ROAD TO THE ONLINE BUSINESS REGISTRATION SYSTEM

01

2012

Botswana Ministry of Foreign Affairs engages with counterparts in New Zealand for support for the development of an online system for the registration of Companies and Business Names.

Understanding Phase:
New Zealand Companies Office carries out assessment of the current registration system and reviews the Companies Act and Registration of Business Names Act.

02

2013

Work on the new system paused to allow for Registrar of Companies and Intellectual Property (ROCIP) to transition to a parastatal.

03

2015

The Registrar of Companies and Intellectual Property (ROCIP) transforms into a parastatal called Companies and Intellectual Property Authority (CIPA).

04

2016 *July*

Botswana and New Zealand Governments sign Memorandum of Understanding for the Development of the Online Business Registration System.

OCTOBER:
Engagement Phase: workshops held between the New Zealand Companies Office, Foster Moore and CIPA to develop the Business Service Catalogue for the new system.

05

2018 *April*

Passing of the Companies Amendment Act, Registration of Business Names Act, Registration of Business Names Re-registration Act, and Companies Re-registration Act in Parliament.

06

2018 *April*

CIPA Hosts Corporate Registers Forum (CRF), an international body of registries whose mandate is to provide members with the opportunity to exchange experiences and information on the present and future operation of corporate business registration systems.

07

2018 *August*

Re-engagement Workshop with New Zealand Companies Office and Foster Moore, paving the way for the Build Phase of the project.

November
Online Business Registration system countrywide stakeholder engagement begins.

08

2019 *April*

CIPA delegation travels to New Zealand to conduct User Acceptance Testing for the OBRS.

May:
Regulations for the Online Business Registration System signed by Minister of Investment Trade and Industry. CIPA staff internal training and external training for frequent users (Company Secretaries, internet cafes and Kitsong Centres).

09

2019 *3rd June*

Online Business Registration System goes live at ***www.cipa.co.bw.***


PAYMENT
SELECT WHETHER YOU ARE PAYING BY CREDIT/DEBIT CARD OR DEPOSIT ACCOUNT.
For a credit/debit; you can use any card issued by your bank as well as the VISA cards issued by Orange Money or Mascom My Zaka.
For a deposit account; you will need to visit CIPA offices or First National Bank and deposit a sum into the deposit account.
Please read the terms and conditions for making a payment and tick to agree.
Click on Pay Now
Enter your card details or select your deposit account.
2
Your application details are now with CIPA
review and will be approved within 24
You can view the progress on your dashboard. Immediately after approval, you will receive an SMS and Email informing you of the approval. You will need to register the name within 30 days.
Re-register your existing company or register a new company online at
www.cipa.co.bw
#ReyaOnline #TobetsaAndOwnABusiness

CIPA **Contents**

BOARD OF DIRECTORS AND MANAGEMENT

BOARD OF DIRECTORS

FRONT L-R

MR MARTINUS P. SEBONI
BOARD CHAIRMAN

MS LORATO CHARITY MORULE
CHAIR – FINANCE AND AUDIT COMMITTEE
BOARD TENDER COMMITTEE

MS GOITSEONE COLLETTE PHORIE
HUMAN RESOURCE COMMITTEE

BACK L-R

MR CHARLES SIWAWA
VICE CHAIRMAN
FINANCE AND AUDIT COMMITTEE

DR BERNARD BULAWAYO
FINANCE AND AUDIT COMMITTEE
HUMAN RESOURCE COMMITTEE

MR TSHIAMO JAMES MOTSUMI
CHAIR BOARD TENDER COMMITTEE
HUMAN RESOURCE COMMITTEE

MR PHAZHA BUTALE
BOARD TENDER COMMITTEE

EXECUTIVE MANAGEMENT

FRONT L-R

MR CONDUCTOR P. MASENA
REGISTRAR GENERAL

MS HILDA MOCUMINYANE
REGISTRAR - COMPANIES AND BUSINESS NAMES

MS NTESANG SEBETSO
DIRECTOR - COMPLIANCE, AWARENESS & CLIENT SERVICES

MR BUMO NTHOIWA
INTERNAL AUDIT MANAGER

BACK L-R

MR TIMOTHY MOALUSI
REGISTRAR - INDUSTRIAL PROPERTY

MR ADAM MARENGA
STRATEGY MANAGER

MS KEITSENG MONYATSI
COPYRIGHT ADMINISTRATOR

MR GREENE KAMAKAMA
DIRECTOR - INFORMATION TECHNOLOGY

MS PEGO AISAM
BOARD SECRETARY & LEGAL ADVISOR


COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
CIPA
UNDERSTANDING INDUSTRIAL PROPERTY

CHAIRMAN'S REMARKS

> "The year 2019/20 saw the introduction of the much anticipated **Online Business Registration System (OBRS)**"

MR MARTINUS P. SEBONI
BOARD CHAIRMAN

Innovative, efficient and customer-centric – these are the core characteristics of a world class organisation, and they are also the corporate values that drive the Companies and Intellectual Property Authority (CIPA), an organisation that I have been proud to lead as Chairman of the Board for the past eight years.

I am delighted to present the 2019/20 Annual Report, which demonstrates how the Authority has significantly driven the execution of its 2015-2020 strategy towards the final year of its implementation. Over the past few years of its existence, CIPA has made significant strides towards the achievement of its mandate to promote and enable full protection of the rights of investors and right holders obtained under the Companies Act, Registration of Business Names Act, Industrial Property Act, and Copyright and Neighbouring Rights Act.

I count myself highly privileged to have been part of this journey and I am overly grateful for the dedication of those who laid the groundwork for the Authority to have achieved immense progress against our strategic objectives. While the Authority continues to operate under a financially constrained environment, the Registrar General, Mr. Masena, and his team continue to be innovative in utilizing the limited resources to deliver on the Authority's mandate. It is through the team's commitment and drive to challenge conventional thinking, take calculated risks and explore new opportunities, while continuously striving for excellence within the limited financial resources, that the Authority was able to achieve key milestones in its Corporate Strategy 2015 - 2020.

Corporate governance

During the past eight years, CIPA transitioned from a Government department, the Registrar of Companies and Intellectual Property (ROCIP), to a parastatal, developed the five-year functional strategy 2015-2020, and developed corporate governance frameworks in line with the King

CHAIRMAN'S REMARKS (Continued)

Code on Corporate Governance. The Authority also ensured that annual audits were carried out by external auditors to assess the effectiveness of the internal control environment, while the CIPA Annual reports have been produced for the past four (4) years (2015/16 to 2018/19).

The Authority has also developed a Risk Management Policy to provide guidance in identifying, assessing, and monitoring of key risks. One of the requirements of the King Code on Corporate Governance is to conduct a Board evaluation to assess the effectiveness of the Board and its committees. To this end, the CIPA Board commissioned a Board evaluation exercise during the fourth quarter of the 2019/20 financial year. This has been an eye-opening experience for the entire Board, and I look forward to the implementation of the recommendations which will capacitate the Board to enhance its performance for the benefit of steering the Authority to new heights, as it prepares to implement a new five-year strategy.

Digital transformation

The year 2019/20 saw the introduction of the much anticipated Online Business Registration System (OBRS), which has transformed the companies and business names registry from a manual to a fully automated online system, further improving Botswana's business landscape, making it easy to start and run a business in the country. Leveraging technology in order to improve efficiencies has always been at the forefront of CIPA's strategic priorities, and whilst the system is still currently on the build up phase, the following achievements have been realised:

- It now only takes 24 hours from the previous average of eight days to register a company or a business name in Botswana. According to the World Bank Doing Business Report methodology, this agility means that Botswana has now reduced its turnaround time for the Starting-a-Business Sub indicator from 48 to 37 days, making a saving of 11 days. As we await the next World Bank Doing Business rankings, I am delighted that the Authority has made good on its corporate vision by doing its part to contribute to making Botswana an investment destination of choice.

- The web-based nature of the OBRS means that it can be accessed by anyone anywhere in the world with an internet connection. This has made company registration accessible to Batswana from the comfort of their homes, offices, or internet cafés, as well as for foreign investors to be able to set up their companies without travelling to Botswana.

- The business community and general public rely on CIPA to provide a registry that is efficient and has data integrity. To this end the Authority embarked on a re-registration exercise for both companies and business names with the objective of updating the data on the registry. Whilst this exercise is expected to be concluded in December 2020, it has already borne fruits in that company information is now readily available online for the benefit of all users of corporate data, including licencing and tax authorities, banking community, procurement and tender adjudication officials and many other private organisations and government departments.

- The new online system has also made it possible for CIPA to collect and maintain information on the ultimate beneficial owners of companies that wish to either register or re-register on the system. This is a positive development not just for CIPA, but for the country as a whole as it brings Botswana a step closer towards achieving substantial compliance to international standards on anti-money laundering and countering of terrorism financing, as set by the Financial Action Task Force. We will continue to review and monitor this compliance criteria to enhance our procedures related to the collection and maintenance of Beneficial Ownership information and collaborate with stakeholders to improve Botswana's rankings.

CHAIRMAN'S REMARKS (Continued)

All of the above translate to efficiency, reliability and a system that is a benchmark for innovation and customer centricity. The Government of Botswana seeks to achieve service transformation through e-government platforms, and through the OBRS, CIPA has indeed set the bar high. It is still early days, but I am confident that the Authority is traversing the right path to enabling true ease of doing business in Botswana.

The Authority has, since its inception, sought to improve efficiencies through the leveraging of technology and the introduction of the OBRS has certainly laid a solid foundation for this strategic imperative. Our focus will now move to the intellectual property side of the business, where we will seek to expedite the implementation of the IP Model Office Project, which CIPA has been working on in collaboration with the World Intellectual Property Organization. This project aims to establish an efficient and effective operational and technical framework for business processes related to intellectual property registrations by providing an online platform for customers to submit applications. The unprecedented surge in innovation and creativity in the country over the past few years, coupled with Government's intent to leverage knowledge as a source of wealth creation, demands that the Authority be more deliberate in its intentions to make intellectual property services more accessible. Key to the success of this project will of course be awareness creating activities that the Authority must prioritize in order to educate Batswana on how the IP system can transform lives and businesses as a tool for creating economic value.

Corporate Performance

The overall corporate performance for the Authority for the 2019/20 financial year was up by an impressive 15%, from the 68% achieved during the same period in the prior year, to 83%. This much improved overall performance of the Authority is attributable to the excellent results posted by some of the key performance indicators against their respective targets when compared to the performance achieved in the prior year – 2018/19. These includes: Number of days taken to reserve a unique company name (from 11% to 79%), Number of days taken to register a business (from 29% to 79%), Number of IP targeted programs (from 67% to 100%), % Compliance to Annual Returns (from 44% to 84%), and % Increase in revenue generated (from 0% to 100%).

As already indicated, the introduction of the OBRS during the last half of the first quarter of 2019/20 immensely changed the doing business landscape by offering CIPA customers the rare opportunity to interact with the system without the need to visit CIPA offices. This led to a substantial improvement in performance for the Apex strategic objective of efficient business registration from an average performance score of 35% during 2018/19, to an average performance score of 65% during the 2019/20 financial year, representing an increase of 30%.

The Authority continues to collect revenue on behalf of the Shareholder, the Ministry of Investment Trade and Industry (MITI) and safeguards it until it is remitted to the Government consolidated fund at the end of the financial year. The Financial and Resource area of the business posted the highest performance results after generating a total revenue of P49, 962, 340, which represents an increase of P11, 162, 537 or 29% from the figure of P38, 799, 803 collected during the same period in the prior year against the target of 10%, resulting in over 100% achievement. During the past five years, the Authority managed to increase revenue collection from P35.8m in 2015/16 to P49.9m in 2019/20, representing 39% increase over the strategy period.

CHAIRMAN'S REMARKS (Continued)

The Authority continues to engage the Shareholder for authorisation to utilise the revenue it collects to run its operations as is provided for under the CIPA Act 2011, and the raison d'être for establishing the Authority.

Risk Management

While our performance during 2019/20 reflects the continued success of our business model and customer value proposition of customer centricity, there were also challenges, chief among them being inadequate funding and critical ICT systems failure risks. The latter brings about cyber security risks. This is in recognition that the Authority's strategy is ICT driven. The Authority continued to monitor these and many other risks to minimise their impact in the delivery of the mandate, while also exploring opportunities to maximise value creation.

Outlook

Looking back, the just ended five-year strategy enabled the Authority to lay down a solid foundation and put in place the necessary frameworks for getting the basics right. The Authority was able to determine its role in an ever-dynamic economy that seeks to diversify and grow. As we look forward to the next five years, the overarching aim will be CIPA's evolution from being a simple registry, to an organisation that provides our local investors with the tools to succeed in the 4th industrial revolution. During the next strategic period, we aim to transform into an Authority that supports Government's drive to create sustainable economic growth, by putting in place a business model that will enhance and support local innovation and creativity. Our aim will be to provide products and services that will support and enhance the knowledge-based economy and in so doing catapult Botswana into the high-income status bracket.

Acknowledgements

On behalf of the CIPA Board of Directors, I congratulate the entire CIPA team under the leadership of Mr. Masena, for their impressive results and achievements during the 2019/20 financial year, particularly in delivering the Online Business Registration System on time and on budget. As the CIPA Board, we express our recognition of their dedication, hard work and focus, while fully appreciating the continuing support, guidance, and responsiveness of our shareholder - the Ministry of Investment, Trade and Industry to our business needs.

My sincere appreciation goes out to my fellow board members for their commitment, guidance, support and wise counsel. Finally, I wish to thank our valued customers for their patronage, uptake of the OBRS, and the continuous positive and constructive feedback that we continue to receive. Re a leboga.

REGISTRAR GENERAL'S REMARKS

"We are focused on accelerating the execution of our strategy while continuing to draw on our internal strengths to build our brand"

MR CONDUCTOR P. MASENA
REGISTRAR GENERAL

I am delighted to be introducing the Companies and Intellectual Property Authority 2019/20 Annual Report: my fifth as Registrar General of CIPA. During the five years of our inaugural strategic plan 2015-2020, our ambition has been to be the leading Business Registration and Intellectual Property Authority, contributing to making Botswana the No.1 business destination in Africa by 2020. This ambition has been fulfilled through the introduction of the Online Business Registration System (OBRS) on the 3rd June 2019, which led to a significant improvement in the turnaround time for the registration of companies and business names from an average of eight (8) days to one (1) day. This is in line with our customer value proposition of improved accessibility, speed, reliability, consistency, convenience, and efficiency of our service offerings, underpinned by our core values of ***integrity, innovation, efficiency, and customer focus.*** While the OBRS project is still on the build phase, some benefits are already being realised. These include, among others:

- Improved convenience and access to CIPA company and business names registration services.
- Simplification of the company registration procedure.
- Ability to make online payments.
- Improved data integrity and availability of company information online.

REGISTRAR GENERAL'S REMARKS (Continued)

Looking back at the past five years

The year 2019/20 marked the end of the Authority's five-year strategic plan 2015-2020, in which significant progress, from the transformation of the organisation from the Registrar of Companies and Intellectual Property (ROCIP) to CIPA, to the digitalisation of the Authority through the introduction of the OBRS, was achieved. The investments, commitments and focused planning that began in 2015/16 and continued into 2019/20 are now beginning to pay dividends in the form of delivering positive results, while laying a strong foundation for 2020/21 and beyond. During the past five years, we have made great strides in terms of implementing our strategic plan with the following as some of our key achievements:

Corporate Governance

- The CIPA Board of Directors were appointed and continue to serve the Authority on contract basis.
- Developed a five-year functional strategy 1st April 2015 to 31st March 2020.
- Developed the corporate governance frameworks in line with the King III Corporate Governance framework.
- External annual audits are being carried out by external auditors since 2015/16.
- Filled the positions of the Internal Audit Department and to date, five audits have been completed namely; contracted services audit, human resource audit, general observations for 2018, internal and external audits for the Levy and Technical Devices Fund (LTDF) and external audit (Management Letter).
- CIPA Annual reports have been produced for the past four (4) years (2015/16 to 2018/19).
- Developed a risk management policy.

Strategic Issues

- Increased revenue collection from P35.8m in 2015 to P49.9m in 2020, representing a 39% increase.
- Signing and implementation of Memorandum of Agreements (MOUs) and Service Level Agreements (SLAs) with strategic partners (Public Procurement and Asset Disposal Board, Botswana Unified Revenue Service, Competition and Consumer Authority, Ministry of Youth Empowerment, Sport and Culture Development, Botswana Accountancy Oversight Authority, Botswana Bureau of Standards, University of Botswana and Botswana Communications Regulatory Authority).
- Developed the ICT Strategy and associated policies.
- Connected all CIPA offices to the Wide Area Network (WAN).
- Secured office accommodation for Gaborone, Francistown and Serowe branch offices.

Companies Mandate

- Commenced the implementation of the Online Business Registration System (OBRS) at **www.cipa.co.bw** since 3rd June 2019, automating the registration and maintenance of companies and business names.
- Hosted the Corporate Registers Forum (CRF) in May 2018.

REGISTRAR GENERAL'S REMARKS (Continued)

Intellectual Property Mandate

- Enrolled Academic and Research Institutions into the Technology Innovation Support Centre (TISC) project.
- Facilitated the inclusion of Intellectual Property (IP) in the National Life skills curriculum under Ministry of Basic Education.
- Commenced the development of the National Intellectual Property Policy for Botswana.
- Awarded a total of P34.75m towards the funding of 41 projects for the promotion and development of the creative industry through the administration of the Levy on Technical Devices Fund (LTDF).
- Improved governance at the Copyright Society of Botswana (COSBOTS) by commissioning a forensic audit and developed guidelines for supervision of COSBOTS.
- Led the process for Botswana to ratify the Marrakesh Treaty to Facilitate Access to Published Works by Persons Who are Blind, Visually Impaired and Otherwise Print Disabled in October 2016.
- In collaboration with key stakeholders, implemented two (2) projects to facilitate Access to Published Works by learners in public schools who are Blind, Visually Impaired and Print Disabled.
- Completed the Study on the Economic Contribution of the Creative Industries in Botswana and launched it in September 2019.
- Commenced the development of the National Strategy for the Creative Industries.

2019/20 Strategic Priorities

In today's fast changing corporate world, you cannot separate strategic business priorities and sustainability, the latter of which forms the basis of our very existence. Our strategic priorities during 2019/20 included approval of the legal reforms, implementing the ICT strategy, optimising synergies with New Zealand (for the implementation of the OBRS), PPADB and BURS, improving the CIPA funding model, aligning the Organizational Structure to strategy, improving the performance management system and talent management, leadership development, improving Strategic Skills Readiness - training in readiness for the online project, including IT, increasing awareness on intellectual property (IP) and organisational transformation (change management). While some of the strategic initiatives that were meant to drive these priorities were behind schedule at the end of the financial year, setting these priorities enables us to focus on areas we can improve and allows us to respond more effectively to our operating business environment.

Progress in Strategic Focus Areas during 2019

In 2019/20, we achieved significant progress against our strategic targets, resulting in the Authority's overall corporate performance of 83%, which is up by 15% from the 68% achieved during the 2018/19 financial year. This improved performance of the Authority is a clear demonstration of what we can achieve when we have clear focus.

The improvement in the overall performance for the Authority during the period under review can be attributed to the overall results posted by the indicators housed at the apex perspective, with an overall performance of 65% when compared with the 35% achieved during the prior year. The introduction of innovative technology in the form of the OBRS, which has transformed the business environment in Botswana, resulting in the reservation and registration of business names and incorporation of companies within the turnaround time of one (1) day from an average of between eight (8) to ten (10) days, has greatly contributed to this improved performance results. However, the Authority has registered a decline of 70 trademarks from a total of 1374 trademarks received during 2018/19 to the 1304 received during 2019/20, leading to an overall decline of 1.6% against the target of 10%, translating to a performance score of 0% for the % Increase in IP filings indicator.

REGISTRAR GENERAL'S REMARKS (Continued)

The performance of the business processes dimension has also been impressive after recording an overall performance of 77%, although this was a marginal decline of 2% from the previous year's result of 79%. The downside to the performance under the internal processes perspective is the non-compliance to trademark renewals, having been the lowest performer at an average of 58% for the year, which was a decline of 32% from the prior year results. This continues to be a challenged area as the decision to renew trademarks lies with the rights holder with the Authority having no control over the matter. It is therefore imperative that the Authority continues to pay a lot of attention to this area of business, whilst maintaining a balance with the support side of the business, in order for the organisation to effectively achieve its strategic vision.

Whereas the human capital dimension continues to perform well in terms of the assessed measures, although it was down by 2% from the 98% achieved during 2018/19, the lack of a defined corporate culture, which is key to driving strategy, is an area that needs to be addressed. This is because corporate culture defines the way employees serve customers and how they interact with each other and the way the Authority responds to emerging challenges.

The results registered by the financial and resource side of the business were impressive having achieved an overall performance score of 100%, which is an improvement of 51% from the 49% achieved during the 2018/19 financial year. This excellent result is largely due to the brilliant performance of the % increase in revenue generated indicator after recording an increase of 29% in revenue generated against the negative variance of 7.9% achieved during 2018/19. This positive performance of the revenue generated measure is largely due to our renewed emphasis on revenue generation, following the introduction of the OBRS in June 2019. The overall year-end financial results demonstrate continued stability and resilience as outlined in the audit results of this report.

Since our strategy is ICT driven, it has become very imperative to expedite the implementation of the ICT strategy to drive the Authority's business model. The majority of the strategic initiatives under the ICT strategy are behind schedule, predominantly due to funding constraints. In view of this, the implementation of the ICT strategy will continue to occupy the Authority's attention for it to remain relevant in the fast changing and technologically driven business environment, where customer requirements and expectations are constantly evolving.

In the overall, the Authority will endeavour to scale up the implementation of strategic initiatives, which are tied to the strategic priorities identified as key in transforming the business environment. In order to sustain and even improve on the current performance, the Authority will continue to prioritise its scarce resources, both human and financial, in line with the current reality and its business model in order to meet the business needs driven by key stakeholder requirements and the ever-evolving customer expectations. Our commitment to improving our corporate performance by leveraging our internal strengths, while taking advantage of the business opportunities at our disposal will continue under my leadership.

Looking ahead to 2020/21

We are focused on accelerating the execution of our strategy while continuing to draw on our internal strengths to build our brand. Whereas our core business remains cyclical, we are continuously and carefully monitoring the economic outlook to ensure that we focus on the critical areas of our business that will be more impactful to the needs of our customers and key stakeholders. This has become even more critical, as the external environment is undoubtedly more challenging and bullish than it was twelve (12) months ago due to the impact of the global Corona virus pandemic.

REGISTRAR GENERAL'S REMARKS (Continued)

Despite the Covid-19 threats, we are looking forward to beginning 2020/21 more optimistic about the future. We are confident that the OBRS project will be completed and launched as planned, while the IP Model Office project will be completed in March 2021. The finalisation of legal reforms being the review of the CIPA Act, Copyright and Neighbouring Rights Act and Industrial Property Act, which commenced during 2019/20, will continue to occupy our attention during 2020 and beyond, while we expect the National Intellectual Property Policy to be tabled before the November 2020 Parliament.

The operationalisation of the Arbitration Panel continues to elude us due to the delays in the finalisation of the Arbitrational Panel Regulations by the Attorney General's Chambers. We are hopeful that these will be finalised during the second half of the 2020/21 financial year to enable the commencement of the work of the panel. We are excited by the Board Evaluation Project, which commenced during the last quarter of 2019/20. The exercise is likely to be completed during the first quarter of 2020/21 and the findings will provide useful feedback in strengthening board effectiveness, accountability and performance, while informative on the areas the Board Members may require further skilling on to improve their competencies.

The development of the new CIPA Business plan/strategy will be completed during 2020/21 and implementation will be effect from 1st April 2021, while the Performance Management System and Automation will be completed during the second quarter 2020/21 with implementation also slated for April 2021.

Conclusion

My team and I are working together to place customers at the centre of everything we do in accordance with our customer focus core values. Using the existing feedback mechanisms, we continue to listen to customer feedback and, where appropriate, we take actions necessary to move the Authority forward in delivering on our core mandate.

The rich experience and knowledge of our Board of Directors have been very instrumental in guiding us through the challenges we faced in 2019/20, and I appreciate their dedication and commitment to fulfilling their fiduciary duties in continually monitoring how well the Authority is moving towards meeting its strategic objectives.

I would like to thank our employees for their continued commitment and hard work, which immensely contributed to the excellent performance for the year in review. We are also grateful for the trust and patience of our customers and the continued support of our shareholders. The senior executive team, which I lead, will continue to work closely with the CIPA Board of Directors to deliver improved results in all areas of our business despite the resource constraints bedevilling the Authority.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

The Companies and Intellectual Property Authority is a statutory body established under the Companies and Intellectual Property Authority Act 2011, to register businesses and provide intellectual property management services, with the primary aim of improving efficiency in the delivery of public services as well as enhancing transparency, accountability and efficacy in the management of the Authority's core business; facilitating in the doing business environment in Botswana.

CIPA is mandated to effectively promote and enable the full protection of the rights of investors and right holders obtained under four pieces of legislation namely, the Companies Act, the Registration of Business Names Act, Industrial Property Act, Copyright and Neighbouring Rights Act.

CIPA is dedicated to ensuring that through its values of customer focus, integrity, efficiency and innovation, it achieves its vision of being the leading business registration and intellectual property management institution in Africa by 2020.

GOVERNING STRUCTURE

Sound corporate governance is a critical component and an anchor to the performance and viability of any organization. The corporate governance processes inform the Board, Management and employees in undertaking their responsibilities, improve decision making processes, and provide for transparency and integrity in the Authority's processes and procedures, thereby instilling stakeholder confidence in the Organisation.

The CIPA Board is the governing body of the Authority, established under Section 7 of the CIPA Act 2011, and is responsible for directing the affairs and operations of the Authority. The Board also serves as the focal point and custodian of corporate governance in the organization, providing guidance on the long-term corporate strategy and oversight over the affairs of the Authority. In accordance with the CIPA Board Charter, the Board is mandated to supervise and control the administration and financial management of CIPA, and formulate matters of policy for the purpose of providing general and/or specific guidance to CIPA Management.

In carrying out its mandate the Board is closely guided by the roles and responsibilities as enshrined in the CIPA Act, as well as the CIPA Board Charter and Terms of Reference for Board Committees.

BOARD COMPOSITION

In terms of Section 9 (1) of the CIPA Act, the Board shall consist of members appointed by the Minister of Investment, Trade and Industry, and these members are to be elected from amongst persons with expertise in intellectual property, accounting, law, and ICT, among others. As per requirements of the CIPA Act, the Registrar General serves as an ex-officio member of the Board. Each member shall hold office for a period of no more than five (5) years and shall be eligible for re-appointment for a cumulative period of not more than ten (10) years, and as the Minister may determine. The Board is currently comprised of 7 Members, all of whom are appointed in line with the dictates of the Act.

During the last quarter of the 2019/2020 financial year, an independent third party was appointed to conduct a Board evaluation exercise. The aim of the Board evaluation was to assess board performance against established best practice, reflect on the role of the board, its objectives and efficacy, and identify future development needs of the Board. The results and outcomes of the Board appraisal and recommendations thereof are to be reported and implemented in the 2020/21 period.

CORPORATE GOVERNANCE REPORT (Continued)

The Board is supported in carrying out its duties by the Finance & Audit Committee, Human Resource Committee, and Board Tender Committee.

The Finance & Audit Committee assists the Board in fulfilling its oversight responsibilities as regards:

i) the adequacy of accounting and financial reporting policies, internal control and the compliance system;
ii) the integrity of the financial statements and the reliability of disclosures;
iii) the appointment, remuneration, qualifications, independence and effectiveness of the external auditors;
iv) the independence and effectiveness of the internal audit function;
v) considering and recommending the Authority's risk policies and risk appetite to the Board;
vi) monitoring the Authority's risk profile for all types of risks, and
vii) overseeing the management framework of the risks and assess its effectiveness.

The Human Resource Committee assists the Board with the following:

i) Maintaining a set of values and incentives for Authority executives and employees that are focused on performance, and promote integrity, fairness, loyalty and meritocracy.
ii) maintaining an effective institutional and Corporate Governance framework for the Authority, an optimal Board composition, and effective Board process and structure.

The Board Tender Committee assists the Board with:

i. consideration, review and awarding of tenders;
ii. disposal of assets;
iii. reviewing and deciding on appeals received following Management Tender Committee decisions, actions and activities;
iv. reviewing and advising the Board on procurement and asset disposal strategies and policies and
v. ensuring that decisions in respect of procurement and disposal made by the organization comply with the CIPA Procurement and Disposal Policy, the Public Procurement and Asset Disposal Act, and relevant statutes and legislation.

Attendance of Board and committee meetings during the financial year ended 30 March 2020

The table below represents the main Board and Committee meetings attendance by individual members:

Member	Main Board		Human Resource Committee		Finance and Audit Committee		Board Tender Committee	
	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended
Mr. Martinus Seboni	4	4	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Charles Siwawa	4	4	N/A	N/A	6	5	N/A	N/A
Mr. Tshiamo James Motsumi	4	4	3	3	N/A	N/A	3	3
Ms. Goitseone Collette Phorie	4	4	3	2	N/A	N/A	N/A	N/A
Dr. Bernard T. Bulawayo	4	3	3	3	6	4	N/A	N/A
Ms Lorato C Morule	4	4	N/A	N/A	6	5	3	3
Mr. Phazha T. Butale	4	2	N/A	N/A	N/A	N/A	3	3
Mr. Conductor Masena	4	4	3	3	6	6	3	3

CORPORATE GOVERNANCE REPORT (Continued)

COMPLIANCE TO CORPORATE GOVERNANCE STANDARDS

The CIPA Board subscribes to the King Code of Governance practices, which is based on the premise that corporate governance exists to facilitate accountability, transparency, responsibility for efficient and effective performance aimed at achieving long-term strategic objectives.

King III provides a solid foundation of corporate governance and was developed as a consequence of changing trends in international corporate governance practices and procedures. King III has been considered as the leading guide on best practice in corporate governance. In the current year, CIPA assessed its governance structure against the principles of the King III Code and found that there has been compliance in majority of principles save for the following areas - Failure to conduct a Board Evaluation exercise; slow implementation of the Risk Management Policy; lack of review of the CIPA Corporate Governance Framework and related documents; inadequate monitoring of the Shareholder Compact, and the absence of an Anti-corruption Policy. Various initiatives have commenced to address the above, including the review of the CIPA Corporate Governance framework, adoption of the Anti-corruption Policy, and the Performance Appraisal of the Board.

These initiatives are to be completed in the 2020/21 period. On a quarterly basis, through the Strategy Management Office, the Authority is assessed on the implementation and compliance of corporate governance principles through a qualitative measurement of the outcomes set out under each principle.

CORPORATE PERFORMANCE REPORT

FOR THE 2019/20 FINANCIAL YEAR

(1st April 2019 to 31st March 2020)

1.0 EXECUTIVE SUMMARY

1.1 This report covers the corporate performance and achievements of the Companies and Intellectual Property Authority (CIPA), for its strategic plan period 2015 to 2020 from 1st April 2019 to 31st March 2020. The report highlights the performance of the Authority in terms of the sixteen (16) strategic objectives contained in the Corporate Scorecard; the Key Performance Indicators (KPIs); strategic initiatives, which are projects and action plans that drive results; and specific targets.

1.2 The Authority continues to operate under a constrained environment due to inadequate funding, which has been identified as a high-level risk, to, among others; populate the approved organisational structure with the right human capital and set up the appropriate and modern ICT infrastructure to support the online projects and the core business in line with the Authority's ICT strategy. However, prioritisation of the available limited resources continues to be carried out in order to implement some of the Authority's key strategic drivers in alignment with its business model and underpinned by its core values of customer focus, innovation, integrity and efficiency.

1.3 The progress of all the sixteen (16) strategic objectives of the corporate scorecard, including the mandate objective, is currently being monitored through Key Performance Indicators (KPIs) and targets. However, as the process of strategy management is dynamic, a feedback loop is being used to monitor execution and to inform the next round of planning by, among others, making trade-offs through prioritising what to do and what not to do. Therefore, during the period under review, only thirteen (13) out of the sixteen (16) strategic objectives were reported on and had all or some of their KPIs assessed, representing 81.25% assessment rate, which is the same results achieved during the same period in the prior year. The three (3) strategic objectives whose measures were not assessed during the period under review include **Create a High-Performance Culture, Attraction and Retention of Talent, and Increase Financial Sustainability.**

1.4 **Talent** strategic objective, the % Employee Engagement indicator was last assessed during 2018/19 following the Employee Engagement survey conducted in the last half of 2017/18. An action plan has been developed to monitor the implementation of the survey recommendations. The 2019/20 Engagement survey was planned for the third quarter 2019/20, but the project was not implemented. On the **Increase Financial Sustainability** strategic objective, the indicator, % Sustainability will only be assessed once the CIPA financial sustainability model has been devised and implemented.

1.5 The results for the apex indicators relating to company incorporation and business names registration are based on the data from the Companies and Business Names Administration System (CBNAS) for the first two (2) months of the 2019/20 financial year and the Online Business Registration System (OBRS), which was launched and became operational on the 3rd June 2019.

1.6 The assessment of the % disputes resolved indicator is dependent of the establishment and operationalization of the Arbitration Panel, whose Regulations are still being finalised by the AG's Chambers. The % Compliance to re-registration indicator, which is linked to the ongoing company re-registration project, as one of the key initiatives supporting the online registration system, has been assessed during 2019/20. The results show that a lot still needs to be done to stimulate companies and business owners to speed up their re-registration efforts. Only 19% of companies (31.7%) and business names (5%) were able to re-register between June 2019 and 31st March 2020.

1.0 EXECUTIVE SUMMARY (Continued)

1.7 The indicator relating to the mapping of support business processes was reported on. The mapping of support business processes commenced on the 1st July 2019 and a total of eighteen (18) support business processes were identified for mapping. These includes; Insurance of newly procured assets, Onboarding process, Payment process (external), Payroll process, Procurement process (Micro), Refund process, Revenue collection process, Telephone maintenance process, Vehicle request process, Reconciliation of petrol receipts, Disciplinary hearing process, Recruitment and Selection process, Application for traveling imprest process, General fault maintenance process, Payment process (external) travel, Tendering process and financial year end process. This figure grew to twenty-five (25) with an addition of seven (7) processes during the 3rd quarter 2019/20. These included, Budgeting process; Training and development process; Leave management process; Employee management process; Contracting management process; Asset management process; and Internal Audit process. Out of this figure of 25, a total of 19 processes were mapped, resulting in 76% achievement.

1.8 As regards the Levy on Technical Devices Fund (LTDF), the Number of projects funded indicator has not been assessed. This is due to the continued suspension of the issuance of open calls for the LTDF projects pending the finalisation of the review of the Fund guidelines process, which commenced during the 2016/17 financial year. Despite the ongoing review, a total of six (6) projects were approved for funding during the 2019/20 financial year under the indicator, however, no open calls were issued during the financial year hence the indicator was not reported on. The Project success rate indicator was assessed for the LTDF projects scheduled for completion during the fourth quarter of 2019/20.

1.9 In total, twenty-three (23) indicators were assessed, and the Authority posted an excellent performance of 80-100% in thirteen (13) of the indicators and an average performance score of 51-79% in seven (7) indicators. However, the Authority performed below par (50% and below) in three (3) indicators, namely: % Increase in IP filings, % Non-conformities corrected and % Compliance to Re-registration, where the performance scores of 0%, 50% and 19%, respectively were achieved.

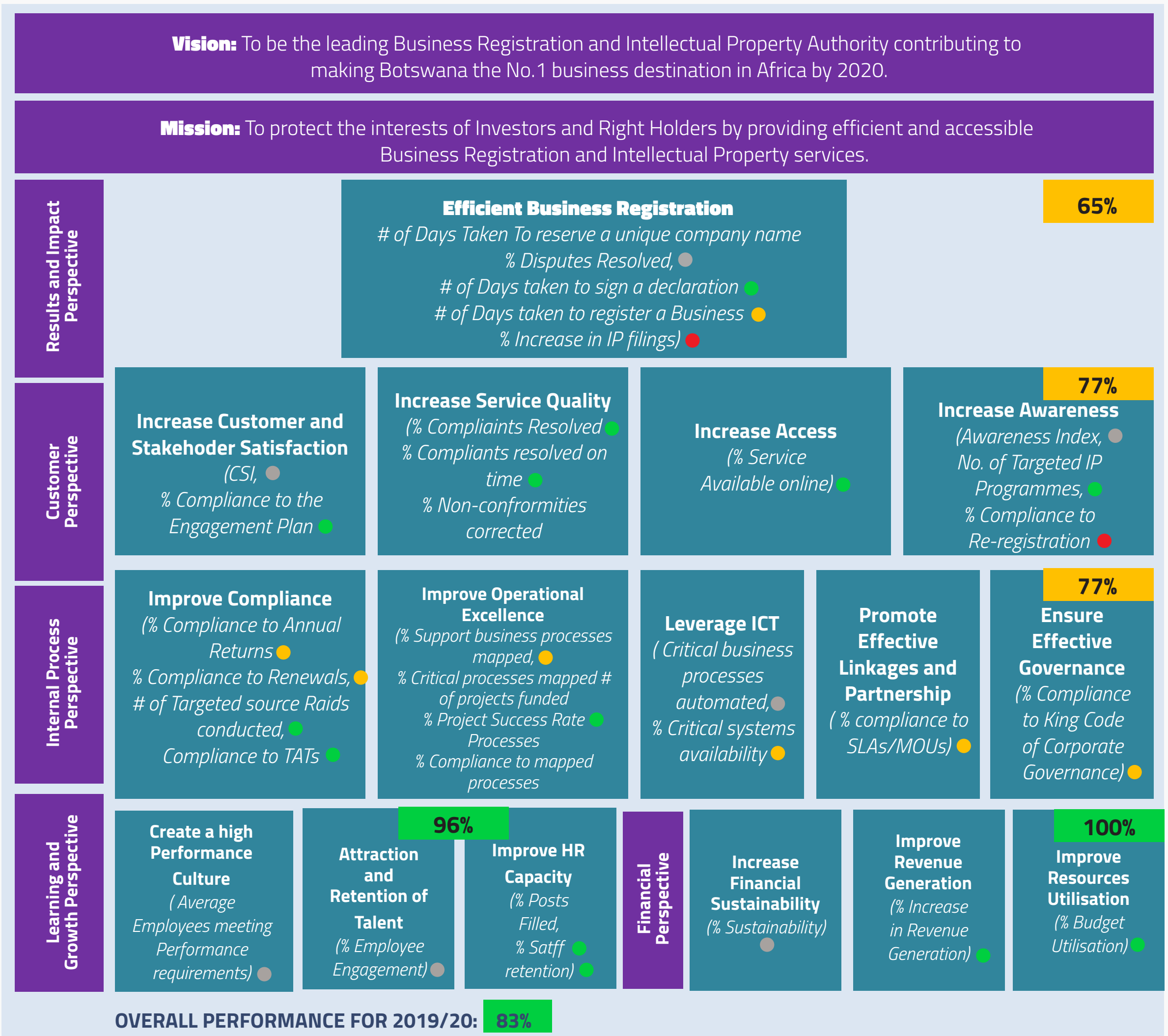
1.10 During the 2019/20 financial year, 29 strategic initiatives were approved for implementation. Out of this figure, only two (2) initiatives, namely, ***"Conduct data cleaning" and "Increase bandwidth for all branches"*** have been completed. Eleven (11) initiatives are ongoing, while the rest (16) have not been implemented.


CIPA
cosbots
#OBRS

2.0 CORPORATE PERFORMANCE HIGHLIGHTS

2.1 As depicted by Figure 1, the overall corporate performance for the Authority for the 2019/20 financial year was up by an impressive **15%,** from the **68%** achieved during the same period in the prior year, to **83%** as shown on **Table 1**.

Figure 1: Overall Performance for the 2019/20 financial year



Corporate Performance Highlights

2.0 CORPORATE PERFORMANCE HIGHLIGHTS (Continued)

2.2 The above dashboard shows a general improvement in the Authority's performance for the period under review. This is attributed to the excellent results posted by some of the key performance indicators against their respective targets, namely; *% Complaints resolved (98%), % Services available online (100%), number of IP targeted programs (100%), Number of source raids conducted (100%), % Critical skills retained (98%), % Increase in revenue generated (100%) and % Budget utilization (100%).*

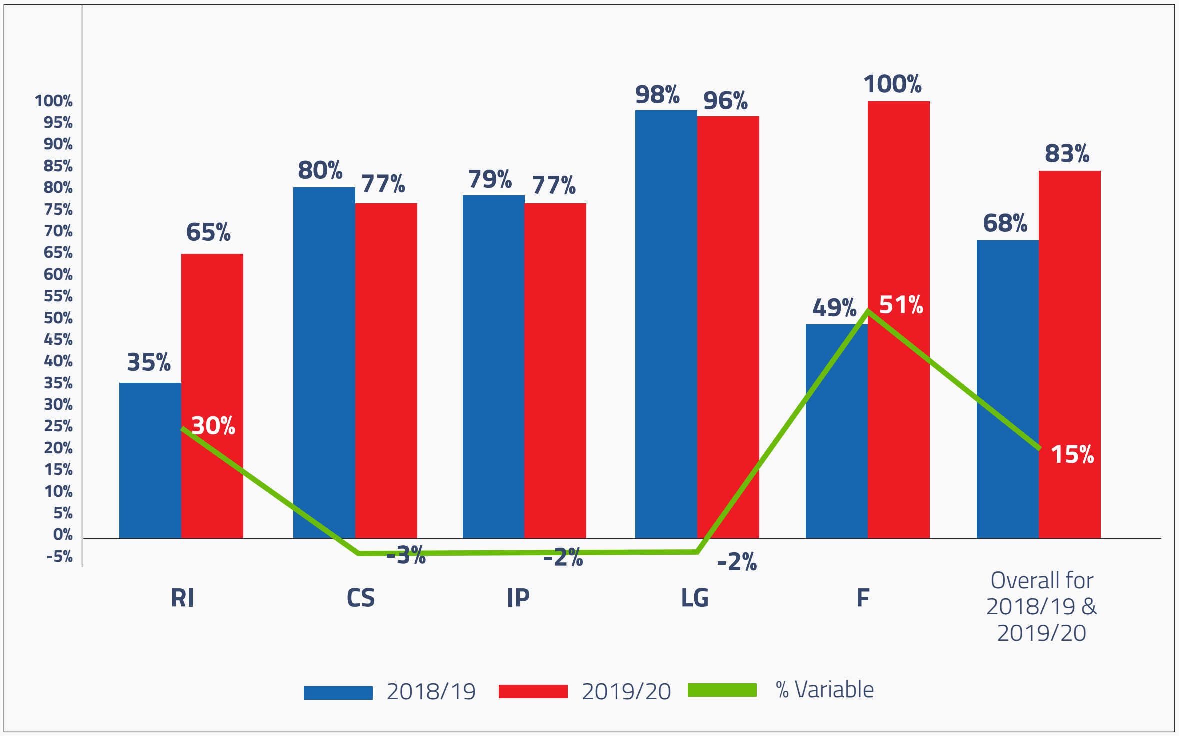
2.3 In terms of perspectives, the **Financial and Resource** perspective recorded the highest increase of 51% from the 49% achieved during the same period in 2018/19; followed by the **Results and Impact perspective** with an increase of 30% from the 35% achieved during the same period in the prior year to 65% during 2019/20. However, the **Internal Processes** perspective, the Customer and Stakeholder and the **Organisational Development** perspectives realized marginal decline in performance by 3%, 2% and 2%, respectively when compared to the prior year as depicted by **Tables 1** and **Figure 2** below.

Table 1: Comparative Overall Performance for the Perspectives for 2018/19 & 2019/20

QUARTER						
	Results and Impact	**Customer and Stakeholder**	**Internal Processes**	**Learning and Growth**	**Financial**	**Overall**
2018/19	35%	80%	79%	98%	49%	**68%**
2019/20	65%	77%	77%	96%	100%	**83%**
% Variance	**30%**	**3%**	**-2%**	**-2%**	**51%**	**15%**

Figure 2: Comparative year on year performance (2018/19 & 2019/20)

2.0 CORPORATE PERFORMANCE HIGHLIGHTS (Continued)



PERSPECTIVE PERFORMANCE

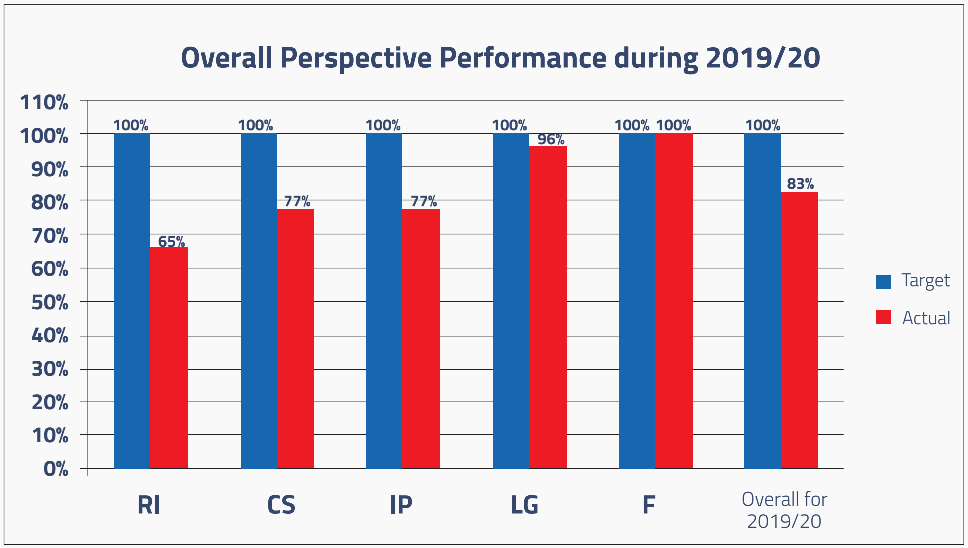
3.0 PERSPECTIVE PERFORMANCE

3.1 Perspective Performance Analysis for the 2019/20 financial year

3.1.1 The overall un-weighted analysis of the individual perspectives indicates that the Financial and Resource perspective posted the highest performance results at **100%**, followed by the Organisational Capacity (Learning and Growth) at **96%**.

3.1.2 Both the Customer and Stakeholder and the Internal Processes perspectives came third with an average performance of **77%,** while the Results and Impact perspective came fourth with a performance score **65%** as reflected on **Figure 3** below.

Figure 3: Perspective Performance Analysis for the 2019/20 financial year



3.2 Results and Impact Perspective (RI)

3.2.1 The Results and Impact perspective experienced an incredible improvement in performance from an average performance score of 35% during 2018/19 to an average performance score of 65% during the 2019/20 financial year. The introduction of the Online Business Registration System (OBRS), during the last half of the first quarter of 2019/20 immensely changed the doing business landscape by offering CIPA customers the rare opportunity to interact with the system without the need to visit CIPA offices.

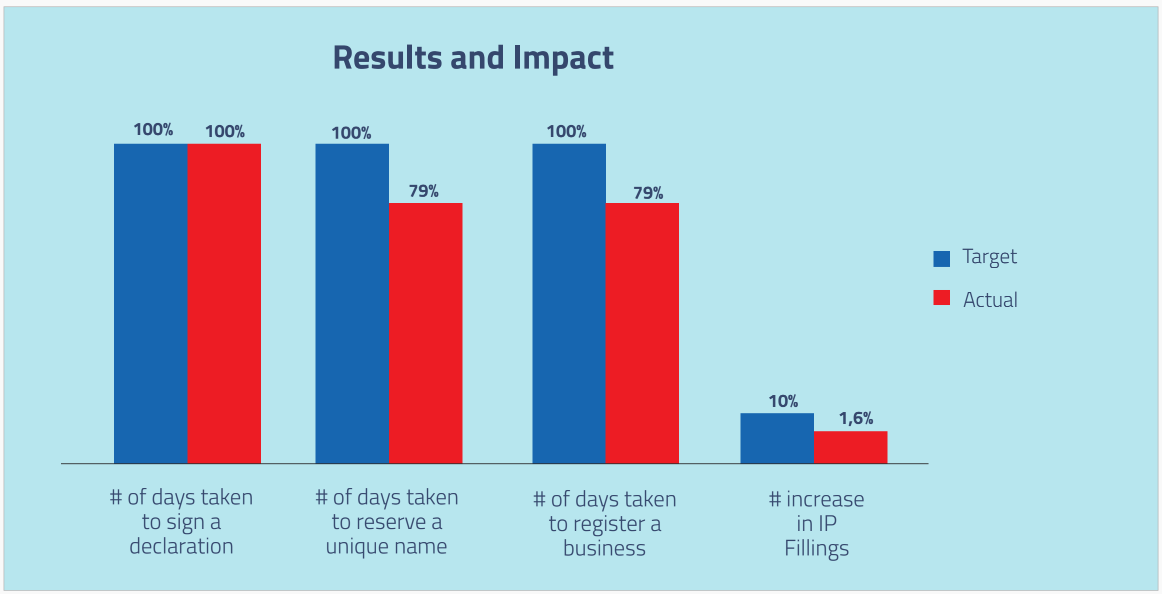
3.2.2 This is in line with the CIPA customer value proposition where the customer has been promised ease of accessibility of services; convenience; efficiency, and improved speed in service delivery, while maintaining a high level of consistency in delivering those services.

3.0 PERSPECTIVE PERFORMANCE (Continued))

3.2.3 Since the advent of the OBRS on the 3rd June 2019, *the Number of days taken to reserve a unique company name as well as the Number of days taken to register a company* indicators have both consistently performed at 100% with the name reservation and registration now done within the turnaround time of one (1) day. However, the overall results for 2019/20 for the two indicators stood at 79%, as their performance was blemished by the poor results recorded during the first two months of the financial year (April and May 2019) where an average of six (6) days for name reservation and seven (7) days for companies and business names registration was achieved through the Companies and Business Names Administration System (CBNAS).

3.2.4 On the downside, the *% Increase in IP Filings* closed the 2019/20 with an overall negative variance of 1.6% in performance. This is despite the impressive achievement of 20% and 7% recorded during the 3rd and 4th quarter 2019/20 respectively, against the Authority's target of 10%. Whilst the performance fell below the expectations, this was a slight improvement when compared with the negative variance of 3.7% achieved during the 2018/19 financial year.

Figure 4: Average Performance of the Results and Impact Perspective

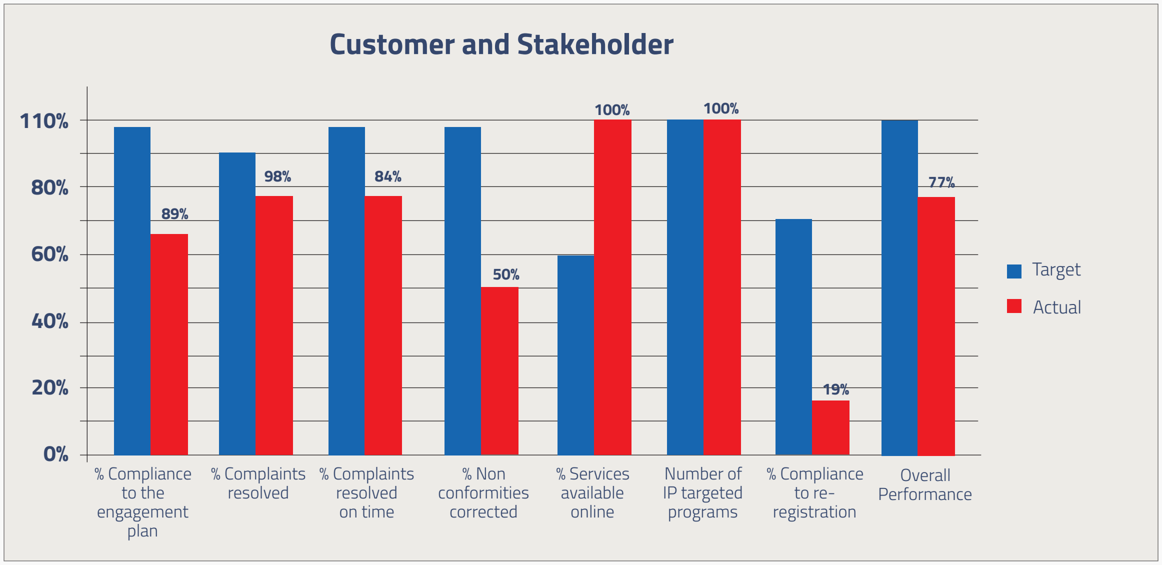


3.2.5 Continued awareness creation on IP services continues to occupy the Authority's awareness campaign agenda, as IP is one of the key drivers of innovation and creativity in line with the country's burning quest to attain a knowledge-based economy status.

3.0 PERSPECTIVE PERFORMANCE (Continued)

3.3 Customer and Stakeholder Perspective (CS)

Figure 5: Average Performance for the Customer and Stakeholder perspective



3.3.1 The Customer and Stakeholder perspective recorded an overall performance of 77%, which is down 3% year-on-year when compared to the 80% achieved during 2018/19 as shown on Figure 5. The greatest contributor to this contracted performance for the perspective is the % Non-conformities corrected, which declined from 57% recorded during 2018/19 to 50% during the period under review. Further, the low results of 19% achieved by the % Compliance to re-registration, although it was not assessed during 2018/19, negatively impacted on the performance for the perspective. Despite the decline in performance, there were a number of indicators, which posted positive results: % Compliance to the engagement plan, % Complaints resolved, % Complaints resolved on time, % Services available online, and Number of IP targeted programs, all of which posted impressive performances ranging between 84% and 100%.

3.3.2 On the *% Compliance to the engagement plan*, an average of 89% was achieved against the annual target of 100%, representing a performance score of 89% for the indicator. A total of six (6) engagement activities were conducted during the 4th quarter 2019/20 against a total of seven (7) planned activities. This brings the total number of engagement activities during 2019/20 to 30 planned engagement activities out of which 26 were conducted. This presents a decline of 2% in performance when compared with the 91% attained during the same period in 2018/19. On customer complaints, the Authority received a total of 2880 complaints, out of which 2702 were resolved, resulting in 93% achievement against the target of 95%, leading to a performance score of 98%.

3.0 PERSPECTIVE PERFORMANCE (Continued)

3.3.3 On the *% Non-conformities corrected*, an average of 38% (44/116) non-conformities have been addressed during the period under review, which brings the overall non-conformities corrected during 2019/20 to 50% against the target of 100%, resulting in a performance score of 50%. The non-conformities emanated from the following:

- Contracted services audit
- HR Audit
- General observations
- Internal Audit for the LTDF
- External Audit for the LTDF
- Mystery Shopper/Customer Satisfaction Survey Recommendations.

3.3.4 On the *% Compliance to re-registration*, a total of 80, 596 companies and business names have been re-registered through the OBRS from the 3rd June 2019 to the 31st March 2020 out of the total existing register of 442, 175 for the companies (222, 339) and business names (219, 836) migrated to the OBRS from CBNAS. This translates to an achievement of 19% against the target of 100%, which results in a performance score of 19%. More aggressive awareness campaigns targeted at all the companies and businesses who have not yet re-registered their entities should be conducted to ensure that more companies and business names are re-registered before the expiry of the re-registration period of December 2020.

3.4 Internal Processes Perspective (IP)

3.4.1 The Internal Processes perspective achieved 77% overall performance, marginally down by 2 % from the 79% attained in the prior year as shown on **Figure 6**. Several indicators have had a contribution to this decline in performance. For instance, the *% Compliance to Trademark renewals* was down by a huge margin of 32% from 90% in 2018/19 to 58% during the period under review. Trademark renewals remain a challenged area, which is largely caused by the lack of control by the Authority, as the decision to renew or not, rests solely with the owner of the trademark. As an intervention, reminder letters continue to be sent to right holders whose trademarks are due, to remind them to renew their IP rights.

3.4.2 The *% Systems availability* indicator was down by 19% from 98% in 2018/20 to 79%, while the Number of source raids conducted indicator remained steady at 100% following the conducting of twenty-six (26) raids against the annual target of twenty-four (24). The decline in the performance of the *% Systems availability* indicator was largely caused by the Ransomware attack that occurred during the 3rd quarter 2019/20 on the 29th November 2019. Further, during the same period, the OBRS was also down for three (3) hours due to a loss in connectivity at the AWS Amazon hosting site. Moreover, during the 4th quarter 2019/20, the Active Directory and IPAS systems achieved an average availability of 4.39%, which impacted on the overall critical systems performance for the year.

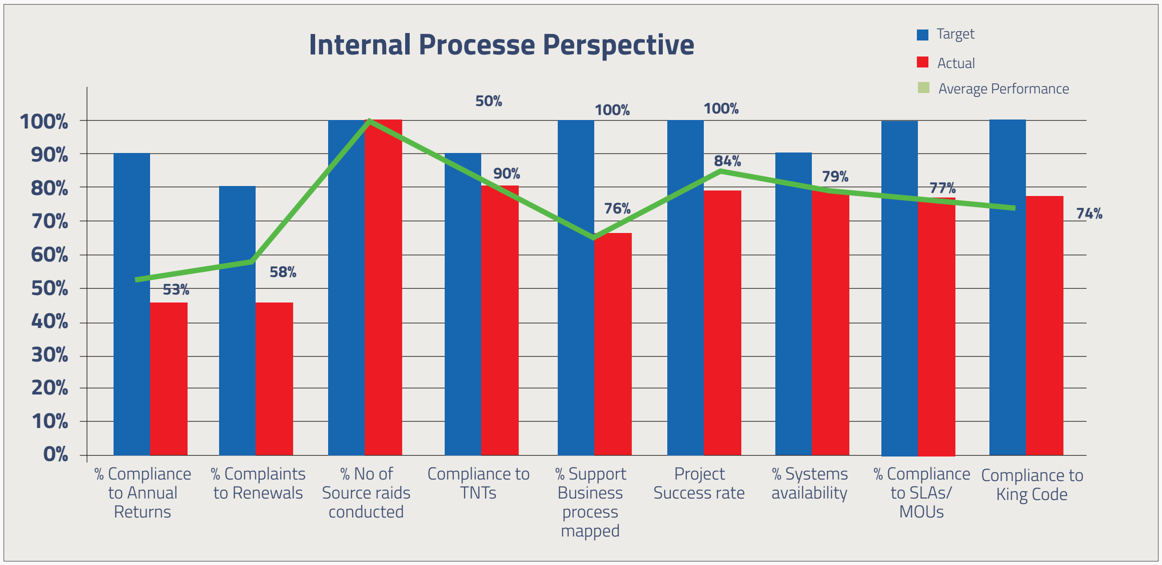
3.4.3 The performance score for the *% Compliance to SLAs/MOUs* indicator declined by a marginal score of 4% from the 81% achieved during 2018/19. This is largely due to the non-operationalisation of some of the signed MOUs such as the CIPA/MYSC, CIPA/BAOA and CIPA/UB where Joint Working Committees are yet to be established despite the length of time that has elapsed since the MOUs were signed. The above MOUs were signed on the 28th March 2017, 10th April 2018, and 20th March 2019, respectively. On the other hand, the *% Compliance to King Code of Corporate Governance* remained stable at an average performance of 70% against the target of 95%, resulting in a performance score of 74%. Concerns on the non-submission of the 2018/19 annual report by the deadline of the 30th September 2019 as per the CIPA Act, failure to monitor the implementation of the shareholder compact and failure to conduct board evaluation on time to reconcile with what is under corporate governance report may have led to the subdued performance for the indicator.

3.0 PERSPECTIVE PERFORMANCE (Continued)

3.4.4 Despite the overall contracted performance for the perspective, some indicators recorded positive performance. For instance, *% Compliance to annual Returns* was up by 9% from the 44% achieved in 2018/19 to an average of 53% during 2019/20. This may be due to the system generated reminders that are now being sent to companies when their annual returns are due, which was difficult to do with the old system due to lack of data integrity of the company and business names registry. Further, *% Compliance to Turnaround times* was up by 18% from an average of 72% during 2018/19 to an average of 90% during 2019/20. The improvement in the performance of the registration of companies and business names processes following the implementation of the OBRS led to the spike in the performance of the indicator.

3.4.5 The *Project success rate* indicator was also up by 9% on the prior period after recording an achievement of 84% against the target of 80%. The *% Support processes mapped* indicator posted an average performance after recording an achievement of 76%. This follows the mapping of 19 support business processes against the annual target of twenty-five (25).

Figure 6: Overall performance for the Internal processes perspective



3.4.4 3.5 Learning and Growth Perspective (LG)

3.5.1 The Organisational Capacity (Learning and Growth) perspective recorded an average performance of 96%, down by a marginal 2% from the results achieved during the prior period. During the reporting period, only two (2) indicators were assessed, namely, *% Posts filled and % Critical Skills retained*, which posted actual performance results of 93% and 98%, respectively as shown on **Figure 7**.

3.0 PERSPECTIVE PERFORMANCE (Continued)

3.5.2 The contracted performance was a result of a 4% decline in the ***% Posts filled*** indicator when compared with the prior period where an actual performance score of 97% was achieved. During the period under review, the Authority closed the quarter with a head account of 97 positions out of the staff establishment of 102 as a result of the filling of one (1) position of Internal Audit Officer, bringing the ***% Posts filled*** for the 4th quarter 2019/20 to 95% (97/102), against the target of 100%, which translates to a performance score of 95%. During this period, five (5) vacant posts were recorded, namely, Call Centre Supervisor; Assistant Registrar, Records and Search; Accounts Officer; Director, Corporate Services; and Records Officer. During 2019/20, an average performance of 93% posts filled was achieved against the target of 100%, resulting in a performance score of 93% for the indicator.

3.5.3 Regarding the ***% Critical skills retained indicator***, an average ***% staff retention*** rating of 94% was attained against the target of 95%, resulting in the performance score of 98% during the 4th quarter 2019/20. This follows the voluntary termination of only one critical skill, being the Accounts Officer during the period under review. The overall performance for the indicator stood at 93% against the target of 95% resulting in the performance score of 98%.

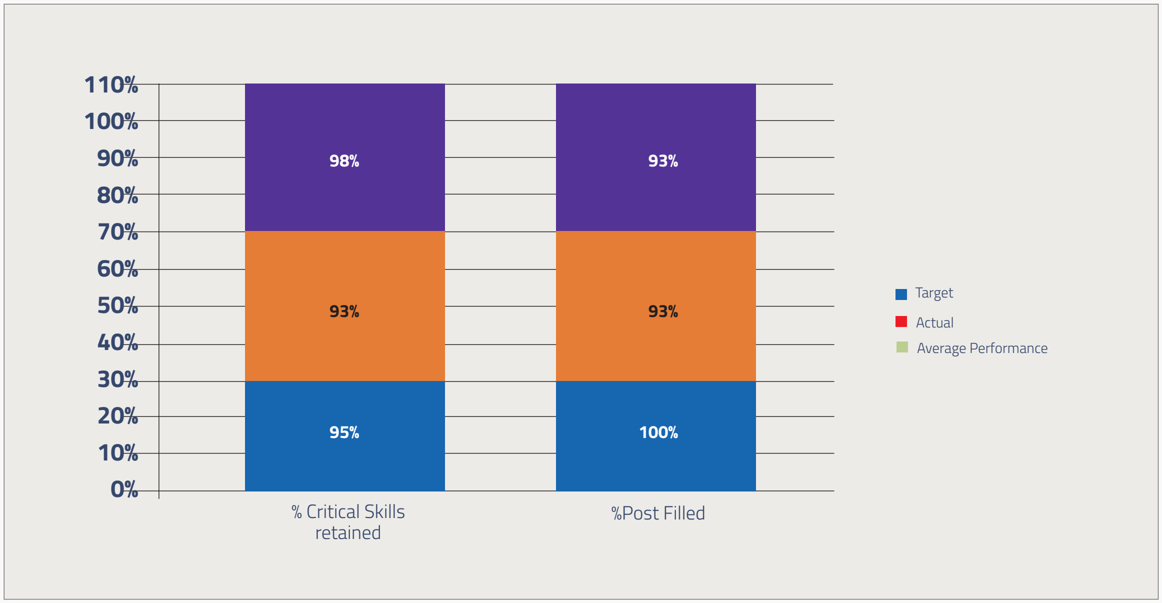
3.5.4 A comprehensive talent management strategy, which is aimed at identifying, developing, and harnessing the Authority's talent to maximize the potential of its employees, is one of the strategic initiatives earmarked for implementation during 2019/20. However, due to financial constraints, the initiative could not be funded for implementation.

3.5.5 On the Employee engagement survey carried out during the 4th quarter 2017/18, the implementation of the recommendations from the survey is currently being monitored through an action plan following the sharing of survey results with staff during the first quarter 2019/20. A total of 24 interventions were identified out of which four (4) have been implemented (development of the Training & Development Policy, inclusion of identification of key competencies of roles in the PMS scope of work, customer service training, leadership training); four (4) are ongoing (development of the Recruitment & Selection policy and procedure, the filing of vacant positions, establishment of a Middle Management Committee, and the development of a Wellness Policy), whilst the rest are pending.

3.5.6 As regards to the ***% Average Employees meeting performance requirements*** indicator, the indicator will be assessed once all staff have been assessed for their performance during 2019/20.

3.0 PERSPECTIVE PERFORMANCE (Continued)

Figure 7: Average Performance for the Learning and Growth



3.6 Financial and Resource Perspective (F)

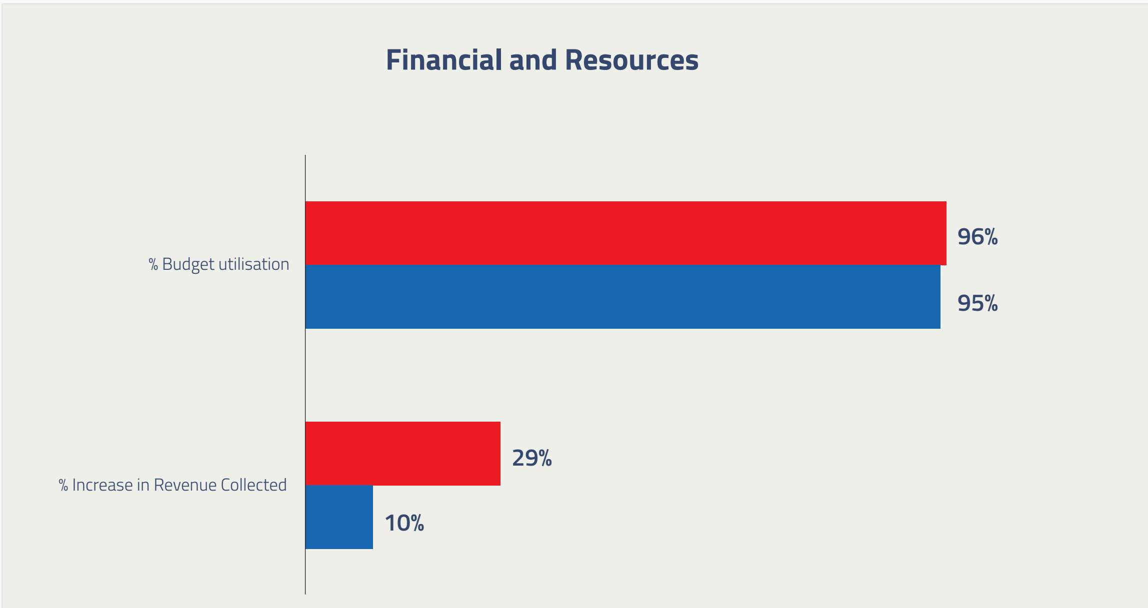
3.6.1 The Financial and Resource perspective was up by 51% on the prior year after recording a remarkable performance of 100% during the period under review based on the two (2) indicators of *% Increase in revenue generated and % Budget utilisation.* The much-improved performance for the perspective was due to the excellent results achieved by the *% Increase in revenue generated* from -7.9% in 2018/19 to an impressive 29% during the reporting period as shown on **Figure 8**.

3.6.2 The Authority collects revenue on behalf of the Shareholder and safeguards it until it is remitted to the government consolidated fund at the end of the financial year. For the period under review, a total revenue of P49, 962, 340 has been cumulatively collected. This represents an increase of P11, 162, 537 or 29% from the figure of P38, 799, 803 collected during the same period in the prior year against the target of 10%, resulting in over 100% achievement.

3.6.3 As regards to the *% Budget utilisation* indicator, the Authority continues to optimally utilise its allocated subvention from the Ministry of Investment, Trade, and Industry. As at 31st March 2020, the Authority recorded a total expenditure of P51, 411, 314 against the budget of P53, 786, 796, representing 96% budget utilisation against the target of 95%, which translates to a performance score of over 100%.

3.0 PERSPECTIVE PERFORMANCE (Continued)

Figure 8: Average Performance for Financial and Resource perspective



3.6.4 The Authority should expedite the development of the sustainability model by determining the best available sources of investment and financing by applying the risk-return principle to maximise value for the shareholder.

4.0 CORPORATE PERFORMANCE

4.1 Table 2: Average Corporate Performance for the 2019/20 financial year

Strategic Objective	Key Performance Indicator (KPI)	2019/20 Target	Actual Q1	Performance Score (%) Q1	Actual Q2	Perf. Score (%) Q2	Actual Q3	Perf. Score (%) Q3	Actual Q4	Perf. Score (%) Q4	2019/20 Average Actual	Average perf. (%)
R1 Efficient Business Registration and IP Protection	CIPA's Contribution to Starting a business ranking	1 day from 3rd June 2019)										
	No of days taken to reserve a unique company name	1 day	6 days	16.7%	1 day	100%	1day	100%	1day	100%	79%	79%
	Number of days taken to sign a declaration	1 day (only April-May 2019	1 day	100%							100%	100%
	No of days taken to register a business	2 days (April-May and 1 day from 3rd June 2019)	7 days	14.3%	1 day	100%	1day	100%	1day	100%	82%	79%
	% Disputes resolved	60%										
	% Increase in IP Filings	10%	-13.9%	-139%	-19.6%	-196%	20%	200%	241-225/225 = 7%	70%	-1.6%	0%
TOTAL												**65%**

Strategic Objective	Key Performance Indicator (KPI)	2019/20 Target	Actual Q1	Performance Score (%) Q1	Actual Q2	Perf. Score (%) Q2	Actual Q3	Perf. Score (%) Q3	Actual Q4	Perf. Score (%) Q4	2019/20 Average Actual	Average perf. (%)
C1 - Increase Customer and stakeholder satisfaction	CSI	90%	82% (2018/19)	91%								
	% Compliance to the engagement plan	100%	90.9%	16.7%	7/9*100 =77.8%	77.8%	3/3*100 =100%	100%	6/7 engagements =85.7%	85.7%	354.2/4= 88.6%	89%
C2 – Increase Service Quality	% Complaints resolved	95%	85%	84%	723/727*100 =99.4%	105%	666/675*100 =98.6%	104%	1043/1159 =90%	94%	93.25%	98%
	% Complaints resolved on time	95%	40%	42%	7/9*100 =77.8%	101%	666/675*100 =98.6%	104%	887/1043 =85%	89%	79.8%	84%
	% Non-conformities Corrected	100%	65.7%	69%	38/90*100 =42% /100%*100=42%	42%	38/51*100 =55% /100%*100=55%	55%	44/116*100 =38%	38%	50%	50%
C3 – Increase Access	% Services available online	60%	7 services out of the planned 13 for Q1 are available online through OBRS = 53.8%	90%	12 services out of the planned 14 for Q2 are available online through OBRS = 86%	142%	13 out of the planned 15 for Q3 are available online through OBRS = 87%	144%	13 out of the planned 15 for Q4 are available online through OBRS = 87%	144%	78.4%	100%
C4 – Increase Awareness	Awareness Index	60%	56%	70%								
	Number of targeted IP programs	10			4/4	4\4*100= 100%	4\4*100= 100%	100%	3/2*100 = 150%	150%	4+4+2 = 10/10 = 100%	100%
	% Compliance to re-registration	100%							80, 596/442, 175*100 = 19%	19%	19%	**19%**
TOTAL												**77%**

4.0 CORPORATE PERFORMANCE (Continued)

Strategic Objective	Key Performance Indicator (KPI)	2019/20 Target	Actual Q1	Performance Score (%) Q1	Actual Q2	Perf. Score (%) Q2	Actual Q3	Perf. Score (%) Q3	Actual Q4	Perf. Score (%) Q4	2019/20 Average Actual	Average perf. (%)
IP1 – Improve Compliance	% Compliance to Annual Returns	90%	10.9%	54.5%					14, 482/ 17, 240*100 = 84%/90% = 93%	93%	47.5%	53%
	% Compliance to Renewals	80%	27.6%	34.5%	33.8%	43%	60%	75%	109/170* 100 = 64%	80%	46%	58%
	No of Source Raids Conducted	24 (6 raids per quarter)	5/6*100 = 83%	83%	13/6*100= 217%	217%	2/6*100=33%	33%	6/6*100 = 100%	100%	26/24*100 = 108%	100%
	Compliance to Turnaround Times (TNTs)	90%	70.9% (44.4% for IP processes; 83% for time taken to resolve Customer complaints; 100% for Compliance to Company de-registration; 60% for Companies and Business names registration; and 67% for Name reservation)	70.9%	86% (44% for IP processes; 100% for time taken to resolve Customer complaints; 100% for Companies and Business names registration; and 100% for name reservation)	96%	88.8% (56% for` IP processes; 99% for time taken to resolve Customer complaints; 100% for Companies and Business names registration; and 100% for name reservation)	98.6%	80% (33% for IP processes; 85% for time taken to resolve Customer complaints; 100% for Companies and Business names registration; and 100% for name reservation)	89%	81%	90%
IP2 – Improve Operational Excellence	% Critical business processes mapped	TBC										
	% Support processes mapped	100% (12 for Q2, 6 for Q3 and 7 for Q4)			7/12*100= 58%	58%	18/18=100%	100%	1/7*100 = 17%	17%	19/25*100 = 76%	76%
	Number of projects funded	6										
	Project success rate	80%	61.7%	77%	78.3%	97.9%	68.3%	85.4%	60.7%	75.8%	67.25%	84%
	% Compliance to mapped processes	100%										
IP3 – Leverage ICT	% Critical business processes automated	70%										
	% Systems availability	100%	100%	100%	79%	79%	86.7%	86.7%	51.8%	51.8%	79.4%	79%
IP4 – Promote Effective Linkages and Partnerships	% Compliance to SLAs/MOUs	90%	70%	78%	70%	78%	70%	78%	65%	72%	69%	77%
IP5 – Ensure Corporate Governance	% Compliance to the King Code of Corporate Governance Principles	95%	73%	77%	67%	71%	71%	74.7%	68%	72%	70%	74%
TOTAL												**77%**

4.0 CORPORATE PERFORMANCE (Continued)

Strategic Objective	Key Performance Indicator (KPI)	2019/20 Target	Actual Q1	Performance Score (%) Q1	Actual Q2	Perf. Score (%) Q2	Actual Q3	Perf. Score (%) Q3	Actual Q4	Perf. Score (%) Q4	2019/20 Average Actual	Average perf. (%)
L1 – Create a High-Performance Culture	% Employees meeting performance requirements	85%										
L2. Attraction and Retention of Talent	% Employee Engagement	80%	41.4% (2017/18) survey									
L3. Improve HR Capacity	% Posts Filled	100%	87%	87%	97/102 (95%)	95%	95/102 (93%)	93%	97/102 (legal officer)	95%	93%	**93%**
	% Critical Skills Retention	95%	92.8%	97.6%	92.8%	97.6%	93.9%	98.9%	93.9%	89.9%	93%	**98%**
TOTAL												**96%**

Strategic Objective	Key Performance Indicator (KPI)	2019/20 Target	Actual Q1	Performance Score (%) Q1	Actual Q2	Perf. Score (%) Q2	Actual Q3	Perf. Score (%) Q3	Actual Q4	Perf. Score (%) Q4	2019/20 Average Actual	Average perf. (%)
F1 – Financial Sustainability	% Sustainability	55%										
F2 – Improve Revenue Generation	% Increase in Revenue Generated	10%	-12%	-120%	P13,986,193.84 - P10,539,547/ P10,539,547 *100%= 32.7%	32.7%/10% *100= 327%	31,434,117 -P28,959,536/ P28,959,536 *100=8.54%	85.4%	P17, 337, 845 – P9, 769, 262.64/P9, 7689, 262.64 * 100 = 7.7%	77%	P49,962,340 – P38,799,803/ P38,799,803 * 100 = 28.7%	100%
F3 – Improve Resource Utilisation	% Budget Utilisation	95%	P12,235,378 /P13,446,699 *100= 91%	95%	P26,653,198 /P26,893,398 *100= 99%	99%/95% *100= 104%	P37,671,521 /P40,340,097 *100=93.3%	98.2%	94%	98.9%	P51,411,314 /P53,786,789 *100 = 96%	**100%**
TOTAL												**100%**
Overall Average Performance for 2019/20												**83%**

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Looking back on the business environment in the consolidated report for the 2019/20 financial year, the Authority's overall corporate performance of 83% was up by 15% from the 68% achieved during the 2018/19 financial year.

5.2 The improvement in the overall performance for the Authority during the period under review can be attributed to the overall results posted by the Results and Impact perspective indicators with an overall performance of 65% when compared with the 35% achieved during the prior year. The introduction of innovative technology in the form of the OBRS, which has transformed the business environment in Botswana, resulting in the reservation and registration of business names and incorporation of companies within the turnaround time of one (1) day from an average of between eight (8) to ten (10) days, has greatly contributed to this improved performance results.

5.3 However, the Authority has registered a decline of 70 trademarks from a total of 1374 trademarks received during 2018/19 to the 1304 received during 2019/20, leading to an overall decline of 1.6% against the target of 10%, translating to a performance score of 0% for the % Increase in IP filings indicator. Further, the Financial and Resource perspective also registered positive results having achieved an overall performance score of 100%, up 51% from the 49% achieved during the 2018/19 financial year. This was largely due to the brilliant performance of the % Increase in Revenue Generated indicator after recording an increase of 29% in revenue against the negative variance of 7.9% achieved during 2018/19.

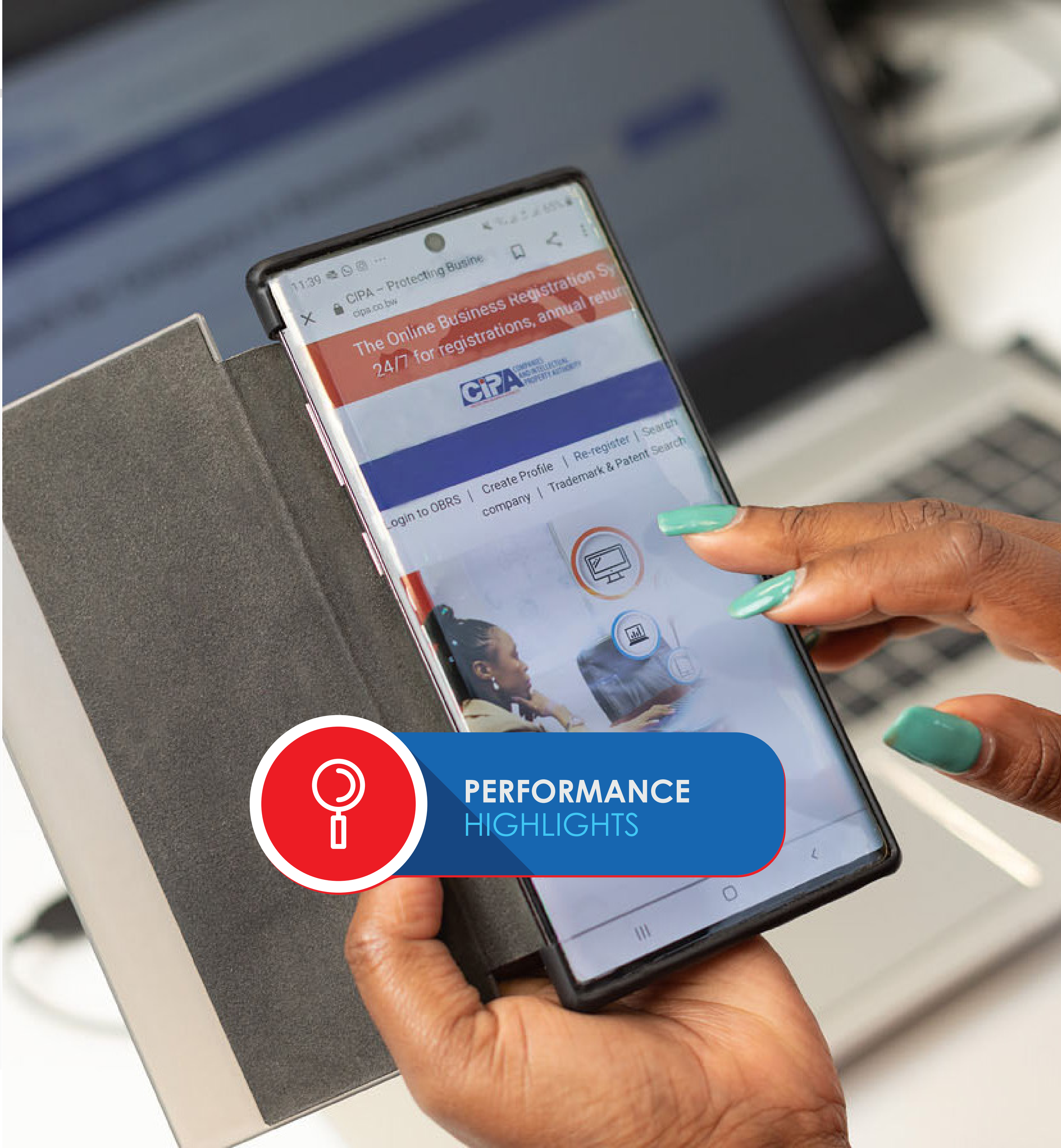
5.4 The performance of the processes perspective has also been impressive after recording an overall performance of 77%, although this was a marginal decline of 2% from the prior year results of 79%. The downside to the performance under the internal processes perspective is the non-compliance to trademark renewals, having been the lowest performer at an average of 58% for the year, which was a decline of 32% from the prior year results. This continues to be a challenged area as the decision to renew trademarks lies with the rights holder, with the Authority having no control over the matter. It is therefore imperative that the Authority should continue to pay a lot of attention to this area of business, whilst maintaining a balance with the support side of the business in order for the organisation to effectively achieve its strategic vision.

5.5 In order to sustain and even improve on the current performance, the Authority needs to continue prioritizing its scarce resources, both human and financial, in line with the current reality and its business model in order to meet the business needs driven by key stakeholder requirements and the ever-evolving customer expectations. There is an urgent need to direct resources towards the key strategic initiatives that are likely to bring the optimum results in the short to medium term.

5.6 Whereas the Learning and Growth dimension continues to perform well in terms of the assessed measures, although it was down by 2% from the 98% achieved during 2018/19, the lack of a defined corporate culture, which is key to driving strategy, should be addressed. This is because corporate culture defines the way employees serve customers and how they interact with each other and the way the Authority responds to emerging challenges. Lack of a defined corporate culture is likely to reduce the Authority's ability to achieve its strategic objectives.

5.7 Since our strategy is ICT based, it has become very imperative to expedite the implementation of the ICT strategy to drive the Authority's business model. Majority of the strategic initiatives under the ICT strategy are behind schedule, predominantly due to funding constraints. The implementation of the ICT strategy should occupy the Authority's attention if it will remain relevant in the fast changing and technologically driven business environment, where customer requirements and expectations are constantly evolving.

5.8 In the overall, the Authority should scale up the implementation of strategic initiatives, which are tied to the strategic priorities identified as key in transforming the business environment.



PERFORMANCE HIGHLIGHTS

PERFORMANCE HIGHLIGHTS

ONLINE BUSINESS REGISTRATION SYSTEM

The much-anticipated Online Business Registration System (OBRS) was launched on June 3rd 2019, with Release 1 (R1) providing registration services for new companies and business names and re-registration for existing companies and business names. Subsequent releases including post-incorporation (maintenance) services came in October 2019 and filing of annual returns in February 2020.

Ease of Doing Business

The OBRS, is part of the Ministry of Investment, Trade and Industry's doing business reforms, whose aim is to improve Botswana's business landscape by doing away with all procedures that hamper ease of doing business in the country. As the Authority at the front end of starting a business, CIPA's vision in its 2015-2020 corporate strategy was to leverage technology and contribute to making Botswana the number one business destination in Africa by 2020, and an online system for the registration of companies and business names was deemed as key to making this dream a reality.

The launch of OBRS has reduced the Starting-a-Business procedures from nine to seven by combining name reservation, the declaration and the registration procedures into one easy procedure online. The OBRS has also contributed to the reduction of total turnaround time for the Starting-a-Business Sub indicator from 48 to 37, making a saving of 11 days. It now only takes one day (24 hours) to register a company from the previous 12 days recorded by the World Bank. This is anticipated to be reflected in the 2020 Ease of Doing Business Report.

On the practical front, there has been overwhelming positive feedback on the OBRS by users and other stakeholders. Customers have marveled that they have been able to register their companies within a matter of hours, and are very much appreciative of the fact that the whole process, including payment and issue of certificates, are done online with no need to visit CIPA offices. CIPA continues to collaborate with other stakeholders such as MITI and Department of Information Technology for the Systems interfaces, API connections and inter-operability organizations including Botswana Unified Revenue Services, PPADB, and others to utilize the companies UIN for their numbering purposes on their systems. The strategic partnerships that CIPA has through signed MOU's with different organizations have played a significant role in the success of the project and we continue to leverage them in order to improve ease of doing business in Botswana.

Challenges

No system can ever be one hundred percent functional without challenges. As a customer centric organisation, we continue to listen to feedback from our customers and the following challenges will be addressed in the next reporting period:

- Not all bank cards are 3D compliant and therefore are unable to pay on the OBRS. This is a security feature which secures card information on the online environment. CIPA will engage with all banks on this issue, which when addressed, will improve client satisfaction for both CIPA and the banks.
- Clients have complained that they are still required to produce paper documents or certified documents when applying for services at other organisations. CIPA continues to engage with all entities, including licencing, procurement, tender adjudication, banks, and other government departments in order to increase awareness on the need to verify documents online. This is one of the ease of doing business objectives of the OBRS and 100% adoption will create a paperless, seamless process at the click of a button for the benefit of both the business community and users of corporate information.

PERFORMANCE HIGHLIGHTS (Continued)

OBRS Statistics

The following are statistics of different applications on the OBRS as at 30th March 2020;

Service Type	Reregistration	New Registration	% of Total Migration	Total Registrations
Companies	70 434	21 920	31.7	**92 354**
Business Names	10 162	11 300	4.6	**21 462**
Name Reservations	-	-	-	**15 509**

THE STUDY TO MEASURE THE ECONOMIC CONTRIBUTION OF COPYRIGHT BASED INDUSTRIES

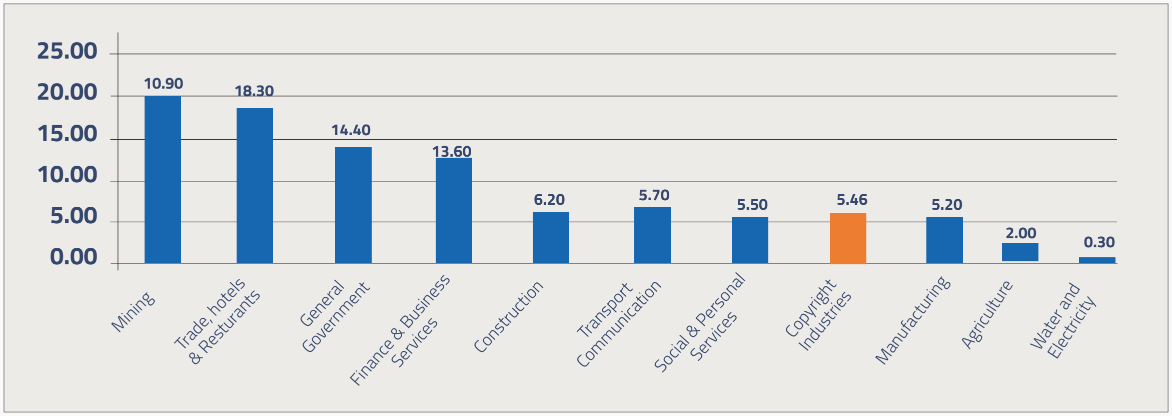
The Companies and Intellectual Property Authority (CIPA) commissioned a study to measure the Economic Contribution of Copyright Industries in Botswana. The main objective of the study was to quantify and analyse the economic contribution of copyright-based industries (or the creative industries) to the economy of the country in order to determine the sector's contribution to the Gross Domestic Product (GDP), employment, and how it compares with other sectors of the economy. The study was motivated by the fact that the copyright industries have gained prominence in different countries because of their contribution to their national economies. In carrying out the study, the Botswana Institute for Development Policy Analysis (BIDPA) used data from 2016 to estimate the contribution of copyright industries to value added, employment and foreign trade.

The results of the study indicate that the copyright industries make a significant contribution to the national economy of Botswana. In 2016, these industries contributed 5.46% to value added and 2.66% to the total labour force; meanwhile, in foreign trade they contributed 1.28% to exports and 3.47% to imports, yielding a negative trade balance of 1,988.80 million Pula, as imports exceeded exports by this amount. The core copyright industries contribute the largest share to GDP (47%) and employment (65%). In terms of foreign trade, interdependent copyright industries contribute the largest share (81%) to imports, while partial industries contribute 39% to exports.

The study also revealed that in terms of their relative contribution to the economy, copyright industries compare well with other economic sectors. For example, they rank eighth out of eleven sub-sectors in terms of contribution to GDP, surpassing sectors such as water and electricity, agriculture and manufacturing. In terms of employment, copyright industries are ranked ninth out of twelve sub-sectors, contributing more than mining and quarrying, finance and insurance and water and electricity.

The contribution of the copyright industries in Botswana compares well with that of other countries, especially in Africa, that have undertaken similar studies. They contribute 5.46% to value added compared to 11.1% in the USA, which is the global highest. In Africa, Botswana's contribution is the highest, followed by Kenya's at 5.3%. In terms of employment, the highest contribution is 11.1% in the Philippines and the lowest is 1.9%, in Ukraine, while Botswana's contribution stands at 2.66%. Compared to other African countries, Botswana contributes the least to employment.

PERFORMANCE HIGHLIGHTS (Continued)

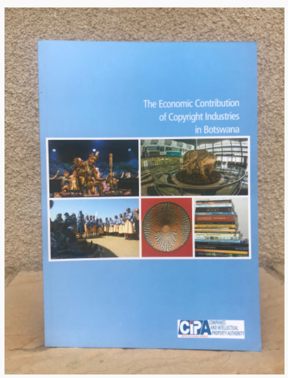


Sector contribution to GDP, Source: Computed from BoB (2017)

Although copyright industries contribute significantly to the economy of Botswana, the sector is plagued by challenges that inhibit its growth. These challenges include the institutional and legal framework within which copyright industries operate as well as weak associations (e.g, some associations are not fully operational, do not have secretariats and have minimal impact on their members' development).

The Study was launched on the 13th September 2019, at Cresta Gaborone Lodge by the Minister of Investment, Trade and Industry, Honourable Bogolo J. Kenewendo. The report can be found at: **https://www.cipa.co.bw/research-publications.html**

Hon. Minister Bogolo J. Kenewendo with the CIPA Registrar General, Mr Conductor P. Masena at the launch.



The cover of the Study report.

PERFORMANCE HIGHLIGHTS (Continued)

BUILDING RESPECT FOR IP VIDEO PROJECT

CIPA with support from World Intellectual Property Organization, undertook a project to produce a copyright awareness video for YouTube. The project was carried out from September to November 2019 in collaboration with Mogoditshane Senior Secondary School. The purpose of the project was to address copyright matters in the book publishing sector.

A total of forty (40) drama students were educated on building respect for intellectual property with an emphasis on copyright. They then took part in the production of the video. The video was launched on the 09th November 2019, where a total of three hundred and fifteen (315) participants attended. Participants included staff members from the school, students, Pearson Botswana, Botswana Police Service and Freshnet Services. The video can be accessed on youtube via the link: **https://www.youtube.com/watch?v=L_w6DeOICKc.**

DEVELOPMENT OF THE NATIONAL STRATEGY FOR THE CREATIVE INDUSTRIES IN BOTSWANA

CIPA collaborated with the Ministry of Youth Empowerment, Sport and Culture Development (MYSC), and Economic Diversification Drive (EDD) Unit, to develop the National Strategy for the Creative Industries in Botswana. The project is an initiative that seeks to develop and grow the creative industry, borne out of a realisation that the sector can play a part in contributing to, diversifying, and growing the economy of Botswana. The following highlights progress made in the project:

1. An extensive consultative process with various stakeholders, including public sector agencies and players in the creative industries was completed in 2018.
2. Consultative workshops were held on the 08th and 9th August 2019 to get supplementary information from various stakeholders in the creative industry.
3. The Situational Analysis Report (SAR) was approved by the Reference Committee on the 27th August 2019.
4. The Consultant developed two strategy documents, one being the narrative document which will be a public document, while the other is a technical document which will be used for implementation of the Strategy. The Reference Committee adopted the draft Strategy documents on the 24th January 2020.
5. A consultative meeting was held with the Executive Management of CIPA, MYSC and MITI on the 17th March 2020. The purpose of the meeting was for the Consultant to present the strategy documents for subsequent input of the management. The final strategy has been submitted, and it is anticipated that it will be launched in the near future.

PERFORMANCE HIGHLIGHTS (Continued)

CONSULTATIONS ON THE AMENDMENT OF THE COPYRIGHT AND NEIGHBORING RIGHTS ACT

In February 2020, the Authority conducted stakeholder consultations on the status of copyright protection in Botswana, as part of the process to amend the Copyright and Neighbouring Rights Act. Participants included regulatory bodies, policy makers and creators of copyright works. Consultations were held in the following areas and dates

a. Francistown and Maun - 18th February 2020
b. Selibe Phikwe and Ghanzi - 20th February 2020

Participants at Francistown

Participants at Selibe Phikwe.

LEVY ON TECHNICAL DEVICES FUND (LTDF)

CIPA continues to monitor projects funded under the Levy on Technical Devices Fund. Since inception of the Fund, forty-one projects have been funded from different categories of the creative industry. At the end of the financial year, implementation of nineteen (19) projects was still ongoing, activities for eleven (11) projects have been completed pending closure, five (5) have been closed and six (6) projects have been terminated. The following are highlights on some of the on-going projects:

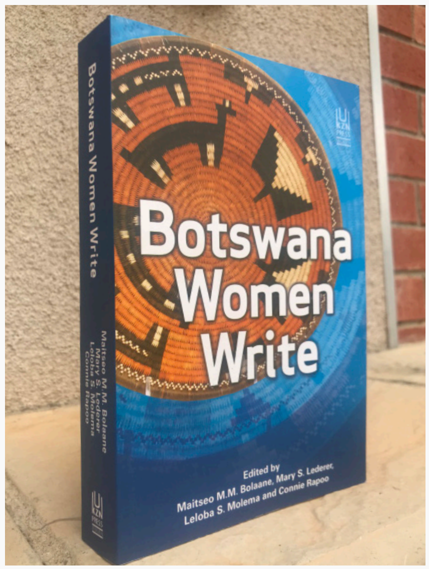
Editorial Team for Women Writing Botswana (An Anthology of Women's Writing In Botswana.)
Editorial Team for Women Writing Botswana is made up of four members who are women in the literary field, namely; Prof. Maitseo M. M Bolaane, Dr Mary S. Lederer, Dr Leloba S. Molema and Prof Connie Rapoo. The team was supported through the funds to undertake a project which aimed at producing and publishing an anthology of Botswana women's writings. The Beneficiary collected one hundred and forty-seven (147) texts and compiled them into a manuscript that has been published as Botswana Women Write

PERFORMANCE HIGHLIGHTS (Continued)

by the University of KwaZulu-Natal Press in Pietermaritzburg, South Africa. The contributors to the project are both published and unpublished Batswana women writers and they include some renowned writers such as Bessie Head, Dr Unity Dow, and Lauri Kubuitsile among others.

The anthology was launched on the 19th September 2019 at Maitisong Theatre, Gaborone.

The Copyright Administrator, Ms Keitseng N. Monyatsi, giving remarks at the launch of the Anthology. Picture credit: Mora Molema



The cover of the Anthology

Bakang Baloi *(Faces of Botswana)*
Faces of Botswana is a project by Mr Bakang Baloi (a photographer), which is a photographic celebration of culture through production of a coffee table book showcasing cultural images from the Kgalagadi and Ghanzi districts. The Beneficiary developed and published a coffee table book to celebrate the richness of Setswana culture, specifically traditional music and dance. In his words Mr Baloi says that Botswana is known for her pristine wilderness and as the world's largest gem diamond producer by value, which overshadows her cultural identity and diversity, hence the production of the book.

PERFORMANCE HIGHLIGHTS (Continued)

Mr Bakang Baloi giving remarks at the launch of the book.

The cover of the coffee table book

DEVELOPMENT OF THE NATIONAL INTELLECTUAL PROPERTY (IP) POLICY

Companies and Intellectual Property Authority (CIPA) in collaboration with the World Intellectual Property Organisation (WIPO) developed the draft IP Policy. The Policy aims at ensuring that the entire IP governance framework contributes to fostering and harnessing of the country's intellectual property potential for inclusive and sustainable economic growth and development. The Policy has been forwarded to Ministry of Investment, Trade and Industry (MITI) and will be presented to Parliament for Government adoption during the next financial year.

ESTABLISHMENT OF THE TECHNOLOGY AND INNOVATION SUPPORT CENTERS (TISC)

The Technology and Innovation Support Centre (TISC) Program is the World Intellectual Property Organisation's (WIPO) initiative that assists innovators and researchers in developing countries to access quality technological information, understand about IP generation & management and to exploit their innovation capacities. TISC's are meant to reduce the knowledge gap between developed and developing countries, promote technology transfer & commercialisation and assist innovators to create and protect their intellectual property rights.

In November 2019 five (5) research and academic institutions being Botswana College of Engineering and Technology (BCET), Botswana institute for Technology Research and Innovation (BITRI), Botswana International University of Science and Technology

PERFORMANCE HIGHLIGHTS (Continued)

(BIUST), University of Botswana (UB) and BOTHO University joined the Botswana TISC Network. BCET, BITRI and BIUST have set up the TISC centres and have started implementation. Further, CIPA participated in a Regional meeting on developing a Regional TISC Network for ARIPO Member States in Harare, Zimbabwe from the 19th – 20th September 2019. The purpose of the meeting was to develop the TISC Network and to agree on the activities to be undertaken on an annual basis within the member states and the region. Some of the proposed actions were in relation to awareness, capacity development and governance amongst others.

CHOBE BASKETS PROJECT

Companies and Intellectual Property Authority (CIPA), in collaboration with Department of Cooperatives and the World Intellectual Property Organisation (WIPO), have initiated a project which is to brand the Botswana Baskets to enable access to international markets. WIPO sent the feasibility study report on the 24th May 2019. The Department for Co-operative Development together with CIPA met on the 29th May 2019 and discussed the recommendations of the WIPO feasibility study and agreed with the recommendations. A draft working plan was received from WIPO through CIPA on the 3rd July 2019 and was approved. Regional offices affected by the plan were the Maun and Kasane regional offices.

The project started in the Chobe area in August 2019. The first phase which was 'Planning, launching and training ' took place on September 17 and 18, 2019 in Kasane, bringing together 31 basket weavers from Parakarungu, Satau, Kachikau, Mabele, Kasane and Kazungula in Chobe District, the north region of the country. The objective was to plan and launch a project to brand Chobe baskets. Basket weavers learned the trademark system and discussed the quality standards and the grading system of their baskets. A collective mark is the IP tool relevant to the project. The second phase was the 'Development of Mark, Standards and Regulations which the work took place in February 2020 and the last phase will be carried out in the next financial year.

NURTURING INNOVATION FROM GRASSROOT LEVEL

Companies and Intellectual Property Authority (CIPA), in collaboration with Ministry of Basic Education (MOBE), through Maths and Science Association (MSA), started a partnership to shape the innovation landscape in Botswana through promoting an innovation culture on secondary school students who participated in the MSA 2019 innovation exhibition as well as at colleges of education. CIPA facilitated presentations to students on Intellectual Property (IP) issues related to inventions. In addition, CIPA promoted and facilitated access to technologies from patent databases for technological advancement in order to assist the students to enhance their artefacts.

On the 10th until 18th September 2019, CIPA visited nine (9) secondary & senior schools and colleges of education across the country, namely; Seepapitso Senior School, Tsabong Unified School, Gantsi Senior School, Delta waters international school, Francistown Senior School, Selibi Phikwe Senior secondary School, Bobonong Secondary School, BIUST and Palapye Technical College. The purpose of the pilgrimage was to conduct presentations on IP and practical patent search sessions for the students. The information was pertinent for students to improve on their artefacts and subsequently file for patents, utility models and other IP related rights. CIPA's objective through this partnership is to encourage IP exploitation which will subsequently increase IP filings.

PERFORMANCE HIGHLIGHTS (Continued)

WORKSHOP TO FACILITATE ENTREPRENEURS WHO CREATE LOCAL PRODUCTS

Companies and Intellectual Property Authority (CIPA), in collaboration with Local Enterprise Authority (LEA), hosted a workshop for Tsabong entrepreneurs who created local products on the 10th June 2019. About 15 entrepreneurs attended the workshop, including representatives from the Department of Forestry and Range Resources. Following the workshop, site visits were conducted to their businesses on the 11th – 13th June 2019, to further advise the entrepreneurs on products that could be protected by the intellectual property system. About seven (7) entrepreneurs were advised individually during site visits on the specific IP protection they can take advantage of.

All the entrepreneurs were further advised that, when they work with research institutions, they should first engage CIPA to provide guidance on IP. Two (2) entrepreneurs filed for trademark protection immediately after the workshop. CIPA is continuing to make follow ups to encourage other entrepreneurs to protect their intellectual property that was identified during the visit. Additionally, an entrepreneur with a traditional/indigenous concoction was advised to apply for traditional knowledge (TK) protection and to keep some of the combinations a secret, as another form of IP protection (Trade secret), as the mixture on that form did not qualify for patentability.

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 2020

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
INDEX TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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 established in terms of the Companies and Intellectual Property Authority Act, 2011
Registered address:	Prime Plaza (21) Block A, Plot 74358 NEW CBD Gaborone
Postal address:	P O Box 102 Gaborone
Auditors:	Ernst & Young
Bankers:	Stanbic Bank Botswana Limited
Currency:	Botswana Pula (BWP)
Board of Directors (Non-Executive)	Mr Martinus Seboni (Board Chairperson) (Appointed – 01/10/2012) Mr Charles Siwawa (Board Vice Chairperson) (Appointed – 01/10/2012) Mr Phazha Butale (Board Member) (Appointed – 01/10/2014) Mr Tshiamo Motsumi (Board Member) (Appointed – 01/10/2018) Ms Goitseone Phorie (Board Member) (Appointed – 01/10/2018) Dr Bernard Bulawayo (Board Member) (Appointed – 01/10/2012) Ms Lorato Morule (Board Member) (Appointed – 01/10/2018)
Key Management (Executive)	Mr Conductor Paul Masena (Registrar General) Ms Pego M Aisam (Board Secretary and Legal Advisor) Mr Timothy Moalusi (Registrar – Industrial Property) Ms Ntesang Sebetso (Director–Compliance Awareness & Client Services) Ms Keitseng Monyatsi (Copyright Administrator) Ms Wincey Ramaphoi (Ag. Director – Corporate Services)(6 months) Ms Hilda Mocuminyane (Registrar – Companies & Business Names) Mr Greene Kamakama (Director – Information Technology) Mr Adam Marenga (Strategy Manager) Mr Bumo Nthoiwa (Internal Audit Manager)

CONTENTS

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF THE BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

The Members of the Board are required in terms of the Companies and Intellectual Property Authority Act, (Cap 42:13) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements. The annual financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Intellectual Property Authority Act, (Cap 42:13). The external auditors are engaged to express an independent opinion on the annual financial statements.

The Members of the Board acknowledge that they are ultimately responsible for the system of internal financial control established by the authority and place considerable importance on maintaining a strong control environment. To enable the Members of the Board to meet these responsibilities, the Members of the Board set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the authority and all employees are required to maintain the highest ethical standards in ensuring the authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the authority is on identifying, assessing, managing and monitoring all known forms of risk across the authority. While operating risk cannot be fully eliminated, the authority endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Members of the board are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement on loss. The Members have reviewed the Authority's cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the Authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 61 to 63. The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of the Members of the board and committees of the board. The Board believe that all representations made to the independent auditors during their audit are valid and appropriate.

Against this background the Members of the Board accept responsibility for the Annual Financial Statements on page 64 to 67. The annual financial statements and additional schedules set out on pages 64 to 100, which have been prepared on the going concern basis, were approved by the Board on **10 December 2020** and were signed on their behalf by:

____
Director

____
Director

EY
Building a better working world

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VAT No: PO3625401112
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Independent Auditor's Report

To the Members of the Board of Companies and Intellectual Property Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Companies and Intellectual Property Authority ("Authority") set out on pages 62 to 98 which comprise the statement of financial position as at 31 March 2020 and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Companies and Intellectual Property Authority as at 31 March 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Intellectual Property Authority Act (Cap 42:13).

Basis of 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 are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and other independence requirements applicable to performing the audit of the Authority and in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of the Authority and in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities as described in the Auditor's Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	**How the matter was addressed in the audit**
Initial adoption of IFRS 16 - Leases The Authority adopted, IFRS 16 – Leases ("IFRS 16") for the first time during the financial year ended 31 March 2020 to recognise, measure, present and disclose leases. In accordance with the requirements of IFRS 16 the Authority re-assessed the way in which it accounts for operating leases in Serowe, Francistown and Gaborone. Whereas such leases had previously been accounted for by straight-lining all unavoidable contractual lease payments over the lease term, the application of IFRS 16 required the Authority to recognise a lease liability reflecting the estimated present value of future lease payments and a right-of-use asset for such lease arrangements. In applying IFRS 16 for the first time the Authority adopted a modified retrospective approach in transitioning to the new standard. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.	Our audit procedures included amongst others, the following: • We evaluated management's policies and process put in place to capture and process the respective active leases in light of the requirements of the accounting standard. • We tested the completeness of the lease arrangements included in the computations by comparing lease commitments as at 31 March 2019 to the lease payments reflected in the IFRS 16 lease calculations, inspecting minutes of board meetings to identify new lease agreements, assessing the residual lease expenses not included in the measurement of the lease liability, for example, lease payments in relation to low value assets and short-term leases. • We tested the mathematical accuracy of management's lease liability and right of use asset computations. • We reviewed and assessed the terms and conditions of the underlying contracts and evaluated management's identification of relevant leases to determine whether the leases were correctly considered for adoption as required by the standard.

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The adoption of IFRS 16 resulted in the recognition of right-of-use assets of P13 984 003 (2019: PNil) and lease liabilities of P16 203 396 (2019: PNil) at 1 April 2019. The adoption of IFRS 16 was considered to be a matter of most significance to the current year's audit due to the first-time adoption of IFRS 16, the significance of the impact of the judgement applied by management, the relative complexity of measurement calculations and implicit requirement for completeness; accuracy and reasonableness of data input into the IFRS 16 calculation. In determining the impact, management applied judgements to conclude on certain key inputs into the calculations, namely the determination of the lease term where there are multiple renewal options and the determination of the incremental borrowing rate. Significant judgement was made in the determination of whether an arrangement contains a lease, whether there is an identifiable asset, whether the Authority had the right to obtain substantially sole use of the asset throughout the period of the lease arrangement. Disclosures with respect to the application of IFRS 16 are disclosed in: • The "Summary of significant accounting policies" • Note 7 "Right of Use Asset – Leased Properties" and • Note 13 "Lease liabilities (IFRS 16)"	• We assessed the appropriateness of the judgements applied to the lease term through considering the terms and conditions of the underlying contracts, factors such as the Authority's budget planning cycle, past history of terminating or not renewing a lease, how far into the future the renewal option is exercisable and the likelihood of that option being exercised • We tested the accuracy of the underlying lease data by agreeing the information to original contracts. • We reviewed management's methodology for determining the discount rates used to calculate lease liabilities. • We evaluated the completeness and accuracy of the disclosures in accordance with the requirements IFRS 16: Leases.

Other Information

The Members of the Board are responsible for the other information. The other information comprises the information included in the 44 - page document titled "Companies and Intellectual Property Authority Annual Financial Statements for the year ended 31 March 2020" which includes the Statement of Responsibility by the Members of the Board, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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 on the other information received prior to the date of this auditor's report, 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 the Members of the Board for the Financial Statements

The Members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Intellectual Property Authority Act (Cap 42:13), and for such internal control as the 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, the 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 the Members of the Board either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting processes.

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.

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- 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 the Members of the Board.

- Conclude on the appropriateness of the Members of the Board's 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 the 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.

We also provide the Members of the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Members of the Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
Practising member: Thomas Chitambo
Partner
Membership number: 20030022
Certified Auditor
Gaborone

21 December 2020

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 P	2019 P
Subvention received from Government	1	55 646 549	45 529 809
Other income	1	9 351 027	7 428 932
Total income		64 997 575	52 958 741
Administration and other operating expenses	2	(58 640 238)	(54 243 747)
Operating (deficit)/surplus		6 357 337	(1 285 006)
Interest on Lease Liability	13	(1 822 882)	-
Interest income	4	96 725	145 203
Surplus/(Deficit) for the year		4 631 180	(1 139 803)
Other comprehensive income:		-	-
Total comprehensive income/(loss) for the year		**4 631 180**	**(1 139 803)**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 P	Restated 2019 P
ASSETS			
Non-current assets			
Property and equipment	6	14 021 288	14 426 325
Intangible assets	8	648 703	310 237
Right of Use Asset – Leased Properties	7	9 717 489	-
Right of Use Asset – Land and Building	7,1	2 545 600	-
Receivables and prepayment	9	1 094 875	423 897
		28 027 954	**15 160 459**
Current assets			
Lease Asset	10,1		3 544
Receivables and prepayments	9	5 608 116	4 516 814
Cash and cash equivalents	18	19 941 164	21 937 573
		25 549 280	**26 457 931**
Total assets		**53 577 234**	**41 618 390**
EQUITY			
Reserves			
Accumulated surplus		7 806 422	4 483 811
		7 806 422	**4 483 811**
LIABILITIES			
Non-current liabilities			
Capital Grant	12	12 872 864	11 853 939
Lease Liability (IFRS 16)	13	7 345 371	-
		20 218 235	**11 853 939**
Current liabilities			
Short term portion of Capital Grant	12	4 272 637	2 897 281
Short term portion of Lease Liability (IFRS 16)	13	4 817 122	-
Lease Liability (IAS 17)	10,2	-	914 369
Trade and other payables	14	6 685 386	8 752 342
Unspent grants received from Government	15	9 777 430	12 716 648
		25 552 575	**25 280 640**
Total liabilities		**45 770 812**	**37 134 579**
Total equity and liabilities		**53 577 234**	**41 618 390**

***refer to Note 29 for the restatement.**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2020

	Accumulated Funds P	Total P
Balance as at 01 April 2018	5 623 614	5 623 614
Total comprehensive income		
Deficit for the year	(1 139 803)	(1 139 803)
Balance as at 31 March 2019	**4 483 811**	**4 483 811**
Balance as at 01 April 2019	4 483 811	4 483 811
Adjustments due to adoption of IFRS 16		
Reversal of IAS 17 impact	910 825	910 825
Right of Use Asset and Lease Liability impact	(2 219 393)	(2 219 393)
Total comprehensive income		
Surplus for the year	4 631 180	4 631 180
Balance as at 31 March 2020	**7 806 422**	**7 806 422**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 P	2019 P
Cash flows from operating activities			
Cash utilised in operations	17	(160 755)	(2 748 340)
Net cash utilised in operating activities		**(160 755)**	**(2 748 340)**
Cash flows from investing activities			
Purchases of property and equipment	6	(3 731 416)	(7 043 388)
Purchases of intangibles	8	(451 278)	-
Proceeds from sale of property and equipment		20 410	11 972
Interest received	4	96 725	145 203
Net cash out flows from investing activities		**(4 065 559)**	**(6 886 213)**
Cash flows from financing activities			
Capital grants received	12&15	8 093 690	11 807 495
Payment of principal portion of lease liability	13	(4 040 903)	-
Payment of interest on lease liability	13	(1 822 882)	-
Net cash generated from financing activities		**2 229 905**	**11 807 495**
Increase in cash and cash equivalents		(1 996 410)	2 172 941
Cash and cash equivalents at beginning of the year		21 937 573	19 764 632
Cash and cash equivalents at end of the year	18	**19 941 164**	**21 937 573**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2020

General Information

The Companies and Intellectual Property Authority was established under the CIPA Act CAP 42:13 in November 2014. 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 authority names.

Registration of Business Names Act (CAP 42:05), which provides for registration of business names and 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.

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.

The Authority represents Botswana Government at the World Intellectual Property Organisation (WIPO), African Regional Intellectual Property Organisation (ARIPO), as well as the Corporate Registers Forum (CRF).

The entity is an Authority, a government parastatal, established and domiciled in Botswana. The financial statements set out on page 64 to 100 were approved by the Board of the Authority on the **10 December 2020.**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2020

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.

1.2 Property and equipment

All property and equipment are measured at historical cost less accumulated depreciation and impairment. 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:

Leasehold improvements	Lease period
Furniture and fittings	10 years
Computer Equipment	4 years
Motor Vehicles	5 years
Office Equipment	10 years

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 and equipment are classified as part of work in progress.

1.2 Property and equipment (continued)

An item of property and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Work in Progress is transferred to the applicable asset category upon completion of the asset.

1.3 Intangible assets

Computer Software

Intangible assets consist of computer software which is stated at cost, less amortisation and provisions of impairment, if any. The identifiable and directly associated external and internal costs of acquiring software are capitalised where the software is controlled by the Authority, and where it is probable that future economic benefits that exceeds its costs will flow from its use over more than one year. Costs associated with maintaining software are recognised as an expense when incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Authority are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use.
- Management intends to complete the software and use or sell it.

- There is an ability to use or sell software.
- It can be demonstrated how the software will generate probable future economic benefits.
- Adequate technical, financial and other resources to compete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant over-heads. Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over 4 years.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.4 Impairment of non-financial assets (continued)

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Authority estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

1.5 Financial assets

1.5.1 Classification and measurement of financial assets

Financial assets are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that do not meet the criteria to be measured at amortised cost or FVOCI are measured at FVPL. The Authority designates instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates, or significantly reduces, a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement.

1.5.2 Receivables

Receivables are classified at amortised cost and are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Authority's financial assets at amortised cost includes other receivables.

1.5.3 Cash and Cash Equivalents

Cash and cash equivalents comprise of cash at banks and in hand and short-term deposits with an original maturity of three months or less.

1.5.4 Impairment of financial assets

The Authority records allowances for all expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The Authority has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

- To calculate ECL, the Authority will estimate the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Authority under the contract; and

- The cash flows that the Authority expects to receive, discounted at the effective interest rate of the loan.

1.5.5 Derecognition of financial assets

The Authority derecognises it's financial assets when:

- The rights to receive cash flows from the asset have expired or;
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Authority has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Authority continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Authority also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Authority has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Authority could be required to repay.

1.6 Financial liabilities

1.6.1 Classification

The Authority classifies its financial liabilities in the following categories: at fair value through profit or loss, loans and borrowings, or payables.

Financial liabilities are recognised initially at fair value and, in the case of accounts payable, net of directly attributable transaction costs.

1.6.2 Trade and other payables

Trade and other payable are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

1.6.3 Derecognition of financial liabilities

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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 expenditure required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in profit or loss.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2020

1.8 Foreign currency translation

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.

1.9 Revenue

1.9.1 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.

Government subventions relating to a particular period with no condition but to support yearly operating activities, are recognised in profit and loss upon receipt and when there is a reasonable assurance that the subventions will be received. Grants from the Government are initially recognised to unspent grants under current liabilities in the statement of financial position, once there is reasonable assurance that the Authority will comply with the conditions attaching to them (as applicable) and it is reasonably assured that the grant will be received.

Grants from the Government are recognised at their fair value. Grants relating to the acquisition of property and equipment are recorded at fair value where there is 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 statement of financial position as a liability. The armotisation 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. The grant is armotised over the useful life of the related asset.

Unspent Grants received for expenses are recognised in the statement of comprehensive income in the period in which the related expenditure is incurred. Grants received for which the related expense has not been incurred are included in current liabilities as unspent grants received from Government.

Unspent Grants received for capital assets are transferred to Capital Grants in the statement of financial position in the period which the asset is bought. Grants received for the related assets which has not been bought, are included in current as unspent grants received from Government.

1.9.2 Revenue recognition

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

Fees and other income – Fees and other income are recognised in the accounting period in which they accrue.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2020

1.9.4 Revenue arises mainly from the WIPO and ARIPO fees

The Authority as a member of both World Intellectual Property Organization (WIPO) and African Regional Intellectual Property Organization (ARIPO) receives a portion of fees collected by either organization or behalf of its members and shared accordingly. These fees should form part of funds collected on behalf of the Government of Botswana and should be remitted to the government consolidated fund. However, an agreement was made with the government to retain the fees to supplement the subvention/funding from government. These funds are, therefore, a subvention from government.

1.10 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% authority contribution and 4% employee contribution on the basic salary. For employees who are on contract, 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.

1.11 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. This policy relates to periods to April 1, 2019.

1.11.1 Leases

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. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on balance sheet model.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Authority as a lessee:

Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.

The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.

The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.

The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability.
The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.

Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.

The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.

Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

1.11.2 Transition to IFRS 16

The authority adopted IFRS 16 using modified retrospective approach, with the cumulative effect of adopting IFRS 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated. For contracts in place at the date of initial application, the authority has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the authority has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 MARCH 2020

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 11.25%.The Authority has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Leases previously recognized as operating lease

The authority undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the authority's incremental borrowing rate at the date of initial application.
- recognised right-of-use assets measured on a lease by lease basis, at the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application).

The authority applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

The authority applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the authority applied a single discount rate to that portfolio;
- applied the exemption not to recognise right-of-use asset and liabilities for leases with less than 12 months of lease term;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term when considering options to extend and terminate leases.

Net carrying amounts of right of use assets

The carrying amounts of right-of-use assets relate to the following category of assets:

	2020 P	2019 P
Land and Building	2 545 601	-
Buildings other	9 717 489	-
	12 263 090	**-**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES (continued)
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Depreciation recognised on right-of-use assets

Depreciation recognised on right-of-use assets, is presented below. It is included in depreciation which has been expensed in the total depreciation charge in profit or loss (note 2).

	2020 P	2019 P
Land and Building	34 400	-
Buildings other	4 266 514	-
	4 300 914	**-**

Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	5,863,785	-
Two to five years	14,583,435	-
	20,447,220	-
Less finance charges component	(4,243,824)	-
	16,203,396	**-**
Non-current liabilities	12,162,493	-
Current liabilities	4,040,903	-
	16,203,396	**-**

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

	Carrying amount at 31 March 2019	Remeasurement	IFRS 16 Carrying amount at 1 April 2019
Right-of-use assets	-	13,984,003	13,984,003
Lease liability	-	(16,203,396)	(16,203,396)
		(2,219,393)	**(2,219,393)**

Total operating lease commitments disclosed at 31 March 2019	22,147,740
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Operating lease liabilities before discounting	22,147,740
Discounted using incremental borrowing rate	(5,944,343)
Total lease liabilities recognised under IFRS 16 at 1 April 2019	**16,203,396**

2.1 Financial risk factors

The Authority's activities expose it to very minimal 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 Members 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 balances 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 and other receivables. 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 funding through an adequate amount of committed credit facilities and the ability to close out market positions.

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

(c) Liquidity risk

	0-3 months P	3-6 months P	6-12 months P	Total P
At 31 March 2020				
Financial Assets				
Receivables	5 064 861	-	-	**5 064 861**
Cash and cash equivalents	19 941 164	-	-	**19 941 164**
	25 006 025	**-**	**-**	**25 006 025**
Financial Liabilities				
Trade payables	1 850 251	-	-	**1 850 251**
Staff terminal benefits provision	-	4 581 343	-	**4 581 343**
Audit fees provision	-	253 792	-	**253 792**
	1 850 251	**4 835 135**	**-**	**6 685 386**
Net liquidity gap	**23 155 774**	**(4 835 135)**	**-**	**18 320 639**
At 31 March 2019				
Financial Assets				
Receivables	4 636 120	-	-	**4 636 120**
Cash and cash equivalents	21 937 573	-	-	**21 937 573**
	26 573 693	**-**	**-**	**26 573 693**
Financial Liabilities				
Trade payables	3 470 776	-	-	**3 470 776**
Staff terminal benefits provision	-	6 037 516	-	**6 037 516**
Audit fees provision	-	158 419	-	**158 419**
	3 470 776	**6 195 935**	**-**	**9 666 711**
Net liquidity gap	**23 102 917**	**(6 195 935)**	**-**	**16 906 982**

2.3 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 funded by Government and therefore not subject to capital risk.

2.4 Fair value estimation of financial instruments

Financial instruments consist of other receivables, bank and cash balances and other accounts payables resulting from normal business operations. The carrying amounts are assumed to approximate the fair values due to the short-term nature of the instruments. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 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.

Residual value and useful lives of property and equipment

The Authority determines the estimated useful lives and related depreciation charges for its property 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.

IFRS 16 Leases- Estimating the incremental borrowing rate

The Authority cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Authority would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Authority "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Authority estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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New standards and interpretations issued but not yet effective

Standard/Interpretation		Effective date
IFRS 3 Business Combinations	Amendments to IFRS 3. Definition of a business.	Annual periods beginning on or after 1 January 2020
IFRS 7 Financial Instruments: Disclosures	Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7	Annual periods beginning or after 1 January 2020
IFRS 9 Financial Instruments	Interest Rate Benchmark Reform: The amendments to IFRS 9, IAS 39 and IFRS 7	Annual periods beginning on or after 1 January 2020
IFRS 16 Leases	COVID-19-Related Rent Concessions	Annual periods beginning or after 1 June 2020
IFRS 17 Insurance contracts	▪ IFRS 17 creates one accounting model for all insurance contracts.	Annual periods beginning or after 1 January 2021
IAS 1 Presentation of Financial Statements	▪ Definition of Material ▪ Classification of Liabilities as Current or Noncurrent: Narrow-scope amendments to IAS 1 to clarify how to classify debt and other liabilities as current or non-current.	Annual periods beginning or after 1 January 2020 Annual periods beginning or after 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	▪ Definition of Material:	Annual periods beginning or after 1 January 2020
IAS 16 Property, Plant and Equipment	Property, Plant and Equipment: Proceeds before Intended Use.	Annual periods beginning or after 1 January 2022
IAS 28 Investments in Associates and Joint Ventures	▪ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28):	The effective date of this amendment has been deferred indefinitely until further notice
IAS 39 Financial Instruments: Recognition and Measurement	Interest Rate Benchmark Reform:	Annual periods beginning or after 1 January 2020

There will be no impact on the annual financial statements for the Authority as a result of these New standards and interpretations issued but not yet effective.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
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FOR THE YEAR ENDED 31 MARTH 2020

		2020 P	2019 P
1 Subvention and Other Income[1]			
Subvention from government		55 646 549	45 529 809
Fees from [2]ARIPO		2 893 727	2 736 079
Fees from [3]WIPO		2 103 820	1 775 822
Other income		71 464	19 750
Amortisation of capital grants	**(note 12)**	4 272 637	2 897 281
Profit on disposal of fixed asset		9 379	-
		64 997 575	**52 958 741**

Amount recognised as income includes amortisation of grants previously received to fund capital expenditure. There were no unfulfilled conditions or contingencies attached to these income and capital grants. The Government of Botswana provides funding to the Authority by way of annual subvention from the Consolidated and Development Fund.

		2020 P	2019 P
2 Surplus/(Deficit) from Operations			
The following items have been charged/(credited) in arriving at the operating (deficit) / surplus:			
Auditors remuneration		351 629	154 942
Accessible Books Consortium Project		19 436	121 767
Unspent grant released		(19 436)	(121 767)
Consultancy fees		224 975	201 447
Directors Emoluments		262 213	186 936
Depreciation	**(note 6&7)**	8 426 338	2 784 468
Amortisation	**(note 8)**	112 813	112 813
Forensic audit		76 493	7 984
Unspent grant released		(76 493)	(7 984)
Insurance		160 856	170 049
Rental levies		450 213	-
Local and international travel		1 035 198	975 578
National Strategy for Creative Industries		1 748 305	990 213
Unspent grant released		(1 748 305)	(990 213)
Other office and administration expenses		6 754 529	7 438 856
[4]OBRS Expenses		3 571 177	1 709 824
Printing and stationery		197 035	668 418
Rent expenses		-	6 416 662
Repairs and maintenance		532 828	470 885
Study on the Economic Contribution of copyright		62 820	1 075 429
Unspent grant released		(62 820)	(1 075 429)
Software licences		2 930 335	2 556 929
Staff cost	**(note 3)**	33 630 099	30 395 941
		58 640 239	**54 243 747**

[2]ARIPO - African Regional Intellectual Property Organization
[3]WIPO - World Intellectual Property Organization
[4]OBRS - Online Business Registration System - This is a new online business registration which launched in June 2019 post the 2019 financial year, these expenses relates to preparing the organisation for this system.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

		2020 P	2019 P
3	**Staff Costs[5]**		
	Salaries and wages	21 794 997	19 426 556
	[6]Other Staff benefits	6 934 989	6 471 912
	Pension fund contributions	2 397 915	2 037 267
	Medical aid contributions	472 828	442 779
	Contract gratuity and severance payments	2 029 371	2 017 427
		33 630 099	**30 395 941**
	Average number of employees	**97**	**88**
4	**Finance Income**		
	Interest Received		
	Bank	**96 725**	**45 203**

5 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 52:01)

[6]OTHER STAFF BENEFITS INCLUDES - Overtime, Leave Expense, Utility Allowance, Car Allowance, Housing Allowance, Entertainment, Acting Allowance, Staff Training and Development, Staff Recruitment, Staff Welfare, Membership Fees, Insurance-Group Life, Insurance-Workmen's Compensation, Temporary Staff

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

6 Property and Equipment

	Motor Vehicles	Computer Equipment	Furniture & Fittings	Office Equipment	Leasehold Improvements	Work in Progress	Total (cost)
Year ended 31 March 2019							
Opening net book value	801 633	2 446 408	1 283 462	292 435	-	5 358 909	10 182 847
Transfers	-	-	3 182 849	480 558	5 722 494	(9 385 901)	-
Additions	-	2 376 105	240 142	400 150	-	4 026 992	7 043 389
Disposal (Cost)	-	(17 647)	-		-		(17 647)
Depreciation	(272 971)	(1 257 178)	(511 690)	(79 942)	(662 687)		(2 784 468)
Depreciation on disposal	-	2 205	-	-	-	-	2 205
Net book value at the Year end	**528 662**	**3 549 893**	**4 194 763**	**1 093 200**	**5 059 807**	**-**	**14 426 325**
At 31 March 2019							
Cost	2 278 058	6 706 249	5 241 268	1 236 962	5 722 495	-	21 185 032
Accumulated depreciation	(1 749 396)	(3 156 356)	(1 046 505)	(143 762)	(662 687)	-	(6 758 706)
Net book value	**528 662**	**3 549 893**	**4 194 763**	**1 093 200**	**5 059 807**	**-**	**14 426 325**
Year ended 31 March 2020							
Opening net book value	528 662	3 549 893	4 194 763	1 093 200	5 059 807	-	14 426 325
Additions	891 398	2 451 962	290 825	97 230	-	-	3 731 416
Disposals (Cost)	-	(36 745)	-	-	-	-	(36 745)
Depreciation	(367 610)	(1 884 373)	(695 211)	(127 633)	(1 050 596)	-	(4 125 424)
Depreciation on Disposals	-	25 714	-	-	-	-	25 714
Closing net book value	**1 052 450**	**4 106 452**	**3 790 377**	**1 062 797**	**4 009 211**	**-**	**14 021 288**
At 31 March 2020							
Cost	3 169 456	9 158 212	5 532 093	1 334 193	5 722 495	-	24 916 448
Accumulated depreciatiation	(2 117 006)	(5 051 760)	(1 741 716)	(271 395)	(1 713 283)	-	(10 895 161)
Net book value	**1 052 450**	**4 106 452**	**3 790 377**	**1 062 797**	**4 009 211**	**-**	**14 021 288**

7 Right of Use Asset – Leased Properties

	Lease Asset - Serowe	Lease Asset - Francistown	Lease Asset - Gaborone	Total (cost)
Year ended 31 March 2020				
Opening book value	-	-	-	-
Initial transition impact	302 488	1 474 726	12 206 789	13 984 003
Depreciation	(172 850)	(431 627)	(3 662 037)	(4 266 514)
Net book value at the year end	**129 638**	**1 043 099**	**8 544 752**	**9 717 489**
At 31 March 2020				
Cost	302 488	1 474 726	12 206 789	13 984 003
Accumulated depreciation	(172 850)	(431 627)	(3 662 037)	(4 266 514)
Net book value	**129 638**	**1 043 099**	**8 544 752**	**9 717 489**

Leased Properties

The Authority is a lessee for the leasing of the three buildings for its operation in the different regions which include Serowe, Francistown and Gaborone.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

7,1 Right of Use Asset – Land and Building

	Land	Building	Total
Year ended 31 March 2020			
Opening book value	-	-	-
Received as grant	815 850	1 764 150	2 580 000
Depreciation/Amortisation	(10 879)	(23 522)	(34 400)
Net book value at the year end	**804 972**	**1 740 629**	**2 545 600**
At 31 March 2020			
Cost	815 850	1 764 150	2 580 000
Accumulated depreciation	(10 879)	(23 522)	(34 400)
Net book value	**804 972**	**1 740 629**	**2 545 600**

Land and Building

The Authority received a grant in the form of Land and Building from the government of Botswana. The grant is not subject to any condition and comes as a result of agreement to attain ownership of all assets and liabilities that were previously under custody of ROCIP (now CIPA). The property is Lot 28049, Maun located within Old Mall in Maun adjacent to the Rural Administration Centre. These were capitalized on the 1st of August 2019 when the Authority received legal title to the property. The property is held under **Memorandum of Agreement of Lease** for 50 years registered in the Deeds office of Botswana under **No. FT TL 592/2019** for commercial use. The agreement is subject to renewal upon the lapse of the initial lease period. The improvements on the plot comprise a single-story commercial building, an outbuilding and a carport. The property is held for own use and not as investment property. Management however, notes that this may change in the future. It is used as office for Maun branch.

The property was valued using the **market approach** to establish its open market value for capitalization purposes and to determine the value of the grant. Land was valued at **P815 850** and Building at **P1 764 150**, the total of this non-monetary grant is **P2 580 000.** The valuer for the property was Tony Kabaghe of Willy Kathurima Associates (Pty) Ltd. He holds MREIB and is registered with RICS and Real Institute of Botswana.

The land and buildings were recognised at values which equate to the "fair value" and not the "original cost".

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
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		2020 P	2019 P
8	**Intangible assets**		
	Opening net book value		
	01 April	310 238	423 051
	Addition (WIP PMS Software)	451 278	-
	Amortisation	(112 813)	(112 813)
	Net book value	**648 703**	**310 238**
	As at 31 March		
	Cost	902 532	451 254
	Accumulated amortisation	(253 830)	(141 017)
	Net book value	**648 703**	**310 237**
9	**Receivables and prepayments**		
	Receivables and prepayments	6 702 990	4 940 711
		6 702 990	**4 940 711**
	At the reporting date receivables and prepayments can be analysed as follows;		
	Short term portion	5 608 116	4 516 814
	Long term portion	1 094 874	423 897
		6 702 990	**4 940 711**
	The amounts of receivables and prepayments are as follows;		
	Fees receivable – ARIPO	2 512 232	2 436 401
	Fees receivable - WIPO	2 103 820	1 775 822
	Security Deposit - Rental	423 897	423 897
	Prepayments – Software Licenses	1 638 130	304 591
	Staff advances and Imprest	24 912	-
		6 702 990	**4 940 711**

The carrying amounts of the Authority's receivables and prepayments are denominated in Botswana Pula. Refer to Note 29 for restatement of prior year amounts.

10 Lease assets and liabilities

The balances below relates to accruals and receivables recognised as a result of straight-lining operating lease payments under IAS 17 in the prior-year and have subsequently been derecognised upon transition to IFRS 16.

		2020 P	2019 P
10.1	**Lease assets**		
	Serowe	-	3 544
		-	**3 544**
10.2	**Lease liabilities**		
	Serowe	-	57 968
	Francistown	-	73 803
	Gaborone	-	782 597
		-	**914 369**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

11 Financial instruments by category

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

	2020 P	2019 P
Financial assets as per the statement of financial position		
Financial Assets at amortised cost		
Receivables	5 064 861	4 636 120
Cash and cash equivalents	19 941 164	21 937 573
	25 006 025	**26 573 693**
Financial liabilities as per the statement of financial position		
Financial liabilities		
Trade and other payables (note 13)	6 685 386	8 752 342
	6 685 386	**8 752 342**

11.1 Financial risk management objectives and policies

The main risks arising from the Authority's financial instruments are interest rate risk, credit risk and liquidity risk. The Authority does not hold any derivative financial instruments.

11.2 Credit Risk

The Authority has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk is the risk that the regulated and supervised institutions and other counterparties will not be able or willing to pay or fulfil their obligations in accordance with the CIPA Act. The Authority is exposed to credit risk through its cash balances that are placed with local banks. Reputable financial institutions are used for investing purposes. All cash and cash equivalents are placed with financial institutions registered in Botswana. The maximum exposure to credit risk is represented by the carrying amount of accounts receivable and cash and cash equivalents, as shown in the Statement of Financial Position. The Authority assessed that there is no ECL impact on trade receivables and cash and cash equivalents.

11.3 Significant concentration of Credit Risk

Financial assets that potentially subject the Authority to concentrations of credit risk consist primarily of cash and cash equivalents, as well as accounts receivable. Cash and cash equivalents are placed with reputable financial institutions in the normal course of trading. The Authority does not engage in any other investment portfolios. Expertise and controls have been put in place to manage credit risk.

The Authority does not have any significant credit risk exposure to any single counterparty.

11.4 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Financial instruments that are sensitive to interest rate risk are bank balances and cash (refer note 16). The Authority has no long-term significant interest-bearing assets. Since the Authority receives funds from Government on a quarterly basis, which are linked to expenditure, it does not engage in long-term investments which attract significant interest rates.

The Authority is also monitoring instructions from the Central Bank on issues relating to interest rates trends.

The following table demonstrates the sensitivity to reasonably possible changes in interest rates with all other variables held constant.

Financial instruments that are sensitive to interest rate risk are summarised as follows:

	2020	2019
Call account	19 941 164	21 937 573
	19 941 164	**21 937 573**

The following interest rates were applicable during the year:

Call accounts	0.05%	0.05%

With average interest rates applicable as disclosed above, an increase of 50 basis points in interest rates during the reporting period would have (increased)/decreased operating deficit as follows:

Call accounts	9 971	10 969
Net decrease in operating deficit/increase in operating surplus	**9 971**	**10 969**

A 50-basis point decrease in interest rates during the reporting period would have had the equal but opposite effect on the reported operating deficit to the amounts disclosed above, on the basis that all other variables remain constant.

11.5 Liquidity risk

The Authority's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, without incurring losses or risking damage to the Authority's reputation.

The ultimate responsibility for liquidity risk management rests with the Board, which has established appropriate liquidity risk management procedures for the management of the Authority's funding and liquidity management requirements. The Authority manages liquidity risk by maintaining adequate cash and cash equivalents to settle liabilities when they become due, by continuously monitoring forecast and actual cash flows, and by matching the Government Subvention to the maturity profile of the financial liabilities.

The following table summarises the maturity profile of the Authority's financial liabilities as at 31 March 2020 based on contractual undiscounted payments:

2020	Carrying amount	Contractual cash flows	Within 1 year
Trade payables	1 850 251	(1 850 251)	(1 850 251)
Other payables	4 835 135	(4 835 135)	(4 835 135)
	6 685 386	**(6 685 386)**	**(6 685 386)**

2019	Carrying amount	Contractual cash flows	Within 1 year
Trade payables	3 470 776	(3 470 776)	(3 470 776)
Other payables	6 195 935	(6 195 935)	(6 195 935)
	9 666 711	**(9 666 711)**	**(9 666 711)**

11.6 Fair Values

Due to the short-term nature of all financial assets and financial liabilities, the amortised cost approximates their fair value.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)
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11.7 Capital management

Capital consists of the line item "accumulated funds'' in the Statement of Financial Position. The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern in order to perform the mandate for which it was created. Management is of the view that these objectives are being met. During the reporting period, the Authority did not have borrowings. As a government owned institution, the Authority is supported by the Government of the Republic of Botswana, which currently provides the necessary support to sustain the operations of the Authority.

12 Capital Grant

		2020 P	2019 P
Opening balance		14 751 220	10 605 114
Grant received in respect of Land and Building		2 580 000	-
Transfer from unspent grant utilised to capital grant	**(note 15)**	4 002 428	6 820 558
Grant received		84 490	222 829
Amortisation	**(note 1)**	(4 272 637)	(2 897 281)
Balance at the end of the year		**17 145 501**	**14 751 220**

At the reporting date the capital grants can be analysed as follows;

	2020	2019
Short term portion	4 272 637	2 897 281
Long term portion	12 872 864	11 853 939
	17 145 501	**14 751 220**

13 Lease Liabilities (IFRS 16)

	2020	2019
Opening balance	16 203 396	-
Lease payment	(5 863 785)	-
Interest	1 822 882	-
Closing Balance	**12 162 493**	**-**

At the reporting date the lease liabilities can be analysed as follows;

	2020	2019
Short term portion	4817 122	-
Long term portion	7 345 371	-
	12 162 493	**-**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
Serowe	P	P
Opening balance	427 552	-
Lease payment	(277 540)	-
Interest	48 100	-
Closing Balance	**198 112**	**-**
Francistown		
Opening balance	1 657 976	-
Lease payment	(580 944)	-
Interest	186 522	-
Closing Balance	**1 263 554**	**-**
Gaborone		
Opening balance	14 117 868	-
Lease payment	(5005 302)	-
Interest	1 588 260	-
Closing Balance	**10 700 827**	**-**

14 Trade and Other Payables

	2020	2019
Trade payables	1 850 251	2 556 407
Staff terminal benefit provisions	4 581 343	6 037 516
Provision for Audit fees	253 792	158 419
	6 685 386	**8 752 342**

The average credit period on purchases of certain goods is 30 days.
The Board consider that the carrying amount of trade and other payables approximates their fair values.

Movement Schedule for provisions

	2020	2019
Leave provision		
Opening balance	1 958 537	1 852 626
Leave provision for the year	1 480 259	1 218 626
Payments	(1 321 995)	(1 112 715)
Closing Balance	**2 116 801**	**1 958 537**
Gratuity provision		
Opening balance	4 078 978	2 953 745
Gratuity for the year	2 029 371	2 017 427
Payments	(3 643 807)	(892 193)
Closing balance	**2 464 543**	**4 078 978**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

	2020 P	2019 P
Audit fees provision		
Opening balance	158 419	180 708
Provision for the year	253 792	154 941
Payments	(158 419)	(177 230)
Closing balance	**253 792**	**158 419**

Total provisions relate to gratuity and leave as at the reporting date. The Gratuity provision is calculated in accordance with the respective contracts of employment. Leave provision is calculated based on accrued leave days not taken during the year, while leave travel is a contractual benefit payable after every two years of service.

15 Unspent grants received from Government

		2020 P	2019 P
Opening balance		12 716 648	11 857 756
Grant received during the year			
Assets		8 000 000	11 340 000
Expenses		9 200	244 666
Grants utilised to defray expenses and finance additions to assets during the year			
Assets	**(note 12)**	(4 002 428)	(6 820 558)
Expenses		(6 945 992)	(3 905 216)
Closing balance		**9 777 430**	**12 716 648**

Closing balance relates to unspent amounts received with respect to:

	2020 P	2019 P
Information Technology Equipment	1 232 877	-
Study on the Economic Contribution of Copyright	-	25 620
Maun Office Design & Partitioning	1 033 155	1 500 000
Online Business Registration	4 396 078	5 762 299
Performance management system	844 292	1 295 570
Project - National Strategy for Creative Industries	2 261 482	4 009 787
Project - Accessible Books Consortium	9 545	28 981
Event - Honouring Former LTDF Committee Members	-	17 898
Forensic audit	-	76 493
	9 777 430	**12 716 648**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

16 Related Party Transactions

Formerly the Registrar of Companies and Intellectual Property (ROCIP), The Companies and Intellectual Property Authority (CIPA) was established by an Act of Parliament in 2011 (Companies and Intellectual Property Authority Act, (Cap. 42:13) to promote and enable full protection of the rights of investors and right holders obtained under the Companies Act, Registration of Business Names Act, Industrial Property Act and Copyright and Neighbouring Rights Act.

Transactions with related parties was compensation paid to key management, subvention income & capital grants received from the Government of Botswana and rental received from CEDA (other parastatal) for prior year.

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:

	2020 P	2019 P
Board fees	262 213	186 936
Compensation paid to executive management	6 510 673	6 920 316
	6 772 886	**7 107 252**

Compensation paid to executive management comprises of;

Salaries and allowances	5 417 575	5 759 367
Gratuity	1 093 099	1 160 949
	6 510 673	**6 920 316**

The Companies and Intellectual Property Authority is a parastatal under the Ministry of Investment, Trade and Industry (MITI) of the Government of Botswana. Other parastatals of the Government of Botswana are also considered related parties to CIPA. Private companies that the Government of Botswana has majority shareholding are also considered related parties. Transactions with related parties are in the normal course of business. The following transactions were carried out with related parties:

Botswana government and other parastatals[7]

Subvention income received from Government	55 646 549	45 529 809
Unspent grants received from Government	9 777 430	12 716 649
Amounts paid to Water Utilities Corporation	7 230	6 033
Amounts paid to Botswana Unified Revenue Services	4 948 513	4 326 642
Amounts paid to Botswana Power Corporation	82 089	531 642
Amounts paid to Botswana Telecommunications Corporation	1 301 288	1 263 546
	71 763 100	**64 374 321**

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2020

		2020 P	2019 P
17	**Cash Utilised in Operations**		
	Surplus/(deficit) for the year	4 631 180	(1 139 803)
	Adjustment for non-cash items:		
	Depreciation and amortisation (note 6, note 8)	4 272 637	2 897 281
	Amortisation of capital grant	(4 272 637)	(2 897 281)
	Depreciation (ROUA)	4 266 514	-
	Unspent grant released for expenses	(6 945 992)	(3 905 216)
	Increase in lease liability	-	437 748
	Increase in lease asset	-	(3 544)
	(Gain)/Loss on disposal of property and equipment	(9 379)	3 470
	Interest paid on lease	1 822 882	-
	Interest income	(96 725)	(145 203)
		3 668 480	**(4 752 547)**
	Changes in working capital		
	Other receivables	(1 762 279)	(713 136)
	Trade and payables	(2 066 956)	2 717 343
	Cash utilised in operations	**(160 755)**	**(2 748 340)**

18 Cash and Cash Equivalents

	2020 P	2019 P
Call/current	19 941 164	21 937 573
	19 941 164	**21 937 573**

19 Contingent Liabilities

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

20 Commitments

Operating leases relate to the authority 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 for prior year is disclosed under note 2.

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

Future minimum lease payments

	2020 P	2019 P
Not later than one year	-	7 564 305
Later than 1 year but not later than 5 years	-	14 583 435
	-	**22 147 740**

21 Subsequent Events

COVID-19 was first diagnosed in Africa in March 2020 just before the CIPA financial year end date of 31 March 2020. The World Health Organization (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic on 11 March 2020. Many governments globally took increasingly stringent steps to help contain the spread of the virus. The Botswana Government introduced various measures including extreme social distancing measures to help curb the spread of the virus. As a result of that the country was placed under a nationwide lock-down on 02 April 2020. The results of the Authority for the period to 31 March 2020 were largely not affected by the closure of the local economy due to the government COVID-19 response.

In response to the catastrophic effects of the pandemic on lives and business activity, CIPA swiftly formulated and implemented a COVID-19 focused Business Continuity Plan ("BCP"). There has been no significant negative impact on the operations of CIPA as a result of the COVID-19 lockdown for the year ended 31 March 2020.

The disease has continued spreading globally beyond the CIPA reporting date and the full extent of the health and economic outcomes remain uncertain as the pandemic is an unprecedented challenge for humanity and for the economy globally.

Between the reporting date and the date these financial statements were approved by the CIPA Board, Management concluded that the effect of the pandemic and the measures taken to contain its spread were non-adjusting post-balance sheet events. Management has re-assessed the appropriateness of the use of the going concern assumption in the preparation of these financial statements and is of the view that the significant uncertainty associated with COVID-19 does not cast significant doubt on the Authority's immediate ability to continue as a going concern.

Without quantifying, due to the difficulty of doing so, Management has considered the following in its assessment of the impact of COVID-19 on CIPA thus far and prospectively.

22 Subventions from Government

The pandemic has cast a shadow over the global economy and with the limited fiscal runway available to most regional Governments to respond to the COVID-19 crisis it has been suggested that the GDP growth will decline, and this will have a notable impact on the local economy. Management believes that this dire situation may impact Government funding in the future and result in the total future budgeted subvention receivable for the year ending March 2021 being reduced by 5%. The subvention for the first quarter of the year ending 31 March 2021 was received by CIPA on 10 May 2020 and Management remains optimistic and focused on ensuring the fulfilment of the CIPA mandate and will continue to leverage on the momentum attained during the lock-down period.

23 Demand for services

The Authority was able to continue rendering services to the general public during the lockdown periods through the Online Business Registration System (OBRS) which is a platform that was introduced during the year and is available 24 hours a day and 7 days a week with no requirement for the general public to visit the CIPA offices.

Going forward, Management believes there will be no adverse impact on the OBRS network in terms of capacity/availability as appropriate measures have been taken to ensure stability of the OBRS platform.

24 Contractual modifications

There were no significant contract modifications that took place in the lock-down periods.

25 Supply chain

No major outages of the OBRS platform were experienced during the lock-down period as a result of unavailability of system support and supply chain delays. Following the easing of the lock-down restrictions in the month of June 2020, the majority of the Botswana based suppliers were largely able to restore services, support and capacity to pre-COVID levels.

26 Operating expenses

In response to some of the social distancing related protocols CIPA staff have had to work remotely from home. Management anticipates an increase in communication related costs. However, these costs are expected to be offset by office utility, conference / seminar attendance and travel cost savings.

Management anticipates that continued extreme social distancing and national lockdowns will negatively affect the progress for certain programmatic initiatives planned for 2020/2021.

27 Government stimulus package

The Government announced the introduction of The Economic Recovery and Transformation Plan (ERTP) as part of broad measures implemented to mitigate the impact of COVID-19 pandemic. CIPA is adequately prepared to meet the anticipated increase in online demand in company registrations ensuing from the roll-out of the Government stimulus package.

28 Going Concern

CIPA made a surplus of P4 527 443 for the year ended 31 March 2020, current assets exceeded current liabilities by P1 091 579, therefore the authority is able to meet its current obligations when they fall due. CIPA is dependent on the Ministry of Investment, Trade and Industry for financial and operational support. The Ministry had approved the Authority's 2020/2021 budget and subsequently cut the budget by 5% because of the consequences of the COVID-19 outspread. Management revised the budget to accommodate the subvention cut. However, the Authority continues to receive financial support from the Ministry through the payment of government subventions and grants.

The annual financial statements have been prepared on a going concern basis. Management 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 even with the current economic situation caused by the Covid 19 pandemic.

29 Prior period adjustment

In the past, a portion of the receivable did not meet IAS 1's criteria for classification as current asset, and this portion has now been shown as a non-current asset with prior periods restated.

The impact of the reclassification is as follows;

	2019 P	2018 P
Prior year presentation		
Current assets		
Receivables and prepayments	4 940 711	4 227 575
Current year presentation		
Non-current assets		
Receivables and prepayments	423 897	423 897
Current assets		
Receivables and prepayments (current portion)	4 516 814	3 803 678

30 Revenue Collected on Behalf of Botswana Government

The Authority collects revenue on behalf of the Government of Botswana through its services to the public. The revenue is collected through-out the financial year and remitted to the consolidated fund for the Government of Botswana after year end on the basis of directives received from the Government of Botswana and as the Authority continues to transition and implement new system. During the year the Authority collected P49 846 890 (2019 – P38 540 793) on behalf of the Government of Botswana. At 31 March 2019 CIPA held the amount of P85 674 045 (2019 – P38 307 050) in a separate bank account on behalf of the Government of Botswana. These amounts have not been included in the CIPA statement of comprehensive income and the statement of financial position.

31 Online Business Registration System (OBRS)

The Botswana Ministry of Investment, Trade and Industry (MITI) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT), jointly decided to implement the Business Registry Reform Programme to improve business enabling environments that support sustainable economic development in Botswana. This was intended to assist in developing solutions that will achieve faster, cheaper and more accurate business registration in Botswana.

The goal of the activity was to improve business enabling environments that support sustainable economic development in Botswana. The OBRS Project though it commenced in 2015 to allow for changes in laws was launched in June 3, 2019. The New Zealand Companies Office (NZCO), through New Zealand's Ministry of Business, Innovation and Employment, was engaged by MFAT to implement the OBRS as proposed. NZCO subcontracted third party service providers (Software Developers) being Foster Moore to deliver several components of the OBRS.

MFAT provided an indicative maximum funding amount of $1,050,000 New Zealand dollars to NZCO for the implementation of OBRS. No funding was committed or paid directly to MITI or the Government of Botswana as the funds paid the Developers through the agreed stages of the development of the system, through NZCO. Foster Moore has since signed a maintenance and support contract with CIPA renewed annually.

The OBRS was given to CIPA by MITI for implementation as dictated by the CIPA Act and mandate. OBRS is a non-cash contribution from the New Zealand Government. CIPA has been given right of use of the asset (OBRS) but does not have legal ownership or documents as proof to certify ownership. CIPA is in negotiations with MITI to get ownership of OBRS.