASH EQUIVALENTS

Bank overdraft
Call / fixed deposits

16. CONTINGENT LIABILITIES

The Members of the Board confirm that there were no contingent liabilities year end.

| | 2017 P | 2016 P |
|--|--------------------|-------------------|
| | 99 388 | 83 766 |
| | 6 435 246 | 6 977 223 |
| | 6 534 634 | 7 060 989 |
| | 29 463 035 | 28 187 277 |
| | 4 821 518 | 3 200 000 |
| | 1 678 499 | 2 333 219 |
| | 35 963 052 | 33 720 496 |
| | (4 536 336) | 2 516 639 |
| | 1 483 352 | 961 312 |
| | (1 483 352) | (961 312) |
| | (4 536 336) | 2 516 639 |
| | 1 238 006 | (1 582 652) |
| | 2 473 217 | 4 184 737 |
| | - | (579 865) |
| | (825 112) | 4 538 859 |
| | (303 959) | (1 576 178) |
| | 10 488 527 | 12 464 565 |
| | 10 184 568 | 10 888 387 |

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 March 2017 (Continued)

17. COMMITMENTS

Capital commitments

There were no material capital commitments outstanding as at the year end.

Operating lease commitments - where the company is the lessee

The company leases various properties under cancellable operating lease agreements. Rent is renegotiated and rental agreements are entered into on an annual basis. The lease expenditure charged to the income statement during the year is disclosed in Note 3.

The future aggregate minimum lease payments under cancellable leases are as follows:

| | 2017 | 2016 |
|----------------------|------------------|----------------|
| | P | P |
| No later than 1 year | 3 236 520 | 204 249 |

18. SUBSEQUENT EVENTS

There were no events that occurred after the reporting date that require adjustment to or disclosure in the financial statements.

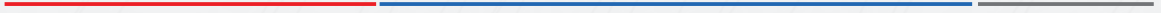
19. GOING CONCERN

The annual financial statements have been prepared on a going concern basis. This basis presumes that funds will be available to finance operations and that the realisation of assets and settlement of liabilities, continuous obligations and commitments will occur in the ordinary course of business. The Authority made a (deficit)/surplus of P4 536 336 (2016:P2 516 639) and had a net asset position of P6 031 464 (2016:P8 889 301) and will continue to operate in the foreseeable future.





NOTES:



Lined area for notes with horizontal lines.

